



## Legislation Text

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**File #:** 2011-0177, **Version:** 1

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Clerk 04/11/2011

AN ORDINANCE relating to capital budgeting, implementation, and reporting; and amending Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020, and Ordinance 12076, Section 3, as amended, and K.C.C. 4.04.030, and Ordinance 14452, Section 6, as amended, and K.C.C. 4.04.300, and Ordinance 14743, Section 7, as amended, and K.C.C. 4.04.266, and Ordinance 12045, as amended, and K.C.C. 4.04.040, and Ordinance 10772, Section 1, as amended, and K.C.C. 4.04.045, and Ordinance 620, Section 4, as amended, and K.C.C. 4.04.060, and Ordinance 12076, Section 5, as amended, and K.C.C. 4.04.200, and Ordinance 7159, Section 7, as amended, and K.C.C. 4.04.210, and Ordinance 16764, Section 2, as amended, and 4.04.245, and ordinance 10489, Sections 1-4, as amended and K.C.C. 4.04.260, and Ordinance 14921, Section 3, as amended, and K.C.C. 4.06.010, and Ordinance 14921, Section 5, as amended, and K.C.C. 4.06.030, and 14482, Section 57, as amended, and K.C.C. 4.40.005, and Ordinance 12089, Section 9, and K.C.C. 4.40.015, and recodifying K.C.C. 4.04.266, K.C.C. 4.04.300, and recodifying K.C.C. 4.06, and repealing Ordinance 12138, Section 5, as amended, and K.C.C. 4.04.220, and Ordinance 12076, Section 6, as amended, and K.C.C. 4.04.260, and Ordinance 16764, Section 4, as amended, and K.C.C. 4.04.247, and Ordinance 7159, Section 13, as amended, and K.C.C.4.04.250, and Ordinance 14743, Section 6, as amended, and K.C.C.

4.04.265, and Ordinance 13035, Section 5, as amended, and K.C.C. 4.04.270, and Ordinance 14811, Section 6, as amended, and K.C.C. 4.04.273, and Ordinance 14552, Section 5, as amended, and K.C.C. 4.04.275, and Ordinance 14122, Section 6, as amended, and K.C.C. 4.04.280, and Ordinance 14921, Section 4, as amended, and K.C.C. 4.06.020, and Ordinance 14921, Section 6, as amended, and K.C.C. 4.06.040, and Ordinance 14921, Section 7, as amended, and 4.06.050.

SECTION 1. Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020 are hereby amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

~~((A. "Acquisition of right of way" or "land acquisition" means funds budgeted for the purchase of property rights, excluding county force charges of the facilities management division.))~~

~~((B.))~~ A. "Adopted" means approval by council motion or ordinance.

~~((C.))~~ B. "Agency" means a county office, officer, institution whether educational, correctional or other, department, division, board commission, except as otherwise provided in this chapter.

~~((D.))~~ C. "Allocation" means a part of a lump sum appropriation that is designated for expenditure by either a specific organization unit or for specific purposes, or both.

~~((E.))~~ D. "Allotment" means a part of an appropriation that may be encumbered or expended during an allotment period.

~~((F.))~~ E. "Allotment period" means a period of less than a fiscal year in length during which an allotment is effective.

~~((G.))~~ F. "Allotment plan" means a fiscal management plan that divides a county agency's program element budget into quarterly increments, reflecting the cyclical or seasonal pattern of expenditures, for the purpose of identifying over and under expenditures throughout the year.

~~((H.))~~ G. "Appropriations" means an authorization granted by the council to make expenditures and to incur obligations for specific purposes.

~~((F.))~~ H. "Appropriation ordinance" means the ordinance that establishes the legal level of appropriation for a fiscal year.

~~((J. "Art" means funds budgeted for the one percent for art program under K.C.C. chapter 4.40 or as otherwise provided by ordinance for a public art program.))~~

~~((K.))~~ I. "Budget" means a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures.

~~((L.))~~ J. "Budget detail plan" means the council's proposed spending plan for the operational budgets of all agencies detailed at the section level and attached to the adopted appropriation ordinance or as modified by the most-recent supplemental appropriation ordinance.

~~((M.))~~ K. "Budget document" means a formal, written, comprehensive financial program presented by the executive to the council, including an electronic database with revenues and expenditures for all county agencies at the lowest organization levels and all summary levels provided in the general ledger system, balanced to the financial plans and the appropriation ordinance, fee ordinances, motions related to proposed levy rates to comply with chapter 36.40 RCW and cost-of-living adjustment ordinance proposed by the executive.

~~((N.))~~ L. "Budget message" means a formal oral presentation by the executive to the council that explains the budget in terms of goals to be accomplished and how the budget relates to the Comprehensive Plan.

~~((O. "Capital improvement plan" means a plan that establishes the capital improvements required to implement an approved operational master plan. This plan should extend over a minimum period of six years to define long-range capital improvement requirements and the annual capital improvements budget for a user agency.))~~

- ~~1. The capital improvement plan shall include the following elements, where applicable:~~
- ~~—a. general program requirements that define the development scope for specific sites or facilities;~~
  - ~~—b. general space and construction standards;~~
  - ~~—c. prototype floor plans and prototype facility designs for standard improvements;~~
  - ~~—d. space requirements based on the adopted county space plan;~~
  - ~~—e. initial, and life cycle cost, of alternative facilities and locations including lease and lease/purchase approaches;~~
  - ~~—f. approximate location of planned capital improvements;~~
  - ~~—g. general scope and estimated cost of infrastructure;~~
  - ~~—h. a schedule, that extends over a minimum of six years, for the implementation of projects included in capital improvement plans, based on overall user agency priorities and projected available revenue;~~
- ~~2. The user agency shall prepare the elements of the plan in subsection L.1. a, d, f and h of this section. The implementing agency shall prepare the elements of this plan in subsection L.1. b, c, e and g of this section.~~
- ~~3. The six year budget schedule included in the capital improvement plan shall be updated annually in conjunction with the capital budget adoption process.))~~

((P:)) M. "Capital project" means a project with a scope that includes one or more of the following elements, all related to a capital asset: acquisition of either a site or existing structure, or both; program or site master planning; design and environmental analysis; construction; major equipment acquisition; reconstruction; demolition; or major alteration. "Capital project" includes a: project program plan; scope; budget by task; and schedule. The project budget, conceptual design, detailed design, environmental studies and construction elements of a project shall be prepared or managed by the implementing agency.

((Q. "CIP" means capital improvement program.

~~R. "CIP exceptions notification" means, except for major maintenance reserve fund, roads, solid waste,~~

~~surface water management and wastewater CIP projects, a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, which describes changes to an adopted CIP project's scope or schedule, or both, or total project cost and, with the exception of schedule changes, shall be sent in advance of any action. For major maintenance reserve fund CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, that describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For road CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the transportation committee, or its successor committee, that describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For wastewater, solid waste and surface water management CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, and to the chair of the utilities committee, or its successor committee, which describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action.~~

S. ~~"Construction" means funds budgeted for CIP project construction including contract construction, contract inspection and testing and, as appropriate, construction tasks performed by county forces.~~

T. ~~"Contingency" means funds budgeted for unanticipated CIP project costs associated with any other project activities.~~

U. ~~"Contracted design" or "preliminary engineering" means funds budgeted for activities of a contract nature associated with all CIP project phases through bid advertising. Included are contracts for feasibility studies, planning, studies, preliminary design, construction drawings, bid specifications and on-site inspections.~~

~~V. "Cost elements" means CIP budgeting activities related to construction, contracted design, preliminary engineering, acquisition of right of way, equipment and furnishings, contingency, artistic furnishings, county force design, county force right of way, project administration or other activities as provided by the council.~~

~~W. "Council" means the metropolitan King County council.~~

~~X. "County force design" means funds budgeted for CIP project design or design review by county personnel.~~

~~Y. "County force right of way" means funds budgeted for real property costs associated with CIP land acquisition.))~~

~~((Z.))~~ N. "Deficit" means the excess of expenditures over revenues during an accounting period, or an accumulation of such excesses over a period of years.

~~((AA.))~~ "Director" means the director of the office of performance, strategy and budget.

~~((BB. "Equipment and furnishings" means all costs for the purchase of equipment and furnishings associated with CIP project construction.~~

~~CC. "Executive" means the King County executive, as defined by Article 3 of the King County Charter.~~  
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~~((DD.))~~ O. "Expenditures" means, where the accounts are kept on the accrual basis or the modified accrual basis, the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, "expenditures" means actual cash disbursements for these purposes.

~~((EE.))~~ P. "Financial plan" means a summary by fund of planned revenues and expenditures, reserves and undesignated fund balance.

~~((FF.))~~ Q. "Fiscal period" means a calendar year or a biennium.

~~((GG.))~~ R. "Fund" an independent fiscal and accounting entity with a self-balancing set of accounts recording either cash or other resources, or both, together with related liabilities, obligations, reserves and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

~~((HH.))~~ S. "Fund balance" means the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, before the end of a fiscal period, it represents the excess of the fund assets and estimated revenues for the period over its liabilities, reserves and appropriations for the fiscal period.

~~((I. "General facility major maintenance emergent need contingency project" means an appropriation to provide contingent budget authority for emergent needs within major maintenance reserve fund CIP projects.~~

~~JJ. "Implementing agency" means the appropriate department and division responsible for the administration of CIP projects.))~~

~~((KK.))~~ T. "Lapse" of an appropriation means an automatic termination of an appropriation.

~~((LL. "Major maintenance reserve fund CIP project" means any major maintenance reserve fund CIP project that is allocated in the adopted six-year major maintenance reserve fund CIP and is appropriated at the major maintenance reserve fund level in accordance with K.C.C. 4.04.265 or is a high risk project under K.C.C. 4.04.245.~~

~~MM. "Major widening project" means any roads CIP project adding at least one through lane in each direction.))~~

~~((NN.))~~ U. "Object of expenditure" means a grouping of expenditures on the basis of goods and services purchased, such as salary and wages.

