

Resolution No. 31393

A RESOLUTION establishing goals and objectives for an operational efficiencies review of the Seattle Department of Transportation and creating a joint City Council, Executive and Office of the City Auditor interdepartmental team to oversee project implementation.

The City of Seattle - Legislative Department

Resolution sponsored by: *Tom Rasmussen*

Committee Action:

Date	Recommendation	Vote
7/10/12	Adopt (v.7)	TR BH JG 3-0
7/10/12	Version 7 substituted for v.6	TR BH JG 3-0

Related Legislation File: _____

Date Introduced and Referred: 7.2.12	To: (committee): Transportation
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: 7.23.12	Date Presented to Mayor: 7.24.12
Date Signed by Mayor: 7/30/12	Date Returned to City Clerk: 8/1/12
Published by Title Only <input checked="" type="checkbox"/>	Date Returned Without Concurrence:
Published in Full Text	

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
7.23.12	Adopted	8-0
		Examined: SC

Law Department

RESOLUTION 31393

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3 A RESOLUTION establishing goals and objectives for an operational efficiencies review of the
4 Seattle Department of Transportation and creating a joint City Council, Executive and
Office of the City Auditor interdepartmental team to oversee project implementation.

5 WHEREAS, the Seattle Department of Transportation (SDOT) has more than 700 employees
6 with an annual budget of over \$300 million to operate, maintain and develop a
transportation infrastructure currently valued at over \$13 billion; and

7 WHEREAS, in 2006, Seattle voters passed the 9-year, \$365 million "Bridging the Gap" (BTG)
8 levy to help address a growing backlog of maintenance needs and to advance various
9 neighborhood, transit, pedestrian and bike projects across the city; and

10 WHEREAS, through BTG and other local, state and federal revenues, SDOT has made
11 significant enhancements to Seattle's transportation infrastructure including hundreds of
12 miles of repaving, the replacement of thousands of street signs and the near completion of
two major projects: two-way Mercer East and the Spokane Street Viaduct replacement;
and

13 WHEREAS, SDOT has also achieved significant gains in efficiencies through the creation of an
14 asset management program, investments in snow response equipment and technology and
15 work order tracking systems; and

16 WHEREAS, the City of Seattle is anticipating a General Fund budget shortfall based on
17 anticipated costs to maintain the current level of government services in 2013; and

18 WHEREAS, all City departments have been asked to identify opportunities for budget savings
and efficiencies; and

19 WHEREAS, there has not been a comprehensive review of SDOT operations in recent memory
20 and an effort to compare current SDOT operations with industry best practices could
21 provide useful information to SDOT management and City policymakers; and

22 WHEREAS, it is the desire of the Mayor, City Council and SDOT management for SDOT to be
23 one of the most productive, effective and efficient transportation departments in the
country; and

24 WHEREAS, the expertise of the Office of the City Auditor will be valuable in supporting the
25 work of the Council and the Executive in developing a project scope and working with an
26 external transportation consultant to carry out the review of SDOT; and



1 WHEREAS, the Office of the City Auditor is already engaged with SDOT in an audit of
2 department operations that are heavily reliant on General Fund support to identify
3 opportunities for efficiencies and budget savings in advance of the City's 2013-14
Biennium Budget review process; and

4 WHEREAS, formalizing the goals and project implementation structure for carrying out this
5 review will clarify for the public and SDOT the City's purpose and intent; NOW,
6 THEREFORE,

7 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
8 **MAYOR CONCURRING, THAT:**

9 Section 1. Goals and Objectives. The Seattle Department of Transportation (SDOT)
10 Efficiencies Review Project (Project) is established to achieve the following:

11 Phase One: An initial assessment of SDOT's organizational structure and operations to be
12 completed by Jan 15th, 2013 and to identify operational areas for more in depth review in 2013.

