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Title: AN ORDINANCE related to productivity in the King County wastewater program; clarifying participation of represented bargaining units in the wastewater division; codifying the productivity initiative for the wastewater program and extending the initiative to major capital projects and the asset management program for metropolitan water pollution abatement facilities; making technical corrections; amending Ordinance 12014, Section 38, and K.C.C. 3.13.015 and Ordinance 12014, Section 39, and K.C.C. 3.13.020, adding a new section to K.C.C. chapter 28.86 and repealing Ordinance 12014, Section 35, as amended, and K.C.C. 3.12.363.

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Code sections: 28.86 -, 3.12.363 -, 3.13.015 -, 3.13.020 -

Attachments: 1. Ordinance 14941.pdf, 2. 2004-0264 Staff Report Codification of Wastewater Productivity Initiative Capital Program JM.doc

Date	Ver.	Action By	Action	Result
6/14/2004	1	Metropolitan King County Council	Hearing Held	
6/14/2004	1	Metropolitan King County Council	Passed	Pass
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AN ORDINANCE related to productivity in the King County wastewater program; clarifying participation of represented bargaining units in the wastewater division; codifying the productivity initiative for the wastewater program and extending the initiative to major capital projects and the asset management program for metropolitan water pollution abatement facilities; making technical corrections; amending Ordinance 12014, Section 38, and K.C.C. 3.13.015 and Ordinance 12014, Section 39, and K.C.C. 3.13.020, adding a new section to K.C.C. chapter 28.86 and repealing Ordinance 12014, Section 35, as amended, and K.C.C. 3.12.363.

STATEMENT OF FACTS:

1. King County is committed to working with its employees and labor unions to identify the most efficient manner to successfully deliver services to its customers and clients.
2. King County is responsible for providing wastewater conveyance and treatment services in the region and owns and operates certain wastewater treatment facilities.
3. The King County wastewater program ("WWP"), a program of certain sections from within the wastewater treatment division and water and land resources division of the department of natural resources and parks, has the responsibility for the planning, design and construction, maintenance and operations, finance and administration for the wastewater conveyance and treatment system.
4. In response to the increasing public demand for demonstration that sewer rates paid for wastewater conveyance and treatment services are being held as low as possible, while protecting the environment and human health, in 2001 the council, by adopting Motion 11156, endorsed and the WWP instituted a productivity initiative with respect to the operations and maintenance of the wastewater conveyance and treatment system.
5. The adopted productivity initiative called for the development of an incentive plan to recognize performance that exceeds the established cost targets for the WWP capital program.
6. In accordance with the goals and intentions in Motion 11156 and Motion 11893, the WWP seeks to extend the productivity initiative to the wastewater capital program, with potential for cost savings for the public and productivity incentives for WWP employees.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 12014, Section 35, as amended, and K.C.C. 3.12.363 are each hereby repealed.

SECTION 2. Ordinance 12014, Section 38, and K.C.C. 3.13.015 are each hereby amended to read as

follows:

Quality improvement ~~employee awards~~ program established - ~~awards committee - administration~~ and support - annual reports to council.

A. (~~Establishment of Program.~~) There is hereby created a quality improvement employee awards program. The program is established to offer recognition to quality improvement work teams or individuals whose efforts improve the delivery of services to county residents and/or achieve cost savings while maintaining or bettering the present quality of service delivery.

B. (~~Awards Committee.~~) An awards committee is hereby established to evaluate quality improvements and cost savings and to determine monetary and non-monetary awards consistent with the provisions of this chapter. The awards committee shall be comprised of an appointee of the council, a representative of the executive, the chief budget officer in the executive branch, and four representatives from executive departments appointed by the executive. The chief budget officer shall serve as the chair of the committee and shall convene meetings of the committee as necessary to conduct business but not less than quarterly.

C. (~~Administration and Support.~~) The executive shall establish administrative guidelines for the program. The executive shall ensure that each department director supports the program and provides adequate resources, within appropriations, to support the program.