~~((OO. "Open space non-bond fund project" means an open space project that is allocated in the adopted six-year open space CIP and is appropriated at the open space non-bond fund number 3522 level in accordance with K.C.C. 4.04.300.~~

~~PP. "Operational master plan" means a comprehensive plan for an agency setting forth how the organization will operate now and in the future. An operational master plan shall include the analysis of alternatives and their life cycle costs to accomplish defined goals and objectives, performance measures, projected workload, needed resources, implementation schedules and general cost estimates. The operational master plan shall also address how the organization would respond in the future to changed conditions.))~~

~~((QQ.)) "Program" means the definition of resources and efforts committed to satisfying a public need. The extent to which the public need is satisfied is measured by the effectiveness of the process in fulfilling the needs as expressed in explicit objectives.~~

~~((RR. "Project administration" means funds budgeted for all county costs associated with administering design and construction contracts on CIP projects.~~

~~SS. "Project program plan" means a plan, primarily in written narrative form, that describes the overall development concept and scope of work for a building, group of buildings or other facilities at a particular site. The complexity of the project program plan will vary based upon the size and difficulty of the program for a particular site. When the plan includes projects that are phased over time, each phase shall have an updated project program plan prepared by the user agency before project implementation. The project program plan shall be prepared by the user agency with assistance from the implementing agency. The program plan describes the user agency program requirements for a specific building or site; provides the basis for these requirements; and identifies when funds for the implementation of the capital projects will be provided. The program plan shall elaborate on the general program information provided in the operational master plan and the capital improvement plan. The plan shall also describe user agency programs, how these programs would fit and function on the site, and the general recommendation of the user agency regarding the appearance of the building or site. The plan shall indicate when a site master plan is required for a project.))~~

~~((TT.)) V. "Public need" means those public services found to be required to maintain the health, safety and well-being of the general citizenry.~~

~~((UU. "Quarterly management and budget report" means a report prepared quarterly by the director for major operating and capital funds, that:~~

- ~~–1. Presents executive revisions to the adopted financial plan or plans;~~
- ~~–2. Identifies significant deviations in agency workload from approved levels;~~
- ~~–3. Identifies potential future supplemental appropriations with a brief discussion of the rationale for each potential supplemental;~~
- ~~–4. Identifies significant variances in revenue estimates;~~
- ~~–5. Reports information for each appropriation unit on the number of filled and vacant full-time equivalent and term-limited temporary positions and the number of temporary employees;~~
- ~~–6. Includes the budget allotment plan information required under K.C.C. 4.04.060; and~~
- ~~–7. Describes progress towards transitioning potential annexation areas to cities.))~~

~~((VV.)) W. "Reappropriation" means authorization granted by the council to expend the appropriation for the previous fiscal year for capital programs only.~~

~~((WW.)) X. "Regulations" means the policies, standards and requirements, stated in writing, designed to carry out the purposes of this chapter, as issued by the executive and having the force and effect of law.~~

~~((XX.)) Y. "Revenue" means the addition to assets that does not increase any liability, does not represent the recovery of an expenditure, does not represent the cancellation of certain liabilities on a decrease in assets and does not represent a contribution to fund capital in enterprise and intragovernmental service funds.~~

~~((YY. "Roads CIP project" means roads capital projects that are allocated in the adopted six-year roads CIP and are appropriated at the roads CIP fund level in accordance with K.C.C. 4.04.270 or a mandatory phased appropriation high-risk project under K.C.C. 4.04.245.~~

~~ZZ. "Scope change" means, except for major maintenance reserve fund, roads, solid waste, surface water management and wastewater CIP projects, that a CIP project's total project cost increases by ten percent or by fifty thousand dollars, whichever is less. For major maintenance reserve fund, roads, solid waste, surface~~

~~water management or wastewater CIP projects, "scope change" means the total project cost increases by fifteen percent.))~~

((AAA.)) Z. "Section" means an agency's budget unit comprised of a particular project, program or line of business as described in Ordinance 16445, Section 5, for the 2010 budget or for all subsequent budgets as described in the budget detail plan for the previous fiscal period as attached to the adopted appropriation ordinance or as modified by the most-recent supplemental appropriation ordinance. This definition is not intended to create an organizational structure for any agency.

~~((BBB. "Site master plan" means a plan prepared by the implementing agency, with input from the user agency, that describes, illustrates and defines the capital improvements required to provide user agency program elements.~~

~~—1. The site master plan shall include preliminary information regarding, at a minimum:~~

~~—a. site analysis, including environmental constraints;~~

~~—b. layout, illustration and description of all capital improvements;~~

~~—c. project scopes and budgets;~~

~~—d. project phasing; and~~

~~—e. operating and maintenance requirements.~~

~~—2. The site master plan shall be approved by the user agency and the implementing agency before submittal to the executive and council for approval.~~

~~CCC. "Solid waste CIP project" means a solid waste project that is allocated in the adopted six-year solid waste CIP and is appropriated at the solid waste CIP fund level in accordance with K.C.C. 4.04.273 or is a high risk project under K.C.C. 4.04.245.~~

~~DDD. "Surface water management CIP project" means a surface water management project that is allocated in the adopted six-year surface water management CIP and is appropriated at the surface water management CIP fund level in accordance with K.C.C. 4.04.275 or is a high risk project under K.C.C.~~

4.04.245.

~~EEE. "User agency" means the appropriate department, division, office or section to be served by any proposed CIP project.~~

~~FFF. "Wastewater asset management projects" means the wastewater capital projects identified and intended by the wastewater treatment division to extend and optimize the useful life of wastewater treatment assets, including facilities, structures, pipelines and equipment.~~

~~GGG. "Wastewater CIP project" means wastewater capital projects that are allocated in the adopted six-year wastewater CIP and are appropriated at the wastewater CIP fund level in accordance with K.C.C. 4.04.280 or is a high risk project under K.C.C. 4.04.245.))~~

SECTION 2. Ordinance 12076, Section 3, as amended, and K.C.C. 4.04.030 are hereby amended to read as follows:

The budget documents shall include, but not be limited to, data specified in this chapter.

A. The budget shall set forth the complete financial plan for the ensuing fiscal year showing planned expenditures and the sources of revenue from which they are to be financed. For each fund, the expenditures included in the budget for the ensuing fiscal year shall not exceed the estimated revenues as forecast under K.C.C. 2.140.070, including reserves.

1. The budget document shall include the following:

- a. estimated revenue by fund and by source from taxation;
- b. estimated revenues by fund and by source other than taxation;
- c. actual receipts for first six months, January 1 through June 30, of the current fiscal year;
- d. actual receipts for the last completed fiscal year by fund and by source;
- e. estimated fund balance or deficit for current fiscal year by fund; and
- f. operational budget details for all agencies at the section level unless noted by the executive and

accompanied with an explanation of the change;

g. such additional information dealing with revenues as the executive and council shall deem pertinent and useful;

h. tabulation of expenditures in a comparable form by fund, program project or object of expenditure for the ensuing fiscal year;

i. actual expenditures for the first six months, January 1 through June 30, of the current year;

j. actual expenditures for the last completed fiscal year;

k. the appropriation for the current year; and

l. The technology business plan in accordance with K.C.C. 2.16.0757;

l m. such additional information dealing with expenditures as the executive and council shall deem pertinent and useful.

2. ~~All capital improvement projects and appropriations shall be authorized only by inclusion in the annual council adopted CIP or any amendment thereto. ((A bond ordinance is not an appropriation for capital projects. The capital improvement section of the budget shall include))~~ When submitting a capital budget appropriation ordinance the following supporting data shall be submitted using a standard format, in the form of an electronic database when possible:

a. Ordinance project number, project title, division, department, council district, fund number, and fund name, appropriation and expenditures to date with estimated current year total, six year appropriations.

Ordinance projects are projects listed in the Council adopted budget ordinance capital budget attachments.

b. Planned project costs at the phase level of detail as follows:

i. Planning Phase includes identification and development of project need and potential alternatives, evaluation of technical and economic feasibility, and development of a rough-order-of-magnitude total project cost estimate.

ii. Preliminary Design Phase is when evaluation and analysis of potential project alternatives occurs. Based on analysis, the preferred alternative is selected and designed sufficiently to establish a project baseline.

at thirty to forty percent design. Activities requiring long lead times, such as land acquisition or permitting may be initiated during this phase. Some planning activities may occur prior to the preliminary design phase.

iii. Final Design Phase is the time during which design is completed, permits and other permissions are secured so that the project (or staged elements of the project consistent with the project management plan) can proceed to implementation. The design phase also includes development of a final cost estimate, plans, specifications and a bid package. It is expected that the range of uncertainty associated with project cost estimates decreases as the design progresses. Activities to procure materials and equipment that require long lead times may be initiated during this phase. For projects with alternative delivery methods, such as general contractor-construction manager projects, the design phase may include some construction activities that occur before completion of project plans and specifications.

iv. Implementation Phase is the time during which the project is constructed or implemented. This phase also includes the testing, inspection, adjustment, correction and certification of facilities and systems to ensure that the project performs as specified. The implementation phase begins with Notice to Proceed for the construction contract and ends with final acceptance of the project, unless otherwise specified in grant or regulatory requirements.

v. Close-out phase follows final acceptance and consists of administrative processes and associated accounting activities to close out all contracts. It may include multi-year monitoring.

vi. Acquisition Phase is the phase where activities associated with acquisition or surplus and sale of real property, property rights, or the acquisition of improvements through direct purchase or capitalized lease agreements occur. This phase typically runs concurrent with the design phases.

c. A brief description of the project and the project's purpose, including importance with respect to the implementing agency's priorities and goals, and consequences of deferral or disapproval;

d. Current phase of project, phase status and whether the project is proposed as a mandatory phased appropriation project using the County Auditor's risk assessment model. A preliminary list of proposed

mandatory phased appropriation projects shall be provided to the Joint Advisory Group at least 60 days prior to budget transmittal ;

e. Project baseline and explanation of any significant variance from it;

f. An explanation of alternatives considered;

g. Appropriation and expenditure amounts to date;

h. Current-year appropriation requested amount;

i. Estimated cost through project closeout, which may be expressed as a range if baseline is not established;

j. Explanation of how contingency amounts were determined or reference to applicable county policy;

k. List the projects eligible to be included in one percent for art program and the calculation of the one percent for art program amount. The project cost eligibility and ineligibility criteria are described in KCC 4.05

Financing Art in County Construction Projects;

l. Explanation of how inflation is incorporated or reference to applicable county policy;

m. Identification of funding sources, funding status, and funding risks; Description of key project risks, including summary of top risks in the risk register if applicable for projects with total estimated cost greater than one million dollars;

o. Estimated net annual operating costs associated with each project upon completion or in cases where operating costs are negligible or incalculable, a statement to that effect;

p. Fund level contingency project amount that may be included in each capital fund.

q. Major maintenance fund information described in the major maintenance financial program section (K.C.C. 4.04.035);

r. Mandatory phased appropriation project information described in the mandatory phased appropriation section (K.C.C. 4.04.210 (E.-H)).

