



KING COUNTY AUDITOR'S OFFICE

April 21, 2017

Follow Up on Courthouse Revitalization Audit

TO:




Metropolitan
King County
Councilmembers

FROM:

Kymber Waltmunson,
County Auditor

The Facilities Management Division (FMD) has made progress in addressing all five of our audit recommendations. This has resulted in preliminary steps toward an informed alternatives analysis for revitalizing systems in the King County Courthouse. For example, FMD has started implementing a plan to assess the future needs of the downtown campus and to use that assessment to inform an alternatives analysis. FMD and its consultant identified additional information about courthouse systems at risk of failure in a 2016 report, particularly those with life and safety risks and has communicated with tenants about specific risks related to the courthouse electrical distribution system. FMD needs to take additional actions to fully implement recommendations two through five, including continuing to implement and communicate its plans for completing an alternatives analysis based on the input and needs of stakeholders and aligning risk management efforts with the timeframe estimated to select an alternative. Continuing to make progress on these recommendations will help to give decision-makers a more accurate basis for alternatives to revitalizing systems in the courthouse and help courthouse tenants understand and respond to potential risks identified by FMD and its consultants.

Of the five audit recommendations:

	1		4		0
DONE		PROGRESS		OPEN	
Fully implemented		Partially implemented		Remain unresolved	
Auditor will no longer monitor.		Auditor will continue to monitor.		Auditor will continue to monitor.	

Please see below for details on the implementation status of these recommendations.



King County

Recommendation 1

DONE 

Facilities Management Division should suspend its procurement process to obtain a project manager and seek assistance as needed to manage funded project activities.

STATUS UPDATE: FMD suspended its request for proposal for a courthouse revitalization project manager in 2015. FMD is funded to complete a Courthouse Electrical Distribution System Project and to start work on a downtown civic campus plan. FMD has already selected a consultant and contractor to manage its Electrical Distribution System Project and the first phase of the campus planning effort in 2017. Suspending the hiring of a project manager specifically for a systems revitalization project and hiring assistance as needed prevented a premature use of county resources as an alternative for courthouse systems repairs or replacement had not yet been chosen.

Recommendation 2

PROGRESS 

The County Executive should determine the future space needs of the downtown campus and update the Real Property Asset Management Plan as mandated by King County Code 20.12.100.

STATUS UPDATE: The County Executive issued an updated Real Property Asset Management Plan (RAMP) on March 1, 2016. The updated RAMP has more information on short-term future space needs, but FMD acknowledges in the RAMP that assessment of future needs is limited. FMD plans to conduct a facility needs analysis from May 2017 to May 2018 as part of the campus planning effort, which includes identifying the future needs of stakeholders in the downtown Seattle campus. Long-term space planning and understanding the future needs for the downtown campus will help county agencies and leaders make fully informed decisions about investments in the courthouse.

To complete the implementation of this recommendation, FMD needs to document the future operational and space needs of the downtown campus it plans to identify through the facility needs analysis.

Recommendation 3

PROGRESS 

The County Executive should conduct and report on a thorough alternatives analysis that compares the status quo of maintaining the current courthouse to other viable alternatives based on the future needs of the downtown campus, the updated Real Property Asset Management Plan, and input from stakeholders.

STATUS UPDATE: The King County Courthouse Revitalization Building Systems Report that FMD provided to Council as a proviso response in August 2016 includes a high-level alternatives analysis. The report acknowledges that the alternatives analysis is not informed by the future needs of downtown tenants or input from stakeholders.¹ FMD plans to gather information on these elements as part of its facility needs analysis from May 2017 to May 2018 and will use that information to inform an alternatives analysis as part of its civic campus planning project. FMD estimates an alternatives analysis can be completed by the end of 2020.² A thorough alternatives analysis allows

¹ Proviso P5, Section 129 of Ordinance 17941 and Proviso P5, Section 41 of Ordinance 18239

² The current plan includes phases that will require Council input and funding decisions.

for informed decision-making about investments in the downtown campus and could reveal options that address funding and operational challenges for county agencies.

To complete the implementation of this recommendation, FMD will need to document and communicate a thorough alternatives analysis based on the future needs of the downtown campus, the updated RAMP, and input from stakeholders.

Recommendation 4

PROGRESS 

Facilities Management Division should conduct and document risk management planning to maintain county services in the courthouse for the number of years it will take to thoroughly explore alternatives and complete the systems revitalization or other alternative project.

STATUS UPDATE: FMD plans to use the Major Maintenance Reserve Fund prioritization process and the short-term repair list in the Building Systems Report to manage risk in the courthouse over the time needed to implement an alternative, which FMD estimates could take up to 10 years. The Building Systems Report includes information about courthouse systems risks and a list of prioritized projects that the consultant identified as presenting safety risks to building occupants, including the electrical distribution system, the water distribution system, and the fire suppression system. The Executive made an emergency declaration in August 2016 to allow FMD to replace or upgrade key components of the electrical distribution system, for which Council has appropriated up to \$11.6 million. FMD is also replacing several water pipes using existing funds. These steps have led to a better understanding of potential risks to systems in the courthouse and a documented list of prioritized projects.

While FMD has a list for future prioritized projects, its risk mitigation strategy leaves room for flexibility in what repair or replacement work is ultimately done. FMD will base these decisions on three criteria: 1) the necessity of the work; 2) the availability of funding; and 3) whether the work is in alignment with the direction of the ongoing downtown campus planning work. These repairs or replacements will take place over five to ten years, with total costs not quantified early enough to allow decision-makers, including the County Council to see the overall spending in the courthouse over this 10-year period, or how these risk mitigation strategies may impact the alternatives analysis process. FMD has not provided a clear plan as to how this information might be tracked and communicated as part of its risk management efforts.

To complete this recommendation, FMD needs to document how its risk management planning efforts in the courthouse align with the timeline for an alternatives analysis and how information about the collective financial impact of its risk management strategies will be communicated to Council.

Recommendation 5

PROGRESS 

Facilities Management Division should work with courthouse tenants and other stakeholders to understand, develop, and document action plans to mitigate potential impacts to operations in the event of failure of building systems.

STATUS UPDATE: FMD has communicated with tenants and stakeholders about risks and impacts to operations for specific projects, like the electrical distribution system project. FMD stated that tenant service level agreements provide direction to agencies about how to reduce their impact on

building systems. However, these agreements do not give specific information about courthouse systems risks as identified in the Major Maintenance Reserve Fund or Building Systems Report nor are the agreements specific to the risk mitigation strategies planned and timeline for the alternatives analysis. This approach might leave tenants without knowledge of FMD's risk management priorities and strategies tenants could employ to help keep the building operational while an alternative is being selected.

To complete this recommendation, FMD needs to document how it is communicating with courthouse tenants about systems risks, particularly over the estimated timeframe for reaching an alternative.

Elise Garvey, Management Auditor; Jane Vandenberg, Capital Projects Oversight Analyst; and Brooke Leary, Senior Principal Management Auditor conducted this review. Please contact Elise at 206-477-1038 if you have any questions about the issues discussed in this letter.

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