D. (~~Annual Reports to Council.~~) By March 1, 1997, and March 1 of every year thereafter, the executive shall submit a report to the council on the previous year's achievements and awards under the program and recommendations for improvements to the program.

SECTION 3. Ordinance 12014, Section 39, and K.C.C. 3.13.020 are each hereby amended to read as follows:

Eligibility (~~(C)~~)criteria - ~~employee eligibility - project eligibility -- recommendations.~~

A. (~~Employee Eligibility.~~) Participation in the quality improvement employee awards program shall be limited to full-time regular and part-time regular employees, but shall not apply to those employees who are

subject to the productivity incentive program and the productivity initiative for the wastewater program under section 4 of this ordinance.

B. ~~((Project eligibility:))~~ Quality improvements eligible for award are those that demonstrate measurable improvements in one or more of the following areas:

1. Improved operating methods or procedures, resulting in increased productivity.
2. Improved customer or employee satisfaction;
3. Improved cycle time or efficiency;
4. Increased revenue;
5. Decreased costs; or
6. Conservation of resources.

C. ~~((Recommendations:))~~ Department directors and division managers may recommend to the awards committee awarding work teams and individual employees whose projects and suggestions meet the established criteria. The administrative guidelines established by the executive shall identify other means by which employees may nominate work teams and individual employees for evaluation and awards.

NEW SECTION. SECTION 4. There is hereby added to K.C.C. chapter 28.86 a new section to read as follows:

Productivity initiative for the wastewater program.

A.1. The executive shall develop and implement a productivity initiative for the wastewater program that would include implementing business plans, meeting annual budget targets, creating an incentive fund, continuing to work collaboratively with labor, developing service agreements with county support agencies and modifying certain internal wastewater program administrative policies.

2. The goals of the productivity initiative are to:
 - a. continue providing high quality wastewater treatment and conveyance services to the region;
 - b. use private sector models to improve management of the wastewater program;

- c. improve cost efficiencies;
- d. provide savings to the public;
- e. define target budgets and accountability measures for meeting those targets;
- f. continue working collaboratively with labor; and
- g. allow employees to be creative in meeting the vision of becoming the best wastewater program.

B.1 The productivity incentive program, referred to in this subsection as "program," is hereby created as a component of the productivity initiative. The goals of the program are to: provide financial incentives to employees to achieve higher than projected savings to the wastewater treatment ratepayers; encourage teamwork; and encourage employee involvement in and ownership of the business.

2. Except as otherwise excluded in this subsection, represented and nonrepresented full-time and part-time regular and term-limited temporary employees in the wastewater program, which provides design/construction, maintenance and operations, planning, finance and administration, technology assessment, environmental laboratory, and industrial waste program services are eligible to participate in the program. However, the wastewater division manager and the wastewater division assistant manager are not eligible.

3. The executive shall establish a reserve subaccount known as the productivity incentive fund, in the wastewater treatment reserves fund. This reserve subaccount shall receive a pro rata share of interest earnings from the wastewater treatment reserves fund.

4. The productivity incentive fund oversight committee is hereby created and shall be responsible for oversight of the productivity incentive fund. The committee shall have the authority and responsibility to determine the distribution and use of the fund, subject to the approval of the wastewater treatment division manager. Membership in the productivity incentive fund oversight committee shall include:

- a. represented employees approximately proportional to each union's percentage of employees in the wastewater program;

- b. nonrepresented employees approximately proportional to their percentage of employees in the

wastewater program;

c. two wastewater program management representatives; and

d. ex officio, nonvoting membership including, but not limited to, the office of the executive and the department of executive services, finance and business operations division.

5. It is the intent of the council that the productivity incentive fund be used to support a variety of incentives including, but not limited to:

a. provision of additional training opportunities for employees;

b. investments in productivity improvement projects;

c. funding overexpenditures on asset management and operating projects;

d. monetary payments or awards to employees; and

e. employee awards and recognition.