~~((B. Capital project cost estimates shall be prepared in accordance with applicable industry standards,~~

~~requirements of external funding sources and county policies, including but not limited to standards regarding estimate accuracies, methodology for determining contingency included for uncertainty, and the cost index used to define the value of money.~~

~~a. estimated expenditures for at least the next six fiscal years by program;~~

~~b. expenditures planned for current, pending, or proposed capital projects during the fiscal year, classified according to proposed source of funds whether from bonds, or any combination of other local, state, federal and private sources;~~

~~c. an alphabetic index to enable quick location of any project contained in the budget;~~

~~d. a discrete number for each project that shall serve to identify it within the capital budget document and all accounting reports;~~

~~e. estimated net annual operating costs associated with each project upon completion or in cases where operating costs are negligible or incalculable, a statement to that effect;~~

~~f. an identification of all CIP projects by council district in which they are located;~~

~~g. CIP projects funded in the budget year, which shall be presented in separate sections of the budget.~~

~~(1) Major maintenance reserve fund CIP projects shall be presented in the six-year general CIP program.~~

~~(2) Except for mandatory phased appropriation high risk projects under K.C.C. 4.04.245, the appropriation for major maintenance reserve fund CIP projects shall be made at the major maintenance reserve fund level in accordance with K.C.C. 4.04.265.~~

~~(3) Roads CIP projects shall be presented in the six-year road CIP program~~

~~(4) Except for high risk projects under K.C.C. 4.04.245, the appropriation for roads CIP projects shall be made at the roads CIP fund level in accordance with K.C.C. 4.04.270.~~

~~(5) Wastewater CIP projects shall be presented in the six-year wastewater CIP program.~~

~~(6) Except for high risk projects under K.C.C. 4.04.245, the appropriation for wastewater CIP~~

~~projects shall be made at the wastewater CIP fund level in accordance with K.C.C. 4.04.280.~~

~~(7) Surface water management CIP projects shall be presented in the six-year surface water management CIP program.~~

~~(8) Except for high risk projects under K.C.C. 4.04.245, the appropriation for surface water management CIP projects shall be made at the surface water management CIP fund level in accordance with K.C.C. 4.04.275;~~

~~(9) Solid waste CIP projects shall be presented in the six-year solid waste CIP program;~~

~~(10) Except for high risk projects under K.C.C. 4.04.245, the appropriation for solid waste CIP projects shall be made at the solid waste CIP fund level in accordance with K.C.C. 4.04.273; and~~

~~(11) The technology business plan in accordance with K.C.C. 2.16.0757.~~

~~h. in addition to schedule requirements, a statement of purpose and estimated total cost for each project for which expenditures are planned during the ensuing fiscal year;~~

~~i. the original project cost estimate which shall remain fixed from year to year. This original cost estimate shall be included in the capital budget document. A project record, separate from the budget document, shall be provided that identifies the original project cost estimate and any subsequent changes to the original project cost estimate by cost element and revenue source as approved in the budget document or any amendment to the budget;~~

~~j. an enumeration of revised project cost estimates;~~

~~k. funds actually expended for projects as of June 30 of the current year;~~

~~l. funds previously authorized for the project;~~

~~m. anticipated specific cost elements within each project. However, the executive is authorized to transfer funds between specific activities within the same project only if these transfers will not result in a necessary increase to the total project budget. A scope change of a project constitutes a revision.~~

~~(1) A CIP project scope change shall be included in the CIP exceptions notification if total project~~

~~costs increase by ten percent or by fifty thousand dollars, whichever is less; or if the schedule deviates by three months.~~

~~(2) For parks CIP projects, a CIP exceptions notification shall be filed with the clerk of the council in advance of action for distribution to the chair of the budget and fiscal management committee, or its successor committee, when fifty thousand dollars or more or funds in excess of ten percent of total project costs, whichever is less, are to be transferred from a contingency project to a CIP project.~~

~~(3) For major maintenance reserve fund CIP projects, a CIP exceptions notification shall be filed with the clerk of the council in advance of action for distribution to the chair of the budget and fiscal management committee, or its successor committee, when moneys in excess of fifteen percent of the total major maintenance reserve fund CIP project costs are to be transferred from the general facility major maintenance emergent need contingency project.~~

~~(4) For roads CIP projects, a CIP exceptions notification shall be filed with the clerk of the council in advance of action for distribution to the chair of the transportation committee, or its successor committee, when contingency funds in excess of fifteen percent of total project costs are to be transferred.~~

~~(5) For solid waste, surface water management and wastewater CIP projects, a CIP exceptions notification shall be filed with the clerk of the council in advance of action for distribution to the chair of the budget and fiscal management committee, or its successor committee, and chair of the utilities committee, or its successor committee, when contingency funds in excess of fifteen percent of total project costs are to be transferred;~~

~~n. individual allocations by cost element for each capital project; and~~

~~o. when a single fund finances both operating expenses and capital projects, there shall be separate appropriations from the fund for the operating and the capital sections of the budget.~~

B.1. The budget message shall explain the budget in fiscal terms and in terms of goals to be accomplished and shall relate the requested appropriation to the Comprehensive Plan of the county.

2. The total proposed expenditures shall not be greater than the total proposed revenue.

3. If the estimated revenues in the current expense, special revenue or debt service funds for the next ensuing fiscal period, together with the fund balance for the current fiscal period exceeds the applicable appropriations proposed by the executive for the next ensuing fiscal period, the executive shall include in the budget document recommendations for the use of the excess for the reduction of indebtedness, for the reduction of taxation or for other purposes as in his or her discretion shall serve the best interests of the county.

4. If, for any applicable fund, the estimated revenues for the next ensuing period plus fund balance shall be less than the aggregate of appropriations proposed by the executive for the next ensuing fiscal period, the executive shall include in the budget document his or her proposals as to the manner in which the anticipated deficit shall be met, whether by an increase in the indebtedness of the county, by imposition of new taxes, by increase of tax rate or in any like manner.

C. Justification for revenues and expenditures shall be presented in detail when necessary to explain changes of established practices, unique fiscal practices and new sources of revenue or expenditure patterns or any data the executive considers useful to support the budget. The following elements shall be included:

1. nonbudgeted departments and programs expenditures and revenues; that is, intragovernmental service funds;

2. historical and projected agency workload information; and

3. a brief explanation of existing and proposed new programs, as well as the purpose and scope of agency activities.

~~2. Capital improvement program data shall include, but not be limited to, the streets and highway programming process, which shall specify priorities, guide route establishments, select route design criteria and provide detailed design information for each road or bridge project.~~

~~D.1. The department of executive services shall submit a request for CIP project funding, which shall specify project funding levels on a project by project basis, but which shall be appropriated at the major~~

~~maintenance reserve fund CIP fund level, stated as an aggregate of individual projects for the budget year in question in accordance with K.C.C. 4.04.266. Mandatory phased appropriation high risk projects under K.C.C. 4.04.245 shall be funded as provided in K.C.C. 4.04.245.~~

~~2. The council may require other data from the department of executive services that the council considers necessary for review of the budget, which may include objects of expenditure and other expenditures categories.~~

~~E.1. The department of transportation shall submit a request for CIP project funding, which shall specify project funding levels on a project by project basis, but which shall be appropriated at the road CIP fund level, stated as an aggregate of individual projects for the budget year in question in accordance with K.C.C. 4.04.270. Mandatory phased appropriation high risk projects under K.C.C. 4.04.245 shall be funded as provided in K.C.C. 4.04.245.~~

~~2. The council may require other data from the department of transportation that the council considers necessary for review of the budget, which may include objects of expenditure and other expenditures categories.~~

~~F.1. The department of natural resources and parks shall submit a request for CIP project funding, which shall specify project funding levels on a project by project basis, but which shall be appropriated at the wastewater CIP fund level, stated as an aggregate of individual projects, including subprojects, for the budget year in question in accordance with K.C.C. 4.04.280. Except for multiyear construction contracts and carryover amounts approved during the annual CIP reconciliation process, appropriations shall be for one year. All construction contracts including multiyear construction contracts shall be appropriated for the full construction amount in the first year. Any multiyear construction contracts longer than three years must be specifically identified in the wastewater CIP budget request. The request for CIP project funding for wastewater asset management shall include categories of wastewater asset management projects. Wastewater asset management projects shall be appropriated annually at the category level. The executive proposed CIP~~

~~shall allocate anticipated expenditures for each wastewater asset management project category as part of the six-year wastewater CIP. For each category, a proposed project list will be appended. High risk projects under K.C.C. 4.04.245 shall be funded as provided in K.C.C. 4.04.245.~~

~~2. The council may require other data from the department of natural resources and parks that the council considers necessary for review of the budget, which may include objects of expenditures and other expenditures categories.~~

