



Legislation Text

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Clerk 08/24/2005

A MOTION approving a monthly report format and baseline budget for the Brightwater project.

WHEREAS, the King County council approved the Regional Wastewater Services Plan ("RWSP") in December 1999, and

WHEREAS, the RWSP outlines a multi-billion dollar capital improvement program to be implemented during the next thirty years, including a thirty-six-million-gallon-per-day wastewater treatment plant, its associated conveyance facilities and a marine outfall in Puget Sound, and

WHEREAS, these facilities, collectively termed Brightwater, need to be constructed by 2010 to provide needed wastewater capacity, protect public health and preserve water quality, and

WHEREAS, King County's wastewater treatment division is responsible for implementing the RWSP, including Brightwater, and

WHEREAS, Ordinance 15083 adopted the wastewater treatment division's six-year budget and makes appropriations for the operation of county agencies, and

WHEREAS, Ordinance 15083, Section 116, appropriates \$567,418,747 for the wastewater treatment capital improvements for the year 2005, and

WHEREAS, of that appropriation, \$500,000 may not be expended or encumbered until the council approves, by motion, a report unifying Brightwater program reporting and cost monitoring format and including a Brightwater program baseline budget, and

WHEREAS, the proposed baseline budget, Attachment A to this motion, and cost reporting format,

Attachment B to this motion, shall serve as a performance measurement tools for the executive and council for the Brightwater program, and

WHEREAS, the report format is modeled after formats currently in use for existing large capital improvement projects and is appropriate to the scale of the Brightwater program, and

WHEREAS, the report begins with a summary of the overall Brightwater project, including a project description, schedule, budget, cash flow (annual and life-to-date) and allied cost summary, as well as a discussion of project issues and what is ahead. The report then provides greater detail in these areas for the treatment plant and conveyance system, and

WHEREAS, the baseline budget derived from the October 2004 predesign estimate presents annual cash flows representing Brightwater costs to date (1999-2004) plus future costs anticipated during the expected life of the project (2005-2011). The baseline budget presents a range of inflation assumptions. The inflationary adjustment is estimated based on historical consumer price index trends; however, inflation is highly variable and will be monitored as part of the project performance. The difference between actual inflation and estimated inflation, and the corresponding cost impact, will be presented as part of the monthly report format described above;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. The baseline budget for the Brightwater project, prepared in compliance with Ordinance 15083, Section 116, Proviso P3, is hereby approved.

B. The county executive's monthly report format shall include an exceptions notification, in addition to the exceptions notification provisions as defined in K.C.C. 4.04.020 under which the King County wastewater treatment division shall provide additional notification of any known changes in scope, schedule and budget that exceed the thresholds described herein. Exceptions notification by the wastewater treatment division to the executive and the council will be specifically highlighted in the Project Summary section of the regular monthly project reports. Notification shall include a description of any scope, schedule or budget change, an

explanation of reasons contributing to the change and any proposed mitigation strategies. For the Brightwater project, exceptions notification shall include, but not be limited to, the following thresholds:

1. Design Phase Estimates at sixty percent, ninety percent and one hundred percent that deviate from the approved baseline budgets by ten percent or more;
2. Bid protests and bids received that deviate by ten percent (up or down) from either or both the engineer's estimate and the baseline construction budget;
3. Changes to a major milestone in the schedule by ninety days or more;
4. Single-occurrence change orders that exceed five percent of construction contract value or cumulative change orders that exceed ten percent of construction contract value;
5. Adjustments of project contingency budgets;
6. Violations of permit conditions or regulations, work stoppages, significant safety problems and significant community complaints;
7. Significant deviations (greater than or less than fifteen percent) of annual accomplishment rate; and
8. Scope changes that may result in a negative or positive schedule change of ninety days or cost increase or decrease of five percent of the approved baseline budget.