



King County

Metropolitan King County Council

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MEMORANDUM

DATE: June 6, 2007

TO: Councilmember Dow Constantine, Chair, Capital Budget Committee

FROM: Cheryle A. Broom, County Auditor
Ron Perry, Deputy County Auditor
Bob Thomas, Senior Principal Management Auditor

SUBJECT: Consultant Recommendations for Phase II: Jail Health Services,
Integrated Security Project

This memorandum presents a set of recommendations for the Jail Health Services (JHS) Phase II of the Integrated Security Project (ISP). These recommendations were made by consultants hired by the auditor's office to develop a council-mandated independent capital project oversight function within our office.

The recommendations overall call for department stakeholders to review all aspects of Phase II, to develop a clear statement of what is included (and not included) in Phase II, to establish formal protocols for communications, and to create a process for resolving disputes.

As the council staff report notes, most of the ISP will be completed this year. The remaining portion of the project, termed Jail Health Services Phase II, will continue into next year. At present, the final budget and a supplemental request have not yet been submitted by the executive, but are expected this summer.

Per council mandates, the King County Auditor's Office has been involved in oversight of the Integrated Security Project since 2003. Recently, the council directed the auditor to establish an independent capital project oversight process to oversee major capital projects in the county. The auditor's office engaged PMA Consultants and Saybrook Associates to review current practices and to develop a model for that oversight function.

In addition, PMA/Saybrook were tasked to provide interim recommendations on specific capital projects if the consultants deemed them necessary. The consulting team has transmitted six recommendations on the Phase II of the Jail Health Services portion of the ISP, and they are discussed below.

Audit staff have briefed council staff and the directors of the Department of Adult and Juvenile Detention (DAJD), Jail Health Services, the Department of Executive Services, and the Facilities Management Division (FMD) on the recommendations and their purpose.

Observations and Recommendations for ISP Phase II

PMA/Saybrook transmitted comments and six recommendations to the auditor's office. After collecting project information on ISP and interviewing personnel from all of the principal stakeholder agencies, the consultants found the following conditions:

- An apparent lack of understanding among stakeholders of the roles and responsibilities of the project team in terms of implementing the construction phase;
- Frequent change of supervisory level persons during the long project, thus losing institutional knowledge of design and construction plans and agreements; and
- Insufficient communication among project team on upcoming work and the prerequisites and planning needed to maintain the work schedule.

To address these issues, PMA/Saybrook made six recommendations (see Attachment A at the end of this memorandum). Overall, these recommendations suggest that the key stakeholders perform a scope review of all remaining contract work and any pending work identified by DAJD and JHS. The scope review process should be documented in writing and include:

1. The entire project team, as a single group, should conduct a review of **all remaining work** either now included in the ISP project contract or as proposed changes or any other perceived need to be added by means of a supplemental request.
2. The contractor should restate what is included in the remaining contract work items and review the remaining schedule. DAJD and JHS should state whether they agree or disagree.
3. DAJD and JHS should review any scope items that they wish to add to the project. Scope, responsibility, priority, and schedule for Phase II should be defined.
4. The project construction team should prepare an estimate and proposed schedule for the "not in contract" items. Estimate the impact on operational support costs.
5. Constituent departments should conduct a review of estimated cost and schedule in order to make decisions regarding adding the "new" items to the existing project or to handle as a new project. Document the review and finalize the appropriate amount of the proposed supplemental appropriation request which would then be submitted for council consideration.

6. The executive branch should appoint a single point of contact responsible for resolving any outstanding differences concerning project scope and budget and for reporting to the council on these items and on the forthcoming supplemental request.

The audit staff would also like to point out that these recommendations are supported by FMD and the project development manager, URS Inc. URS is considered the owner's representative on the project. It oversees the project and prepares monthly reports on the status of the project. The director of FMD has indicated a willingness to bring the project stakeholders together to begin the review process recommended by PMA/Saybrook.

An additional issue raised by the consultants, which has also been a long-standing concern of council and auditor staff who attend the monthly ISP Advisory Group, is that the reporting and tracking of construction support operational costs has not given an adequate portrayal of the status of the project. This is because there has been no forecast of operational costs compared to budgeted costs. Audit and council staff have a standing request that such forecasting be done, and have been told that such a forecast will be available in June.

Conclusion

The auditor's office supports the consultant's recommendations as a way to articulate and clarify the planning, design, schedule, and budget of Phase II of the ISP.

cc: Members of the Capital Budget Committee, Metropolitan King County Council

Attachment A

Recommendations regarding the Jail ISP project

PMA Consulting/Saybrook Associates

Perform a Scope Review of all remaining contract work and any pending work identified by DAJD and JHS by following a process as listed below:

1. DAJD and JHS are currently preparing a supplemental appropriation request for this project. We recommend that the entire project team review, as a single group, **all remaining work** either now included in the ISP project contract or as proposed to be added by means of this supplemental request or any other perceived need. It is imperative that the appropriate management level persons attend this meeting full time. FMD/URS would facilitate this meeting.
2. Have the contractor restate what is included in the remaining contract work items and review the remaining schedule. Have DAJD and JHS agree that the stated scope is acceptable from the operations point of view and supports the planned movement of inmates. If not, define what must be changed or added to reach acceptance. Document any items that must be modified or added.
3. Have DAJD and JHS review any scope items that they wish to add to the project. Define scope, and outline responsibility to perform. Determine the item's priority – is the work required for health, safety, or operational requirements? If it is, when is it required to be completed? Document the results of this scope review.
4. Have the project construction team prepare an estimate and proposed schedule for the “not in contract” items. Estimate the impact on operational support costs.
5. Review estimated cost and schedule and make decisions regarding adding the “new” items to the existing project or to handle using a new project. Document the review and finalize the appropriate amount of the proposed supplemental appropriation request which would then be submitted for Council consideration.
6. The Executive Branch should appoint a single point of contact responsible for resolving any outstanding differences concerning project scope, budget and to report to the Council on items 1 – 5 above and on the forthcoming supplemental request.