~~G.1. The department of natural resources and parks shall submit a request for CIP project funding, which shall also specify project funding levels on a project by project basis but which shall be appropriated at the surface water management CIP fund level, states as an aggregate of individual projects, including subprojects, for the budget year in question in accordance with K.C.C. 4.04.275. Except for multiyear construction contracts and carryover amounts approved during the annual CIP reconciliation process, appropriations shall be for one year. All construction contracts including multiyear construction contracts shall be appropriated for the full construction amount in the first year. Any multiyear construction contracts longer than three years must be specifically identified in the surface water management CIP budget request.~~

~~Mandatory phased appropriation high risk projects under K.C.C. 4.04.245 shall be funded as provided in K.C.C. 4.04.245.~~

~~2. The council may require from the department of natural resources and parks other data that the council considers necessary for review of the budget, which may include objects of expenditure and other expenditures categories. Mandatory phased appropriation high risk projects under K.C.C. 4.04.245 shall be funded as provided in K.C.C. 4.04.245.~~

~~H.1. The department of natural resources and parks shall submit a request for CIP project funding, which shall also specify project funding levels on a project by project basis but which shall be appropriated at the solid waste CIP fund level, states as an aggregate of individual projects, including subprojects, for the budget year in question in accordance with K.C.C. 4.04.273. Except for a multiyear construction contracts and~~

~~carryover amounts approved during the annual CIP reconciliation process, appropriations shall be for one year. All construction contracts including multiyear construction contracts shall be appropriated for the full construction amount in the first year. Any multiyear construction contracts longer than three years must be specifically identified in the solid waste CIP budget request. Mandatory phased appropriation high risk projects under K.C.C. 4.04.245 shall be funded as provided in K.C.C. 4.04.245.~~

~~2. The council may require from the department of natural resources and parks other data that the council considers necessary for review of the budget, which may include objects of expenditure and other expenditures categories.))~~

SECTION 3. K.C.C. 4.04.300, as amended by this ordinance, is recodified as a new section in K.C.C. chapter 4.04 to follow K.C.C. 4.04.030.

SECTION 4. Ordinance 14452, Section 6, and K.C.C. 4.04.300 are each hereby amended to read as follows:

A. A fund contingency project may be included in each capital fund. For ordinance projects other than a mandatory phased appropriation ordinance project, appropriations may be transferred from the fund contingency project to another ordinance project to address costs not anticipated at time of Council adoption. Transfers from the contingency project in excess of fifteen percent of the total project cost shall be contingent upon written approval by the chair of the budget and fiscal management committee, or its successor committee. CIP contingency projects shall be allocated in the current year fund appropriation to provide contingent budget authority.

~~B.((A. This section allows for creation of a grant contingency project that would allow for more efficient implementation of grant funded projects in the surface water management construction fund 3292 and the open space nonbond fund 3522. Except as specifically provided in this section, budgeting for surface water management CIP and open space nonbond projects fund shall be in accordance with other applicable county law. ))~~

~~B. Capital funds ((The surface water management construction fund 3292 and the open space nonbond county projects fund 3522 ))~~ may ~~((each))~~ include a "grant contingency" project that would allow for efficient implementation of grant funded capital projects by providing ~~((provide advance))~~ appropriation authority for grants or other external funding anticipated for projects ~~((to be implemented by the water and land resources division))~~. The executive shall supply documentation, such as grant applications or records of previous grant awards, to support the appropriation proposed for these projects. Funds appropriated for these projects shall not be spent unless the following three conditions are met:

- ~~1.~~ a. the funds are from an external source or a combination of external funds and county match;
- ~~2.~~ b. the council received proper notice of the application ~~((made by the water and land resources division))~~ to receive the funds; and
- ~~3.~~ c. the project on which the funds are to be spent was identified in the project sheet associated with the "grant contingency" project

SECTION 5. K.C.C. 4.04.266, as amended by this ordinance, is recodified as a new section in K.C.C. chapter 4.04 to follow K.C.C. 4.04.030.

SECTION 6. Ordinance 14743, Section 7, and K.C.C. 4.04.266 are each hereby amended to read as follows:

A. The following shall be submitted with the proposed appropriation ordinance for the ensuing budget year:

1. The detailed financial plan covering at least six years setting forth the sources and amounts of revenues used to finance major maintenance reserve fund expenditures in each year of the plan. The revenues from a particular source may change from year to year, as economic and budgetary circumstances warrant. However, if proposed revenues do not fully fund the major maintenance financial model, then the discrepancy shall be documented together with justification and a recovery plan outlining how the deficiencies will be restored;

2. The major maintenance financial model, which is the analytical system for the expenses for periodic replacement of major county building systems and components and for developing the revenue estimates necessary to fund those expenses. The model shall include any proposed changes from the previous year's model to building systems and components, life cycles, estimates, percentage allocations or other associated assumptions that form the basis of the model; and

3. The proposed major maintenance program plan, which is the prioritized list of projects transmitted to the council with and funded by the annual major maintenance fund budget request for the ensuing budget year, accompanied by criteria used to develop the list and any changes from the previous year's list. The plan shall be prioritized and include project names, project numbers and project appropriation requests. The final program plan is adopted by the council as part of the budget ordinance. ~~((Expenditures may be made only for approved projects on the program plan or approved reallocations but total expenditures shall not exceed the amount appropriated to the fund.))~~

B. Major maintenance program costs shall be financed by the major maintenance reserve fund. The calculation of the amount necessary to finance facility infrastructure maintenance costs for each building shall be determined by the major maintenance financial model. Proposed changes to the financial model are subject to the reporting requirements in subsection A.2. of this section.

SECTION 7. Ordinance 12045, Section 23, as amended, and K.C.C. 4.04.040 are hereby amended to read as follows:

A. The council and executive shall execute the following responsibilities in order to accomplish the preparation and distribution of the budget and budget document.

1.a. At least two hundred forty-five days before the end of the fiscal period, the council shall notify the executive by motion of those funds to be budgeted on an annual basis and those to be budgeted on a biennial basis.

b. At least two hundred forty-five days before the end of the fiscal period, the executive shall

announce the date by which agencies shall submit to the executive information necessary to prepare the budget. By the date announced by the executive and in any event at least one hundred fifty-five days before the end of the fiscal period, all agencies shall submit to the executive information necessary to prepare the budget.

c. Agencies shall submit their budget information to the executive at the section level, unless accompanied by a notice explaining the reasons for any proposed section changes.

d. The preliminary economic and revenue forecast adopted by the forecast council shall be used as the basis for the executive's preliminary budget preparation of the status quo budget, budget instructions to departments and preliminary review of departmental submittals to the executive.

e. Before presentation to the council, the executive may provide for hearings on all agency requests for expenditures and revenues to enable the executive to make determinations as to the need, value or usefulness of activities or programs requested by agencies. The executive may require the attendance of proper agency officials at such hearings and it shall be the duty of those officials to disclose such information as may be required to enable the executive to arrive at final determinations.

f. The executive shall prepare and present an annual or a biennial budget and budget message to the council no later than ninety-five days before the end of the fiscal year or biennium. Copies of the budget and budget message shall be delivered to the clerk of the council and each councilmember.

g. The updated economic and revenue forecast adopted by the forecast council shall be used as the basis for the executive's proposed budget.

h. The executive shall prepare and present a proposed appropriation ordinance not later than ninety-five days before the end of the fiscal year or biennium. The proposed appropriation ordinance shall specify by any combination of fund, program, project and agency as determined by the council the expenditure levels for the ensuing budget year or biennium.

i. Before the public hearing on the budget, the budget message and supporting tables shall be furnished to any interested person upon request and copies of the budget shall be furnished for a reasonable fee

as established by ordinance and shall be available for public inspection in the office of the clerk of the council and on the Internet.

j. Seven days before the presentation of the proposed budget and budget message to the council, the director shall submit to the council copies of all agency and departmental budget requests and departmental and divisional work programs.

2.a. The council shall review the proposed appropriation ordinance and shall make any changes or additions it deems necessary except the council shall not change the form of the proposed appropriation ordinance submitted by the executive.

b. The council shall then announce and subsequently hold a public hearing or hearings as it deems necessary.

c. Upon completion of the budget hearings and at least thirty days before the end of the fiscal period, the council shall by ordinance adopt an appropriation ordinance granting authority to make expenditures and to incur obligations. The council may attach to the appropriation ordinance an accompanying statement specifying legislative intent, but shall attach a budget detail plan. All financial reports submitted to the council, including, but not limited to, quarterly reports, shall be presented at the section level. The council may adopt tax and revenue ordinances as may be necessary to implement the adopted appropriation ordinance.

3. The director shall be responsible for the printing and distribution of the executive proposed budget and final adopted budget.

B.1.a. Within thirty days after adoption of the appropriation ordinance, all agencies shall submit to the executive a statement of proposed expenditures at such times and in such a form as may be required by the executive, provided that the council is not required to submit an allotment. The statement of proposed expenditures shall include requested allotments of appropriations for the ensuing fiscal period for the department or agency concerned by program, project, object of expenditure or combination thereof and for such periods as may be specified by the executive.

The executive shall review the requested allotments in light of the department's or agency's plan of work and may revise or alter requested allotments. The aggregate of the allotments for any department or agency shall not exceed the total of appropriations available to the department or agency concerned for the fiscal period.

b. If at any time during the fiscal period the executive ascertains that available revenues for the applicable period will be less than the respective appropriations, the executive shall revise the allotments of departments or agencies funded from such revenue sources to prevent the making of expenditures in excess of revenues. The executive is also authorized to assign to, and to remove from, a reserve status any portion of a department or agency appropriation which in the executive's discretion is not needed for the allotment. No expenditure shall be made from any portion of an appropriation that has been assigned to a reserve status except as provided in this section.

2. The executive shall periodically review any pay and classification plans, and made to those plans thereunder, for fiscal impact and shall recommend to the council any changes to such plans. However, none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by ordinance relating to the fixing of qualification requirements for recruitment, appointment, promotion or reclassification of employees of any agency.