C.1. The productivity initiative for the wastewater program also applies to the wastewater program's capital improvement program.

2.a. The objectives of extending the productivity initiative to the wastewater program's major capital improvement projects are to:

(1) provide savings to ratepayers through the appropriate use of approved contracting methods and more efficient management of consultants and contractors;

(2) refine and improve the accuracy of cost estimating for major capital improvement projects; and

(3) test the efficacy of different approved contracting methods and contract incentives in reducing the overall cost and time needed to complete major capital improvement projects.

b. For a major capital improvement project, which, for the purposes of this section, means a capital improvement project with an estimated cost of one million dollars or more, to be eligible for the productivity initiative, the wastewater treatment division must use the following best practices:

(1) determining the difference between the level of service of the current capital assets and the

needed level of service for the new or upgraded asset. The wastewater treatment division shall identify how the project under consideration will achieve the planned or required results;

- (2) evaluating alternative approaches to achieving the results;
- (3) integrating organizational goals into the major capital decision-making process;
- (4) establishing a review and approval framework supported by analysis;
- (5) tracking project costs, schedule and performance; and
- (6) evaluating results and incorporating lessons learned.

c. Project targets for major capital improvement projects in the productivity initiative shall be determined by an independent third party.

3.a. The objectives of extending the productivity initiative to the wastewater program's asset management program are to:

- (1) provide savings to ratepayers through the development of a more strategic approach to the maintenance and replacement of wastewater assets;
- (2) refine and improve the accuracy of budget forecasting for wastewater asset management;
- (3) improve reliability of the wastewater treatment system;
- (4) test new asset management techniques on a subgroup of assets and determine the applicability of these techniques to the rest of the wastewater system;
- (5) compare the costs of using in-house resources to perform small capital construction projects versus the more traditional practice of contracting out this work; and
- (6) provide incentives for employees to develop innovative approaches to asset management.

b. Application of the productivity initiative for the wastewater program to asset management maintenance and replacement projects shall be limited to categories of assets for which detailed information on historical maintenance costs, current replacement costs, and a determination of remaining useful life have been developed.

4. Certain capital program work of the wastewater program has traditionally been performed by independent contractors procured by the county rather than county employees. If the wastewater program begins to use county employees for all or any portion of such capital program work in connection with implementation of the productivity initiative, subsequent use of independent contractors shall not be limited as a result of this temporary pilot project.

5.a. The executive shall, by June of each year, file with the clerk of the council for distribution to the chair of the council and the chair of the labor, operations and technology committee, or its successor committee, an annual report that evaluates the implementation of the productivity initiative for the wastewater program. Based on the experience, data and analysis from 2004 and 2005, the executive shall, by June 2006, file with the clerk of the council for distribution to the chair of the council and the chair of the labor, operations and technology committee, or its successor committee, recommendations for modifications that may be needed, together with any necessary proposed legislation, to help further the goals and objectives outlined in this section.

b. The executive shall facilitate a thorough review of the productivity initiative for the wastewater program no later than December 31, 2010. The review shall be undertaken by an independent third party hired and supervised by the county auditor, with input from the wastewater program, and shall provide for a report to the council, which shall be filed with the clerk of the council for distribution to the chair of the council and the chair of the labor, operations and technology committee, or its successor committee. The review is to determine how effective the productivity initiative has been in achieving the goals and objectives in this section.

c. The productivity initiative for the wastewater program expires April 30, 2011, unless before that date an ordinance is enacted to continue the productivity initiative. Any major capital improvement project included in the productivity initiative, for which targets have been set by April 30, 2011, as specified in subsection C.2.c of this section, may continue with provisions of the productivity initiative applied through the

completion of the project.

6. King County's wastewater treatment system shall continue to be maintained as a public facility and shall be managed and operated by public employees for so long as the productivity initiative is in effect.