

CLERK FILE No. 306879

MP

REPORT OF THE COMMITTEE

Clerk File No. 30:879
Executive Order 04-04 relating to Multi-Development Capital
Projects Governance Structure.

Honorable President:

The _____
to which was referred this file, respectfully reports that the same was considered, and

Date Filed with Clerk August 24, 2004
Received by Margaret Carter
City Clerk Staff

ACTION OF THE COUNCIL

Referred	To
Referred	To
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Reported	Disposition
Re-referred	To
Reported	Disposition

COMMITTEE

11/2

SPONSORED BY:

REPORT OF THE COMMITTEE

Honorable President:

The _____ Committee,

to which was referred this file, respectfully reports that the same was considered, and the recommendation is:

Clerk Staff

Chair

Samuel
④



Office of the Mayor
 City of Seattle
 Gregory J. Nickels, Mayor

**Executive Order: 04-04
 Multi-Department Capital Projects Governance Structure**

An Executive Order establishing a uniform governance structure for capital projects involving multiple Departments. This Executive Order directs all City Executive Departments and Offices to employ this governance structure and comply with the Expectations and Standard Operating Procedures contained within the Executive Order with respect to the implementation of all capital projects involving more than one City department.

WHEREAS, the City has a primary obligation and responsibility to serve as a responsible steward of public assets; and

WHEREAS, the City manages and implements this responsibility through an asset management strategy intended to properly and responsibly maintain and enhance those assets; and

WHEREAS, the City has established a Capital Improvement Program (CIP) that serves as the planning document to identify the investments and enhancements that will be made to properly manage these public assets; and

WHEREAS, numerous City Departments engage in capital planning, design and delivery of a CIP for public assets within their individual management domains; and

WHEREAS, the City frequently authorizes capital projects that cross traditional Departmental boundaries in order to efficiently implement the CIP, resulting in the need for multi-Department collaboration in the planning, design and construction phases of such projects; and

WHEREAS, City Departments engaged in multi-Department capital project delivery need policies and techniques that reduce the risk of adverse consequences and failures to achieve project scope, schedules and budgets;

NOW, THEREFORE, I, GREGORY J. NICKELS, Seattle Mayor, order all City Departments engaged in CIP project delivery to use the Multi-Department Capital Project Governance Structure as defined and described herein. This governance structure

CITY CLERK

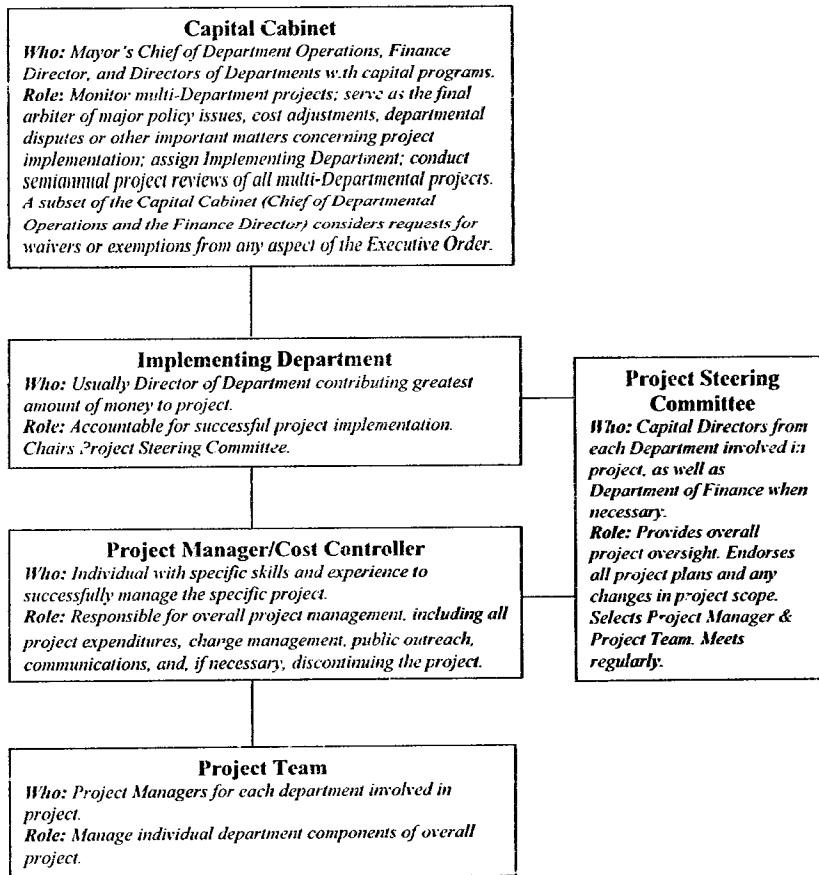
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provides a uniform and consistent approach to the planning, design and delivery of multi-Department capital projects to improve the overall quality, responsiveness, and success at meeting project schedules and budgets.