3. During the last quarter of the fiscal year, the council when requested by the executive may adopt an ordinance to transfer appropriations between agencies; but a capital project shall not be abandoned thereby unless its abandonment is recommended by the department or agency responsible for planning.

4.a. Unless otherwise provided by an appropriation ordinance and as set forth in this section, all unexpended and unencumbered appropriations in the current expense appropriation ordinances shall lapse at the end of the fiscal year. As used in this subsection, "current expense appropriations" include all noncapital budget appropriations.

~~((b. An appropriation in the capital budget appropriations authorization shall be canceled at the end~~

~~of the fiscal year or biennium, unless the executive submits to the council the report of the final year end reconciliation of expenditures for all capital projects on or before March 1 of the year following the year of the appropriation, and each year thereafter in which the appropriation remains open.))~~

5.a. Except as otherwise provided in this subsection B.5. of this section, no agency shall expend or contract to expend any money or incur any liability in excess of the amounts appropriated. Any contract made in violation of this section shall be null and void; any officer, agent or employee of the county knowingly responsible under such a contract shall be personally liable to anyone damaged by this action. The council when requested to do so by the executive may adopt an ordinance permitting the county to enter into contracts requiring the payment of funds from appropriations of subsequent fiscal years, except that the executive may enter into grant contracts, as provided under subsection B.6. of this section.

b. The term of a lease or agreement for real or personal property shall not extend beyond the end of a calendar year unless:

(1) funding for the entire term of that lease or agreement is included in a capital appropriation ordinance, though any lease or agreement for real property longer than a cumulative total of two years shall require council approval by ordinance;

(2) such a lease or agreement includes a cancellation clause under which the lease or agreement may be unilaterally terminated for convenience by the county and costs associated with such termination for convenience, if any, shall not exceed the appropriation for the year in which termination is effected, though any decision to continue any lease or agreement for real property beyond a cumulative total of two years shall require council approval by ordinance; or

(3) such a lease or agreement is authorized by ordinance for such periods and under such terms as the county council shall deem appropriate.

c. Real property shall not be leased to the county for more than one year unless it is included in a capital appropriation ordinance.

d. Nothing in this section shall prevent the making of contracts or the spending of money for capital improvements, or the making of contracts of lease or for service for a period exceeding the fiscal period in which such a contract is made, when such a contract is permitted by law.

6. The executive may enter into contracts to implement grants awarded to the county before the appropriation of grant funds, including appropriations that must be made in future years, if the council has received prior notice of the grant application and if either of the following conditions are met: all of the funds to be appropriated under the contract will be from the granting agency; or all financial obligations of the county under the contract are subject to appropriation.

SECTION 8. Ordinance 10772, Section 1, as amended, and K.C.C. 4.04.045 are hereby amended to read as follows:

The following policies shall guide the development and implementation of the county's overhead cost allocation plan for allocating current expense costs to other county funds:

A. The current expense fund may allocate costs to other county funds if it can be demonstrated that other county funds benefit from services provided by current expense funded agencies.

B. Wherever possible, the current expense cost to be allocated shall equal the benefit received by the county fund receiving the charge.

C. Recognizing that many current expense services are indirect and not easily quantifiable, overhead charges may be estimated.

D. Estimated overhead charges shall be calculated in a fair and consistent manner, utilizing a methodology which best matches the estimated cost of the services provided to the actual overhead charge.

E. The overhead allocation calculation formulae adopted by the council shall be established prior to budget balancing and shall be utilized by the executive to develop the executive proposed budget. The adopted formulae shall not be modified by the executive without council approval.

F. By May 31, ~~((1993, and every))~~ of each year ~~((thereafter))~~, the executive shall submit the proposed

methodology for the overhead cost allocation plan to the council for review and approval. The proposed overhead cost allocation plan methodology shall adhere to the policies set forth in this chapter.

SECTION 9. Ordinance 620, Section 4 , as amended, and K.C.C. 4.04.060 are hereby amended to read as follows:

A. The county executive shall annually cause to be prepared and published a comprehensive financial report covering all funds and financial transactions of the county during the preceding fiscal year.

B. The county auditor shall periodically prepare and publish the results of examinations performed by his office of the effectiveness and efficiency of the operation of county agencies.

C. The Office of the State Auditor, Division of Municipal Corporations, annually issues the results of their examination of the financial affairs and transactions of the county.

D.1. By February 1 of ~~((1982 and))~~ each year ~~((thereafter))~~, the executive shall develop and transmit to the council an allotment plan for each county agency based on the budget adopted by the council as required in Section 410 of the King County Charter.

2. Within five weeks after the end of each quarter, the executive shall notify the council of those agencies whose expenditures have deviated from the quarter's allotment by five percent. For those agencies which have exceeded that quarter's allotment by five percent the executive shall propose an expenditure plan designed either to eliminate the need for a budget increase or to identify the source and amount of a proposed supplemental appropriation, or both.

3. At the end of each quarter, all allotted but unexpended funds which exceed five percent of that quarter's allotment for each council appropriated program shall be transferred to the appropriate allotment reserve account. Within five weeks of the end of each quarter, the executive shall inform the council of all transfers of allotted but unexpended funds to or from, or to and from, each allotment reserve account.

4. ~~((This section shall not apply to individual C.I.P. projects approved by the council.))~~ At the end of each quarter the executive shall develop and transmit a "Quarterly management and budget report". This report

is prepared quarterly by the director of the office of performance, strategy and budget that:

- a. Presents executive revisions to the adopted financial plan or plans;
- b. Identifies significant deviations in agency workload from approved levels;
- c. Identifies potential future ordinances with fiscal effects with a brief discussion of the rationale for each potential ordinance;
- d. Identifies significant variances in revenue estimates;
- e. Reports information for each appropriation unit on the number of filled and vacant full-time equivalent and term-limited temporary positions and the number of temporary employees;
- f. Includes the budget allotment plan information required under K.C.C. 4.04.060; and
- g. Describes progress towards transitioning potential annexation areas to cities; and
- h. Reports scope, schedule and budget status for baselined capital projects with total estimated cost greater than one million dollars. For mandatory phased appropriation projects in the construction phase the report shall summarize the top risks in the risk register, summarize change orders, explain change orders that have the cumulative potential to carry the project over project baseline and summarize the results of the latest earned value analysis.

**5. Capital Improvement Program Revenue Verification Report:** An annual revenue verification report will determine the continued availability of revenue backing for capital budget authority automatically carried over from the prior year in each fund. The report with revenue verification documentation, budget changes to ordinance projects as needed, and verification of prior year fund level contingency project transfers will be transmitted no later than May 31 of each year.

SECTION 10. Ordinance 12076, Section 5, as amended, and K.C.C. 4.04.200 are hereby amended to read as follows:

A.1. The executive shall be responsible for the implementation of all CIP projects pursuant to adopted project scope, ((budgets and)) schedules, and budget. ~~((However, major maintenance reserve fund CIP projects~~

~~may be implemented in accordance with the major maintenance reserve fund capital improvement budgeting procedures in K.C.C. 4.04.265, road CIP projects may be implemented in accordance with the roads capital improvement budgeting procedures in K.C.C. 4.04.270, solid waste CIP projects may be implemented in accordance with the solid waste capital improvement budgeting procedures in K.C.C. 4.04.273, surface water management CIP projects may be implemented in accordance with the surface water management capital improvement budgeting procedures in K.C.C. 4.04.275 and wastewater CIP projects may be implemented in accordance with the wastewater capital improvement budgeting procedures in K.C.C. 4.04.280~~

~~2. At least fifteen days before advertising for construction bids for any capital project, the council chair and councilmembers in whose district construction will take place shall be notified. The notification shall include project identification, advertising dates and a summary description of the work to be performed, though failure to comply with this provision shall not delay bid advertisement.~~

~~B.1. The executive shall be responsible for implementation of adopted CIP projects to ensure their completion on schedule and within adopted budgets. However, major maintenance reserve fund CIP projects may be reprogrammed in accordance with K.C.C. 4.04.265, roads CIP projects may be reprogrammed in accordance with K.C.C. 4.04.270, solid waste CIP projects may be reprogrammed in accordance with K.C.C. 4.04.273, surface water management CIP projects may be reprogrammed in accordance with K.C.C. 4.04.275 and wastewater CIP projects may be reprogrammed in accordance with K.C.C. 4.04.280.~~

~~2. The budget for each major maintenance reserve fund CIP project shall not exceed by more than fifteen percent the amount specified for that project in the adopted six year major maintenance reserve fund CIP, except when the amount is modified by ordinance or in accordance with the CIP exceptions notification process. The budget for each roads CIP project shall not exceed by more than fifteen percent the amount specified for that project in the adopted six year roads CIP, except when the amount is modified by ordinance or in accordance with the CIP exceptions notification process. The budget for each solid waste, surface water management and wastewater CIP project shall not exceed by more than fifteen percent the amount specified for~~

~~that project in the adopted six-year solid waste, surface water management or wastewater CIP, except when the amount is modified by ordinance or in accordance with the CIP exceptions notifications process.~~

~~3. The executive may select consultants on all CIP projects. The executive shall implement this section by establishing rules and procedures that provide for consultant selection, ongoing CIP design review and project implementation.))~~

C. All above-grade CIP projects shall be subject to the following process and supporting definitions:

1. a. "Operational master plan" means a comprehensive plan for an agency setting forth how the organization will operate now and in the future. An operational master plan shall include the analysis of alternatives and their life cycle costs to accomplish defined goals and objectives, performance measures, projected workload, needed resources, implementation schedules and general cost estimates. The operational master plan shall also address how the organization would respond in the future to changed conditions.

b. An operational master plan shall be developed by the agency requesting a CIP project in conjunction with the office of performance, strategy and budget ((and the office of strategic planning and performance management)) and shall be submitted to the executive and the council for approval;

2. a. "Capital improvement plan" means a plan that establishes the capital improvements required to implement an approved operational master plan. This plan should extend over a minimum period of six years to define long-range capital improvement requirements and the annual capital improvements budget for a user agency.

b. The capital improvement plan shall include the following elements, where applicable:

i. general program requirements that define the development scope for specific sites or facilities;

ii. general space and construction standards;

iii. prototype floor plans and prototype facility designs for standard improvements;

iv. space requirements based on the adopted county space plan;

v. initial, and life-cycle cost, of alternative facilities and locations including lease and lease/purchase

approaches;

vi. approximate location of planned capital improvements;

vii. general scope and estimated cost of infrastructure;

viii. a schedule, that extends over a minimum of six years, for the implementation of projects

included in capital improvement plans, based on overall user agency priorities and projected available revenue;

c. The user agency shall prepare the elements of the plan in subsection L.1. a, d, f and h of this section. The implementing agency shall prepare the elements of this plan in subsection L.1. b, c, e and g of this section.

d. The six-year budget schedule included in the capital improvement plan shall be updated annually in conjunction with the capital budget adoption process.

e. A capital improvement plan, based upon the adopted county space plan, where applicable, and the approved operational master plan, shall be developed by the user agency with assistance from the implementing agency and shall be submitted to the executive and the council for approval.