13 This phase will specifically include the following tasks:

- 14
- 15 A) A peer review and benchmarking exercise that compares SDOT with other similar
16 sized transportation departments across the country, in order to:
- 17 a. Assess the productivity of SDOT's operations
18 b. Identify innovative and promising practices, and/or potential lessons to be
19 learned, and
20 c. Recommend areas for further examination in Phase Two.
- 21 B) This review and benchmarking exercise should include a comparison of SDOT's
22 methods for measuring performance to those of other jurisdictions and make
23 recommendations for changes to performance measurement that could improve
24 accountability, enhance transparency, and communicate effectively with the
25 public and elected policymakers.
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1 C) This review and benchmarking exercise should also include a comparison of
2 SDOT's management structure to those of other jurisdictions and identify models
3 for further exploration in Phase II.
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5 Phase Two: A longer-term review of operational changes and efficiencies intended to
6 provide ongoing benefits to Seattle residents and taxpayers to be completed by the end of
7 2013. This review should focus on program level improvements and recommendations.
8 Identify and recommend changes to operational approaches and management practices
9 that could yield greater budget efficiencies, more productivity, and/or better outcomes for
10 maintaining and improving the City's transportation infrastructure. Phase Two will
11 specifically include the following tasks:
12

- 13 A) Follow-through on areas identified for in-depth review in Phase One;
14 B) Evaluate and make recommendations on: (1) how to improve the policy and decision-
15 making processes used to prioritize transportation maintenance and improvement
16 projects; (2) How SDOT communicates its prioritized projects to the public; and (3)
17 How SDOT tracks progress on projects and communicates project status to the
18 public. This should include a review of how SDOT uses its asset management
19 program including life cycle costs, risks assessment and industry best practices to
20 inform project level decision-making and public accountability; and
21 C) Given the severe financial constraints that SDOT must operate under and the City's
22 mounting transportation infrastructure needs, identify an approach to framing
23 SDOT's responsibilities in ways that will help policymakers narrow the department's
24 focus and priorities for the near term leading up to potential renewal of the Bridging
25 the Gap Levy.
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2 Section 2. Implementation. An interdepartmental team (IDT) shall be created to oversee
3 the implementation of the Project and manage a contract with external transportation
4 consultant(s). The IDT shall consist of representatives from the following:

- 5 A) City Budget Office (CBO)
6 B) The Office of the City Auditor (OCA)
7 C) City Council Central Staff
8 D) Office of the City Council Transportation Chair

9
10 SDOT is requested to participate as an ex-officio member of the IDT for the purposes of
11 developing a scope of work and to coordinate with the consultant(s) on the project. The IDT will
12 develop a generalized scope of work based on the goals and objectives identified in Section 1,
13 create a Request for Proposals (RFP) to solicit proposals for carrying out this body of work,
14 including a detailed scope of work or approach, and manage the Project through completion and
15 delivery of a final report and recommendations to the Mayor and Council. Staff from the Office
16 of the City Auditor will serve as the nominal project manager.

17
18 Section 3. Reporting. The IDT shall provide the Mayor and Council with regular
19 updates on the progress of the Project. Completion of the project and issuance of a final report
20 and recommendations for phase one is expected by January 15, 2013 and for phase two by
21 December 31, 2013.



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Legislative	Mike Fong/5-1675	Becky Guerra/4-5339

Legislation Title: A RESOLUTION establishing goals and objectives for an operational efficiencies review of the Seattle Department of Transportation and creating a joint City Council, Executive and Office of the City Auditor interdepartmental team to oversee project implementation.

