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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 14084, Section 2, and K.C.C. 3.12.363 and Ordinance 12014, Section 38, and K.C.C. 3.13.015 and adding a new section to K.C.C. chapter 28.86.

Sponsors: Julia Patterson, Larry Phillips

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Code sections: 28.86 -, 3.12.363 -, 3.13.015 -

Attachments:

Date	Ver.	Action By	Action	Result
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3/15/2004	1	Metropolitan King County Council	Introduced and Referred	
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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 14084, Section 2, and K.C.C. 3.12.363 and Ordinance 12014, Section 38, and K.C.C. 3.13.015 and adding a new section to K.C.C. chapter 28.86.

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, 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 14084, Section 2, and K.C.C. 3.12.363 are each hereby amended to read as follows:

Productivity incentive program in the wastewater program. The productivity incentive program ((~~SEIU Local 6 and Teamsters Local 117~~)), referred to in this section as "program,"((~~SEIU Local 6 and Teamsters Local 117~~))) as defined in the collective bargaining agreements between the county and ((~~SEIU Local 6 and Teamsters Local 117~~)) represented employees of the wastewater division shall be extended to non((-)represented full-time and part-time regular and term limited temporary employees ((~~SEIU Local 6 and Teamsters Local 117~~))), referred to in this section as "employees,"((~~SEIU Local 6 and Teamsters Local 117~~))) in the wastewater program.

- A. The program is a component of a productivity initiative undertaken by the wastewater program to

identify process efficiencies and improvements in how it manages human resources so that continued and improved cost-effective services may be provided to the public. The goals of the program are to: provide financial incentives to employees to achieve higher than projected savings to the sewer ratepayers; encourage teamwork; and encourage employee involvement in and ownership of the business.

B. Except as otherwise excluded in this subsection, 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 following employees are not eligible:)) the wastewater division manager and the wastewater division assistant manager are not eligible.

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. The program does not apply to employees who are subject to the productivity incentive program under K.C.C. 3.12.363 and the productivity initiative for the wastewater program under section 3 of this ordinance.

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.

NEW SECTION. SECTION 3. There is hereby added to K.C.C. chapter 28.86 a new section to read as follows:

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

Wastewater Treatment Reserves Fund.

2. 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.

2. 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. cash incentives to employees; and
- e. employee awards and recognition.

C.1. The productivity initiative for the wastewater program shall also apply 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 project must have an estimated cost of one million dollars or more, to be eligible for the productivity initiative, it must have a minimum cost of one million dollars and the wastewater treatment division must use the following best practices:

(1) determining the gap between the capacity of the current capital assets and the planned results.

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. To the extent that the wastewater program proposes to have county employees perform work that has previously been contracted out, it is the intent of the council that, should this application of the productivity initiative fail to be cost effective, future work should be contracted out as before the application of the productivity initiative. Labor agreements should reflect that the application of the productivity initiative is on a temporary, pilot basis, and reverting to contracting out work would not be a violation of state law, county code or labor agreements.

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, together with any necessary proposed legislation that may be needed, 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, 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.

none