3. A. “Project program plan” means a plan, primarily in written narrative form, that describes the overall development concept and scope of work for a building, group of buildings or other facilities at a particular site. The complexity of the project program plan will vary based upon the size and difficulty of the program for a particular site. When the plan includes projects that are phased over time, each phase shall have an updated project program plan prepared by the user agency before project implementation. The project program plan shall be prepared by the user agency with assistance from the implementing agency. The program plan describes the user agency program requirements for a specific building or site; provides the basis for these requirements; and identifies when funds for the implementation of the capital projects will be provided. The program plan shall elaborate on the general program information provided in the operational master plan and the capital improvement plan. The plan shall also describe user agency programs, how these programs would fit and function on the site, and the general recommendation of the user agency regarding the

appearance of the building or site. The plan shall indicate when a site master plan is required for a project.

B. A project program plan, based upon the adopted county space plan, where applicable, and the approved operational master plan, shall be developed by the user agency, with assistance from the implementing agency, for each requested CIP. This plan shall be submitted to the executive and the council for approval. This plan shall specify which projects will require a site master plan;

4. A. "Site master plan" means a plan prepared by the implementing agency, with input from the user agency, that describes, illustrates and defines the capital improvements required to provide user agency program elements.

B. The site master plan shall include preliminary information regarding, at a minimum:

a. site analysis, including environmental constraints;

b. layout, illustration and description of all capital improvements;

c. project scopes and budgets;

d. project phasing; and

e. operating and maintenance requirements.

C. The site master plan shall be approved by the user agency and the implementing agency before submittal to the executive and council for approval.

D. The site master plan shall be developed by the implementing agency, with input from the user agency, for capital improvements that involve multiple projects, are complex in nature, or are otherwise identified as requiring such a plan in the project program plan. This plan shall be submitted to the executive and council for approval;

5. The executive may exempt smaller scale projects from the requirements in subsection C.1. and 2. of this section if criteria for granting exemptions are established and approved by the council and if the implementing agency certifies the project program plan and related CIP or lease request is in conformance with the adopted county space plan; and

6. Capital projects that involve the development of new parks or significant addition to or rehabilitation of existing parks shall require a public meeting in the affected community at the program plan and site master plan stages, before submitting these plans to the executive and council for approval.

SECTION 11. Ordinance 7159, Section 7, as amended, and K.C.C. 4.04.210 are hereby amended to read as follows:

The council shall review, amend, defer or adopt operational master plans, and facility master plans, facility program plans, CIP project scope (~~cost elements~~), schedule(~~s~~) and (~~total~~) budget in the annual or biennial CIP budget or amendments thereto pursuant to the provisions of the King County Charter.

SECTION 12. Ordinance 12138, Section 5, and K.C.C. 4.04.220 are hereby repealed.

SECTION 13. Ordinance 12076, Section 6, and K.C.C. 4.04.240 are hereby repealed.

SECTION 14. Ordinance 16764, Section 2, and K.C.C. 4.04.245 are hereby amended to read as follows:

A. For the purposes of this section:

1. "Capital projects oversight program" means the function within the King County auditor's office to oversee King County's large capital construction projects ~~that was initially funded within the 2007 annual budget;~~

2. "Earned value management" means an analysis of how much has been accomplished on a capital project to date compared to the project's planned scope, schedule and cost. It includes a plan that identifies work to be accomplished, a valuation of planned work, and predefined earning rules that quantify how to measure the accomplishment of work;

3. "Eligible capital project" means a capital project as defined in K.C.C. 4.04.020, except it does not include (~~information technology projects,~~) transit vehicle acquisitions, (~~affordable housing and community development projects that are developed and managed by noncounty entities,~~) energy savings performance contracts or lease-based projects;

4. "Estimate at completion" means a forecast of cost and time to complete a project. The estimate at completion includes the amount of cost and time incurred to date plus remaining forecasted cost and time;

5. "Mandatory phased appropriation (~~high risk~~) project" means an eligible capital project with characteristics that increase its likelihood of being completed late or over budget at a potentially significant financial cost or other significant impact to the county. Whether an eligible capital project is a mandatory phased appropriation ~~high risk~~ project shall be determined by the process in subsection C. of this section;

6. "Joint advisory group" (~~is~~) as defined in K.C.C. in 4.04.400 (~~means the real estate and major capital project review advisory group created in K.C.C. chapter 4.06~~));

7. "Lease-based project" means a project where a lease-purchase or lease-leaseback agreement is proposed, pursuant to chapter 35.42 RCW, that transfers construction risk to a developer or not-for-profit intermediary and provides the contractual basis for obtaining funding from a third party to finance construction of the project;

8. "Project baseline" means the scope, schedule and budget set at the conclusion of the preliminary design phase when the preferred alternative has been selected and design has progressed adequately to make reasonable and informed commitments, at thirty to forty percent design. Project baseline is used as a basis for variance reporting and performance measurement;

9. "Project management plan" means a formal document that defines how the project is executed, monitored and controlled. The objective of the project management plan is to define the approach and schedule to be used by the project team to deliver the intended project scope.

10. "Risk register" means a document that identifies potential events that could impact cost, schedule, or scope. The document formulates plans for addressing those risks.

11. "Rough order of magnitude cost estimate" means an early cost estimate based on approximate cost models; and

12. "Total project cost estimate" means the estimated project cost from the start of planning through

project closeout. If the project has a range of potential project costs, the total project cost estimate is the highest cost in the range.

B.1. For any eligible capital project with a total project cost estimate of over ten million dollars, the executive shall transmit risk score results to the joint advisory group each year in accordance with the process identified in subsection C.1. of this section under the following circumstances:

- a. the appropriation request for the project will be over two hundred thousand dollars or the appropriation request plus the project's prior appropriations will collectively exceed two hundred thousand dollars;
  - b. the project has not yet had a mandatory phased appropriation (~~(high risk)~~) determination from the joint advisory group that was made after setting the project baseline; and
  - c. the project has not entered the construction phase.
2. The mandatory phased appropriation (~~(high risk)~~) determination by the joint advisory group shall be made in accordance with the process outlined in subsection C. of this section.
3. Mandatory phased appropriation (~~(high risk)~~) projects shall provide supporting data in accordance with the requirements of subsections F. through H. of this section beginning with the next phase for which appropriation authority is requested.

C.1. The capital projects oversight program shall develop a risk scoring instrument for assessing whether an eligible capital project is a mandatory phased appropriation (~~(high risk)~~) project. The instrument shall be submitted to the joint advisory group for its approval.

2. The risk scoring instrument shall be used by the implementing agency to generate a risk score for all projects that are required to be scored under subsection B.1. of this section.
3. The risk scoring instrument shall use information such as complexity of regulatory requirements, interdependencies with other projects and programs, schedule constraints, implementing agency resources, project delivery method, complexity of property acquisition issues, public impact, risks inherent to the likely

construction technology, or any other issues that could have a significant impact on the ability of the project to meet baseline scope, schedule or budget.

4. The implementing agency director shall ensure that the risk scoring has been completed by ((qualified)) staff trained to use the risk scoring instrument who does not report to the project manager, to anyone who reports to the project manager, or to anyone to whom the project manager directly reports.

5. Sixty days prior to annual or biennial budget transmittal ((By March 1,)) the executive shall provide to the joint advisory group the ((electronically transmit all)) risk score results for eligible capital projects that require a risk score that year ((to the clerk of the council, who will retain an electronic copy and distribute electronic copies to the manager of the capital projects oversight program and the co-chairs of the joint advisory group or their designees, except that scoring results for eligible capital projects that received appropriations in 2010 shall be transmitted to the clerk of the council by July 31, 2010.))

6. Thirty days prior to annual or biennial budget transmittal ((By the end of the first quarter of each year, or by the end of the third quarter in the year in which this ordinance is enacted,)) the office of performance, strategy and budget will provide to the joint advisory group the preliminary list of projects likely to be identified as mandatory phased appropriation projects in the proposed budget,((in consultation with the capital projects oversight program and using the risk scores for guidance, shall determine which projects for which it has received risk scores are high risk projects. The joint advisory group may change the risk status of any of those projects when the joint advisory group receives an updated risk score.))

7. The capital projects oversight program may recommend to the joint advisory group changes to the risk scoring instrument, but a new risk scoring instrument may be used only if the joint advisory group approves the instrument and provides an effective date for agency use of the revised instrument.

((8. The joint advisory group shall file an electronic list of all eligible capital projects for which it has changed the high risk status designation, including risk score and change in high risk status, with the clerk of the council who will retain an electronic copy and distribute electronic copies to the chair of the budget and

~~fiscal management committee or its successor and the manager of the capital projects oversight program.~~

~~9. Each agency or department that has at least one eligible capital project with a total project cost estimate of over ten million dollars should have at least one project designated as a high risk project by the joint advisory group. ))~~

10. The executive may designate any eligible capital project as a mandatory phased appropriation ((~~high risk~~))project by letter to the council or the council may designate any eligible capital project as a mandatory phased appropriation ((~~high risk~~)).