Summary of the Legislation:

This resolution provides an outline of the Council and Mayor's goals and approach to initiating a consultant review of the Seattle Department of Transportation (SDOT). The legislation summarizes two phases of work to be overseen by an interdepartmental team (IDT) consisting of representatives from the City Budget Office (CBO), Council and the Office of the City Auditor (OCA). Phase one of the consultant work is expected to be finished by January of 2013 while phase two would be completed by the end of 2013. The Mayor and Council expect to consider recommendations from the consultant and the IDT to implement improvements to SDOT and changes to operational approaches and management practices that could yield greater budget efficiencies, more productivity, and/or better outcomes for maintaining and improving the City's transportation infrastructure

Background:

In January of 2012, the Council adopted an annual work program that included an item in the Transportation Committee related to reviewing SDOT's asset management program and overall performance. As conversations advanced and evolved with SDOT, CBO, OCA and Council Staff, it was determined that a formal IDT should be formed to develop a comprehensive scope of work. The IDT concluded that the comprehensive scope should include two phases: 1) an initial assessment of the department's operations through a peer review and benchmarking exercise and 2) a longer-term effort that would focus on identifying potential operational approaches and changes in management practices that could yield greater budget efficiencies, more productivity, and/or better outcomes for maintaining and improving the City's transportation infrastructure.

The IDT expects to develop a Request for Proposals (RFP) by mid-summer with a goal of completing phase one by the end of January, 2013. The full project is expected to be completed by the end of 2013. Representatives from CBO, Council Staff and the OCA will form an oversight committee for the project while OCA will be responsible for managing the day to day consultant contract. SDOT has expressed an eagerness to work cooperatively with the consultant and IDT to identify potential recommendations.



Please check one of the following:

X **This legislation does not have any financial implications.**

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

Note: Though this resolution does not directly appropriate funds for a consultant review of SDOT, it clearly lays the policy foundation and intent of the Mayor and Council to appropriate funding to support the project. It is expected that separate action taken through the 2012 1st Quarter Supplemental Ordinance would appropriate up to \$575,000 to support the work of the IDT and consultant.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes. Per the note above, the IDT has proposed a \$575,000 budget for the consultant review. This funding includes the potential for additional technical support (beyond the primary consultant) to be provided to the IDT on an as needed basis.
- b) **What is the financial cost of not implementing the legislation?**
Unknown at this time. One of the primary goals of the effort is to identify potential budget savings (short and long-term) and operational efficiencies for SDOT.
- c) **Does this legislation affect any departments besides the originating department?**
Yes. The resolution identifies the involvement of CBO, OCA, SDOT and Council.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
None are identified at this time.
- e) **Is a public hearing required for this legislation?**
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- g) **Does this legislation affect a piece of property?**
No.
- h) **Other Issues:**
None.

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Adopted by the City Council the ____ day of _____, 2012, and
signed by me in open session in authentication of its adoption this _____ day
of _____, 2012.

President _____ of the City Council

THE MAYOR CONCURRING:

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2012.

Monica Martinez Simmons, City Clerk

(Seal)



FILED
CITY OF SEATTLE
12 SEP -7 PM 3:15
CITY CLERK

STATE OF WASHINGTON – KING COUNTY

--SS.

287394

No. 31393

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTION

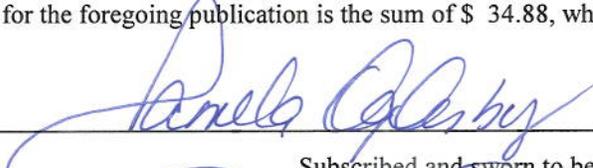
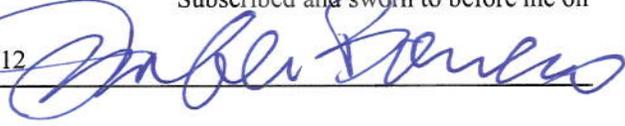
was published on

08/10/12

The amount of the fee charged for the foregoing publication is the sum of \$ 34.88, which amount has been paid in full.



Affidavit of Publication


Subscribed and sworn to before me on
08/10/12 
Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle Title Only Resolution

The full text of the following legislation, passed by the City Council on July 23, 2012, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

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Date of publication in the Seattle Daily Journal of Commerce, August 10, 2012.

8/10(287394)