Multi-Department Capital Project Governance Structure



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FURTHERMORE, the Multi-Department Capital Project Governance Structure shall encompass the roles, responsibilities, tasks and procedures as described below. City Departments shall be required to comply with the following guidelines in implementing multi-Department capital projects:

- 1) The Mayor's Capital Cabinet, chaired by the Mayor's Chief of Departmental Operations, and composed of the Finance Director, and Directors of Departments with capital programs, shall monitor all multi-Department projects. The Cabinet shall assign an Implementing Department for each multi-Department capital project (in most instances, the Implementing Department will be the director of the department with the greatest monetary stake in the project). The Capital Cabinet shall also serve as the final arbiter of major policy issues, cost adjustments, disputes between the Departmental project participants, or other matters affecting implementation. The Capital Cabinet may waive any guidelines set forth below if it is deemed nonessential to the success of the project.
- 2) The Implementing Department shall be accountable for the successful implementation of the project and shall designate a chair for the Project Steering Committee.
- 3) The Project Steering Committee, composed of Capital Directors from each Department involved in the project, as well as the Department of Finance when necessary, shall

provide overall project oversight. The Project Steering Committee shall select the Project Manager and Project Team. The responsibilities of the Project Steering Committee shall

include, but are not limited to, a comprehensive review and adoption of a proposed Memorandum of Agreement (see item #6). The Project Steering Committee shall review the results of the Value Engineering and Constructability Evaluation (if applicable) before endorsing the project for bid. The Project Steering Committee shall review and endorse all project plans, and must also review and concur with any changes in project scope. Additionally, the Project Steering Committee shall provide ongoing guidance and support to the Project Manager and Project Team through regularly scheduled project oversight meetings, including review and consideration of project progress, budget, schedule, tasks and progress toward project deliverables.

4) The Project Manager shall possess the specific skills and experience necessary to successfully manage the specific multi-Department project to which she/he is assigned. The Project Manager shall be responsible for overall project management, including all project expenditures. The Project Manager shall have full responsibility and authority for the full project budget to the maximum extent practicable, to which the individual department projects shall be subordinate. This Executive Order shall not usurp the authority of the Library Board.

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5) The Project Team shall be composed of Project Managers for each department involved in the multi-Department project. Each Project Manager shall be responsible for managing individual Department components of the overall multi-department project. Under the direction of the Project Manager, the Project Team shall develop the project's Memorandum of Agreement (see item #6).

6) The Memorandum of Agreement (MOA) shall be signed by all members of the Project Steering Committee. It may contain, but is not limited to, the following components:

a) Clearly defined roles and responsibilities for all project participants

The MOA will identify and assign clear responsibility for the tasks required during the planning, design and construction phase of the project, and enable the participation of each assignee in the planning and design phases of the project to optimize project understanding during the construction phase of the project.

b) Financial Management Guidelines for the project

c) Dispute Resolution Process

The Project Manager shall oversee the Dispute Resolution Process. Disputes that cannot be resolved by the Project Manager shall be brought before the Project Steering Committee for resolution. Those issues that cannot be resolved by the

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Project Steering Committee shall be referred to the Capital Cabinet for resolution. The Process shall be available to each department. The Project Manager is responsible for promptly informing the Project Steering Committee of disputes that could potentially impact the success of the project, budget and/or schedule.

d) Project Work Plan, which may include, but is not limited to, the following components:

i) Project Goals

ii) Project Responsibilities

iii) Project Scope

iv) Communications Plan

The Communications Plan may include, but not be limited to, project reporting protocols prescribing the content, format and frequency of reporting to the Project Manager and the Project Steering Committee; and identifying public outreach strategies and responsibilities.

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v) Approach to Value Engineering and Constructability Evaluation

Prior to seeking bids on multi-Department capital projects, consideration should be given to the need for a value engineering and constructability evaluation to identify possible flaws in design and construction strategies which could affect project success during the construction phase.

However, Capital Cabinet may waive such reviews, upon recommendation from the Implementing Department that such review is not essential to the success of the project.

vi) Bidding Process

vii) Project Tasks

viii) Project Schedule

ix) Project Close Out

x) Consultant Selection

e) Change Management Plan

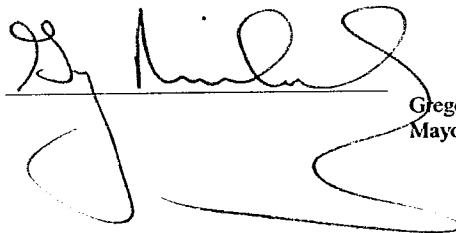
The Change Management Plan shall establish a methodology that shall be

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employed to consider, authorize and manage changes to the project work plan, including change orders which are owner-initiated and those which are designer/contractor-initiated. The Change Management Plan shall specifically address, but is not limited to, changes to the Project Work Plan, the method for assigning and utilizing contingency, the approach to receiving change order requests and authorizing change orders, establishing goals and timetables for all project change order actions, and audit controls to ensure change orders are properly reviewed and authorized by the Project Manager. All project change orders shall be the responsibility of the Project Manager. Multi-department projects shall be reviewed at least twice annually by the Capital Cabinet, unless specifically exempted.

Inquiries regarding this Executive Order should be directed to John Franklin, Chief of Departmental Operations, Office of the Mayor, at (206) 684-8105.

Dated this 24th day of August, 2004.



Gregory J. Nickels
Mayor, City of Seattle