D. For purposes of identifying when an eligible capital project has entered a particular phase and when subsections F. through H. of this section apply, phases include preliminary design, design, construction and close-out,~~((and the following characteristics shall be used as a guide:~~

~~1. The preliminary design phase is when evaluation and analysis of potential project alternatives occurs. Based on analysis, the preferred alternative is selected and designed sufficiently to establish a project baseline, at thirty to forty percent design. Activities requiring long lead times, such as land acquisition or permitting may be initiated during this phase. Some planning activities may occur prior to the preliminary design phase;~~

~~2. The design phase is the time during which design is completed, permits and other permissions are secured, and necessary land, rights of way, and easements are acquired so that the project (or staged elements of the project consistent with the project management plan) can proceed to construction. The design phase also includes development of a cost estimate, plans, specifications and a bid package. It is expected that the range of uncertainty associated with project cost estimates decreases as the design progresses. Activities to procure materials and equipment that require long lead times may be initiated during this phase. For projects with alternative delivery methods, such as general contractor construction manager projects, the design phase may include some construction activities that occur before completion of project plans and specifications;~~

~~3. The construction phase is the time during which the project is constructed or implemented. This~~

~~also includes the testing, inspection, adjustment, correction and certification of facilities and systems to ensure that the project performs as specified. The construction phase ends with final acceptance of the project; and~~

~~–4. Close-out follows final acceptance and consists of administrative processes and associated accounting activities to close out all contracts. It may include multi-year monitoring. It should comprise no more than three percent of the total project cost.))~~

E.1. When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council that includes an appropriation for a mandatory phased appropriation ~~((high risk))~~ project, the executive shall submit supporting data as identified in subsections F. through H. of this section; ~~or ((For any item required by subsections F. through H. of this section that the executive does not provide with the appropriation request, the executive shall))~~ provide a detailed explanation of why it cannot be provided and, if the item is to be provided later, identify the date by which the item will be provided.

2. For some eligible capital projects, one or more phases may run concurrently, such as projects requiring staged construction due to site constraints or operational needs, or performed under a declaration of emergency. Some nonconstruction eligible capital projects, such as land acquisition, may not utilize all of the capital project phases.

~~((a.))~~ When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council where the appropriation request encompasses work performed in more than one phase of a mandatory phased appropriation ~~((high risk))~~ project, not including the close-out phase, the executive shall submit as supporting data an explanation of the cost and schedule factors necessitating appropriation for more than one phase. The executive shall also submit as supporting data a schedule for reporting those supporting items required by subsections F. through H. to the council. The schedule and items to be reported shall match milestones identified in the project management plan. The reports shall be filed with the clerk of the council for distribution to the chair of the budget and fiscal

management committee or its successor.

~~((b. The council should consider placing expenditure restrictions upon the appropriation that release funds contingent upon appropriate further action.))~~

F. When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council that encompasses work performed in the preliminary design phase of a mandatory phased appropriation ~~((high risk))~~ project, the appropriation request may include up to ten percent of the funding for the design phase. The executive shall, in addition to the requirements of section 4 of this ordinance, provide the following supporting data:

1. Identify design criteria;
2. Provide an estimate of preliminary design costs, start and end dates for the preliminary design phase, and a rough order of magnitude cost estimate, which may be expressed as a range, for design and construction phases;
3. Provide a planned schedule that shows the anticipated start and finish dates for each major task for the preliminary design phase, and for the design and construction phases, provide the anticipated start and finish dates for major work through completion;
4. Identify stakeholders;
5. Identify regulatory requirements and highlight any regulatory requirements that increase project risk; and

G. When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council that encompasses work performed in the design phase of a mandatory phased appropriation ~~((high risk))~~ project, the executive shall, in addition to the requirements of section 4 of this ordinance, provide the following supporting data:

1. Describe the alternatives considered, including a summary of life-cycle cost analysis performed for feasible alternatives progressing to further design, and identify the recommended alternative or alternatives

with detailed scope description;

2. Provide a summary of the results of a formal schedule and cost risk assessment conducted by an external consultant or staff who does not report to the project manager, to any person who reports to the project manager, or to anyone to whom the project manager directly reports;

3. Provide the project baseline, if set by the time of the appropriation request;

4. Certify that the implementing agency completed a cost estimate validation process to provide an independent evaluation of the project's cost estimates using an external consultant or staff who does not report to the project manager, to any person who reports to the project manager, or to anyone to whom the project manager directly reports;

5. Certify that significant progress has been made in environmental review and public outreach, identify steps remaining in the environmental review process, and summarize major issues;

6. Identify permits, acquisitions, and relocations, address mitigations, and highlight any of these that increase project risk to scope, schedule or budget;

7. Certify that application for external funding has begun, if applicable; and

8. For projects with alternative delivery methods that contemplate a need for early construction costs, provide an explanation of the need.

H.1. When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council that encompasses work performed in the construction phase of a mandatory phased appropriation (~~(high-risk)~~) project, the executive shall, in addition to the requirements of K.C.C. 4.04.~~((247))~~ 030, provide the following supporting data:

a. certify that plans, specifications, estimates and contract documents reflect a level of design completion that is sufficient to support a final cost estimate and schedule for proceeding to procurement and specify the ready date for proceeding with the selected procurement method for the project;

b. certify that all required nonconstruction permits are in place in accordance with the project

management plan or provide status of pending approvals and the expected date of receipt;

c. certify that all land acquisition, lease documents, and partnership agreements are in place in accordance with the project management plan or provide status of pending actions and expected date of receipt; and

d. certify that the implementing agency completed a cost estimate validation process to provide an independent evaluation of the project's cost estimates using an external consultant or staff who does not report to the project manager, to any person who reports to the project manager, or to anyone to whom the project manager directly reports.

~~((2. The executive shall provide quarterly reports during the construction phase of a mandatory phased appropriation high risk project. The quarterly report shall address performance relative to project baseline, highlight any significant variance from project baseline, summarize the top risks in the risk register, summarize change orders, explain change orders that have the cumulative potential to carry the project over project baseline and summarize the results of the latest earned value analysis. Five copies of each report shall be filed with the clerk of the council, who shall retain a copy and distribute copies to the chair of the budget and fiscal management committee or its successor, the co-chairs of the joint advisory group or their designees and the manager of the capital projects oversight program.))~~

I.1. The implementing agency shall establish and maintain a risk register for each mandatory phased appropriation ((high risk)) project. ~~((The risk register shall be developed consistent with industry standards.))~~

2. The implementing agency shall update the risk register at least quarterly, or more frequently should significant changes or additions be identified by the implementing agency.

J.1. The implementing agency shall employ earned value management on mandatory phased appropriation ((high risk)) projects to forecast unfavorable variations in final project cost or completion date, based on progress to date.

2. Agencies shall apply earned value management tools and methods to the design and construction

phases for mandatory phased appropriation projects. The earned value management tools and methods, and the format and level of detail reported, shall be appropriate for the phase of the project and the associated level of certainty regarding cost and schedule estimates. Tools for earned value management may include forecasting estimate at completion for design phase and use of earned value analysis for the construction phase.

3. The analysis shall be updated at least quarterly (~~monthly~~).

SECTION 15. Ordinance 16764, Section 4, and K.C.C. 4.04.247 are hereby repealed.

SECTION 16. Ordinance 7159, Section 13, as amended, and K.C.C. 4.04.250 are hereby repealed.

SECTION 17. Ordinance 10489, Sections 1-4, as amended, and K.C.C. 4.04.260 are hereby amended to read as follows:

County Forces may perform public works pursuant to the restrictions contained in state law and county charter.

~~((A. As used in this section:~~

~~1. "Construction" means the creation of a new building or structure or significant expansion of an existing structure, rather than repair, alteration, renovation, or improvement of something already existing.~~

~~2. "Ordinary maintenance" means the routine work necessary to keep county facilities in that condition of good upkeep and repair necessary for safe and efficient continued use.~~

~~3. "Alteration, renovation or improvement" means to alter or improve something already existing and the alterations or improvements do not constitute "construction" or "ordinary maintenance" as defined above.~~

~~4. "Responsible Official" means the department head given line responsibility by either the King County Charter or county ordinance for an individual capital project or capital improvement program.~~

~~B. King County forces may perform ordinary maintenance when the skills necessary to perform a particular maintenance task are readily available from in-house staff. The department head responsible for the project will make a determination as to whether the skills necessary to perform a particular maintenance task are readily available from in-house staff. At dollar amount thresholds specified in State law eConstruction of~~

~~public buildings and works, other than county road projects having a value of less than twenty-five thousand dollars, shall be performed by independent contractors. Subject to the provisions of this section, the alteration, renovation or improvement (other than ordinary maintenance) of public buildings and works may be performed or accomplished by King County forces when the county determines it is necessary or advisable to do so, but subject to the publication requirements prescribed by RCW 39.04.020.~~

~~C. With respect to the county capital improvement program, the capital improvement section of the budget shall include an identification of those projects in which it is necessary or advisable to use county force labor. The county council's adoption of a budget for an individual capital project where use of county force labor is proposed by the county executive shall constitute the county's determination that use of county force labor on an individual capital project is necessary or advisable.~~

~~D. In making the determination as to whether it is necessary or advisable to use King County forces during the construction phase of any particular capital project, the responsible official(s) shall give due regard both to considerations of fiscal prudence and efficiency and to which mode of accomplishing the project best advances the public interest. Among factors to be considered and balanced are:~~

- ~~1. Whether the skills necessary to perform the particular tasks are readily available from in-house county staff.~~
- ~~2. Whether the work to be done is of reasonably limited scope and duration.~~
- ~~3. Whether the work to be done would expose the county to a danger of extraordinary work compensation or third party liability claims.~~
- ~~4. Whether adequate consideration has been made of subcontracting out such portions of an overall capital project as best lend themselves to such a procedure.~~
- ~~5. Whether the county's achievement of W/MBE goals would be seriously impaired by using county force labor on an individual project.~~
- ~~6. Whether it is not in the county's interest to achieve a specified guarantee or warranty period on the~~

~~installation of new equipment or fixtures.))~~

SECTION 18. Ordinance 14743, Section 6, as amended, and K.C.C. 4.04.265 are hereby repealed.

