

# KING COUNTY AUDITOR'S OFFICE

## Capital Projects Oversight

### PSERN Project

January 9, 2018

## New Baseline Concerns

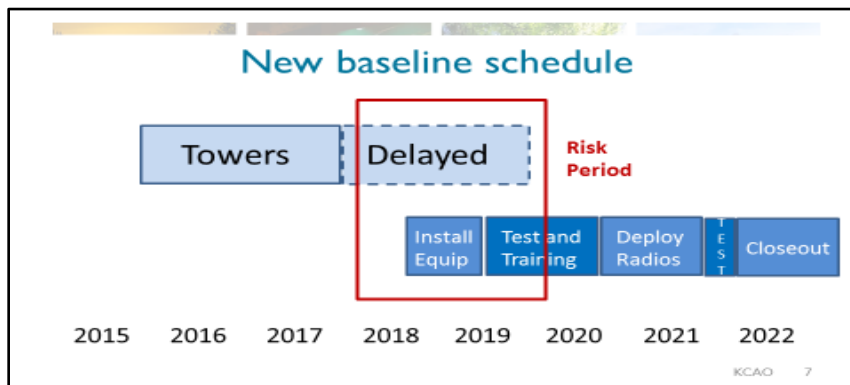
### Decision timeline

January 2018	February 2018	March 2018
Joint board on January 4 Scheduled budget decision	Motorola change order signed	PSERN MPA \$\$ request to Council

**Summary:** Several decisions expected first quarter 2018. PSERN performance to date suggests project milestones continue to be optimistic, possibly unrealistic. The next appropriation request for approximately \$200 million is expected to come to Council in March 2018. KCAO will continue oversight and highlight concerns to Council.

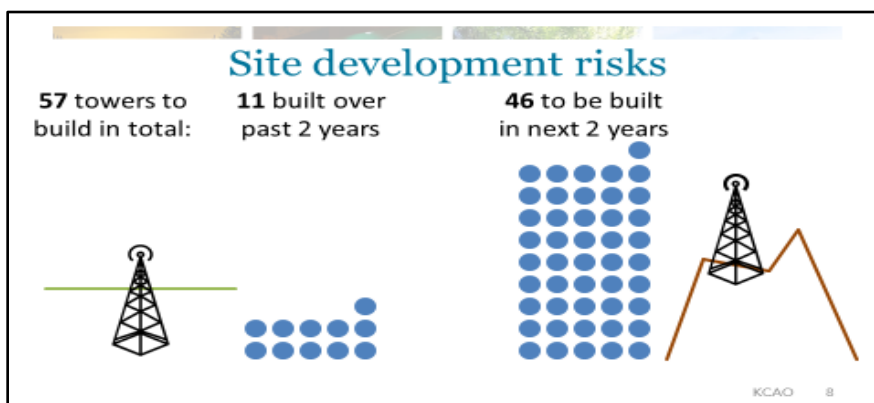
### 1) PSERN compressed schedule has increased delay risks

- Tower development extended into other phases
- Missed schedules will have cascading cost and other impacts



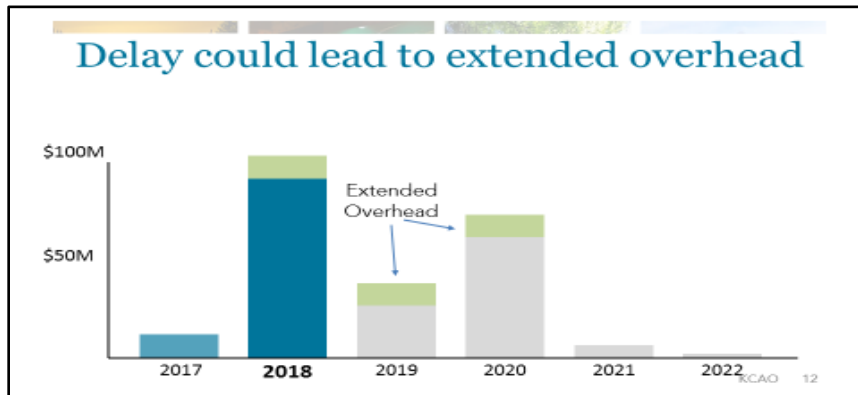
### 2) PSERN adopted impractical tower site development pace

- Planned tower completion rate greater than past performance
- Towers not yet completed are more complex



### 3) 2018 production capacity requires costly overhead

- a. Staff, consultants, specialized expertise mobilizing
- b. Delays will extend costs into future years
- c. Such issues partly drove recent \$33 million budget increase



### 4) Motorola contract—cost risk if County misses milestones

- a. County not necessarily liability-free if milestones missed
- b. Motorola delivery dependent upon county infrastructure
- c. Infrastructure = leases, tower sites, power, fiber network

### 5) Challenges to scope via multi-agency partnerships

- a. In-building coverage scope not resolved until spring 2018
- b. In-building coverage solutions may drive design modifications
- c. Seattle Public Utilities wants one or two more towers
- d. City of Seattle needs to complete downtown fiber network
- e. Emergency responders and associated agencies growing impatient

### 6) Conclusions/Recommendation

- a. Complicated optimistic schedule next year increases risks
- b. Auditor, PSERN project team, County Council need to watch schedule closely for deviations or poor underlying assumptions
- c. Answer may be to slow down revised schedule vs. executing several major activities concurrently