SECTION 19. Ordinance 13035, Section 5, as amended, and K.C.C. 4.04.270 are hereby repealed.

SECTION 20. Ordinance 14811, Section 6, as amended, and K.C.C. 4.04.273 are hereby repealed.

SECTION 21. Ordinance 14552, Section 5, as amended, and K.C.C. 4.04.275 are hereby repealed.

SECTION 22. Ordinance 14122, Section 6, as amended, and K.C.C. 4.04.280 are hereby repealed.

SECTION 23. K.C.C. 4.06, as amended by this ordinance, is recodified as a new section in K.C.C. 4.04 to follow K.C.C. 4.04.260.

SECTION 24. Ordinance 14921, Section 3, and K.C.C. 4.06.010 are hereby amended to read as follows:

A.) The King County (~~(real estate and major capital project review)~~) joint advisory group is hereby established to provide a forum for discussing a schedule of all legislation and early policy level dialogue between the executive and the council on major capital project and major real estate matters. The group shall be responsible for the following:

- 1.) review the list of upcoming legislative transmittals and discuss scheduling needs,
- 2.) review the scope, schedule and budget information for capital projects in the quarterly report,
- 3.) review and discuss the project risk scores and preliminary list of projects to be subject to phased appropriation as required by KCC 4.04.245,
- 4.) (~~(The joint advisory group should provide the executive and legislative branches of government an opportunity to)~~) explore and discuss emergent projects and issues, as well as ongoing proposals regarding major capital projects with estimated overall project cost that exceeds ten million dollars or a project with major policy considerations and major real estate projects with an estimated value greater than one million dollars or a real estate project with major policy considerations, and

~~((The items for discussion by the group should exclude major technology projects considered for~~

development and review that are included in the information technology governance processes pursuant to K.C.C. 2.16.0757 and 2.16.0758.))

5.) assist with coordination of capital project and real estate management matters involving independent elected officials in King County government,

SECTION 25. Ordinance 14921, Section 4, and K.C.C. 4.06.020 are hereby repealed.

SECTION 26. Ordinance 14921, Section 5, as amended, and K.C.C. 4.06.030 are hereby amended to read as follows:

A. The group members shall be the lead staff ((chair)) of the metropolitan King County council and lead staff of the office of performance, strategy and budget. Group members may bring staff as needed to support the activities of the group.

~~((, the chairs of the budget and fiscal management committee and the labor, operations and technology committee or their successor committees as defined by the council's organizational motion, and three participants as determined appropriate by the executive, depending on projects to be discussed. Executive participants may include the facilities management director, the department of natural resources director, the department of transportation director or the office of performance, strategy and budget director, as assigned by the executive.))~~

B. The group, to be chaired by council or executive staff on an alternating basis by council or executive staff, shall meet monthly to discuss agenda items provided at least two days prior to the meeting. ~~((The chair of the metropolitan King County council and the King County executive, or their designees, shall serve as group cochairpersons.~~

~~C. Group members may appoint a designee to participate in any meeting on their behalf.~~

~~D. Councilmembers or executive branch persons directly affected by or with specific knowledge of the real estate or major capital project program areas to be discussed at a monthly meeting may be invited by any group member to participate as ex officio members during consideration of that program~~

area.))

SECTION 27. Ordinance 14921, Section 6, as amended, and K.C.C. 4.06.040 are hereby repealed.

SECTION 28. Ordinance 14921, Section 7, and K.C.C. 4.06.050 are hereby repealed.

SECTION 29. Ordinance 14482, Section 57, and K.C.C. 4.40.005 are hereby amended to read as follows:

Words in this chapter have their ordinary and usual meanings except those defined in this section, which have, in addition, the following meanings. If there is conflict, the specific definitions in this section shall presumptively, but not conclusively, prevail.

A. Acquisition Phase is the phase where activities associated with acquisition or surplus and sale of real property, property rights, or the acquisition of improvements through direct purchase or capitalized lease agreements occur. This phase typically runs concurrent with the design phases. ((“Acquisition” or “county force acquisition” means the purchase of parcels of land, existing buildings, and structures, and costs incurred by the county for the appraisals or negotiations in connection with such a purchase.))

B. "Arts and cultural development fund" means the special revenue fund established in K.C.C. 4.08.190 to receive and transfer to the cultural development authority a variety of revenues including, but not limited to, public art revenues.

C. "Client department" means the county department, division or office responsible for construction or custodial management of a facility or capital improvement project after construction is complete.

~~((D. "County force" means work or services performed by county employees.))~~

E. "Cultural development authority" or "authority" means the cultural development authority of King County established under K.C.C. chapter 2.49.

F. "Equipment and furnishings" means any equipment or furnishings that are portable and of standard manufacture. "Equipment" does not mean items that are custom designed or that create a new use for the

facility, whether portable or affixed.

G. "Public art fund" means the fund established in K.C.C. 4.08.185.

H. "Public art program" means the county program administered and implemented by the cultural development authority that includes the works and thinking of artists in the planning, design and construction of facilities, buildings, infrastructure and public spaces to enhance the physical environment, mitigate the impacts of county construction projects, and enrich the lives of county residents through increased opportunities to interact with art

SECTION 30. Ordinance 12089, Section 9, as amended, and K.C.C. 4.40.015 are hereby amended to read as follows:

A. All capital improvement projects that are publicly accessible and visible, or for which there is a need for mitigation, shall contribute to the county's public art program.

1. The amount of the annual appropriation for public art shall be equal to one percent of the eligible project costs of those capital improvement projects that meet the criteria of public visibility and accessibility or need for mitigation. For the purposes of calculation, eligible project categories shall include capital improvement program projects for new construction, reconstruction or remodeling of buildings, parks and trails, commemorative structures, pedestrian and vehicular bridges, surface water management projects, wastewater treatment projects, transit facility construction projects and solid waste transfer stations.

2. The following project categories shall be considered ineligible and may be excluded from the public art program calculation base: roads; airport runways; sewers; and solid waste landfills. This ineligibility shall not preclude a client department, in cooperation with the cultural development authority, from proposing a public art project for a road, airport runway, sewer or solid waste landfill project that presents an opportunity for the inclusion of public art.

3. At a minimum, the amount budgeted for public art in a capital improvement project shall be equal to one percent of the following project phases (~~elements~~): planning, preliminary design, final design,

implementation, and close-out ((~~conceptual design, design, contracted design, preliminary engineering, construction, contingency, county force design and project administration and construction engineering~~)).

Costs associated with the predesign phase of the county's capital planning projects meeting the above criteria and anticipated to result in construction, shall be included in the calculation for public art.

4. The following project elements may be excluded from the budget calculation for public art: acquisition and equipment and furnishings; ((~~and county force acquisition~~)). Asbestos abatement may also be excluded from the budget calculation for art when the costs for asbestos abatement have been calculated and a line item budgeted for asbestos abatement as been established within the project budget.

5. In all cases, where a capital improvement project has a scope of work that includes both eligible and ineligible project elements and eligible and ineligible project categories, the budget for public art shall be calculated, at a minimum, in the eligible portions of the project.

B. At the time a capital improvement project is proposed, the client department shall calculate and include a budgeted line item for public art in each eligible project described in this section. The executive's budget representative shall confirm the calculations with the cultural development authority and include the agreed-upon appropriations for public art in the executive's proposed budget. The amounts budgeted for public art in particular projects may be adjusted to reflect council changes to the county capital improvement program budget or supplemental budgets. The appropriation for public art shall be transferred to the arts and cultural development fund and from there to the cultural development authority as soon as the appropriation is made for the capital improvement project, and as soon as funds are available.

C. The source of the funds shall not affect the calculation for public art for a capital improvement project unless the conditions under which the revenue is made available prevent its use for artistic purposes. In this case, the revenue shall be excluded from the eligible project costs on which the one percent calculation for art is based.

D. A policy is hereby established to direct the pooling of all public art program revenues on a

departmental basis. Interest generated by public art revenues shall not be pooled on a departmental basis. However, interest from all revenues shall be pooled collectively and used for the purposes established in this section.

Pooling affords the opportunity to look at the needs of the county as a whole and use the public art revenues only in those projects that may have the greatest impact on communities or offer the best opportunities for artist involvement. Pooling on a departmental basis affords the opportunity for the cultural development authority and client departments to work collaboratively on projects that reflect the missions and goals of individual departments and to ensure that public art projects are adequately funded. It is not the executive's or council's intent that every capital improvement project which contributes to the public art fund revenues shall include a public art project. The decision regarding capital improvement projects that will include a public art project shall be determined jointly by the cultural development authority and the client department according to the procedures and criteria in this section and K.C.C. 2.46.150.

E. Revenues shall support the following uses:

1. The selection, acquisition and display of works of art, that may be an integral part of the project or placed in, on or about the project or other public space;
2. Artist fees, design, planning and predesign service contracts and commissions;
3. Expenses for technical assistance provided by either architects or engineers, or both, and to artists in order to design, document or certify the artwork;
4. Repair and maintenance of public artworks accessioned into the county's public art collection to the extent permissible under generally accepted accounting principles, grants, contracts and law;
5. Public art program administrative expenses relating to acquiring, developing or maintaining public art to the extent permissible under generally accepted accounting principles, grants, contracts and law;
6. Participation by citizens or costs of communicating with and receiving input from citizens, working with professional artists, introduction of public art to children, and education of the public about the county's

rich cultural and artistic heritage;

7. Documentation and public education material for the public art program;
8. Liability insurance for artists; and
9. Pilot projects approved by the cultural development authority.