



This study examined King County's use of alternatives to the traditional method of contracting with the private sector for constructing county capital projects. It used 20 case studies to examine the performance of these projects in achieving the scope, schedule, and budget that were identified when the project was first proposed to the council. Three county agencies used various project delivery methods for those projects.

The study found that the county has had consistently good results using public-private partnerships to construct projects. The county's experience using other delivery methods, including the traditional "Design-Bid-Build" method has been mixed. Some projects of each type have performed well, while others have not.

The study concluded that having alternative methods for delivering capital projects provides the county with valuable flexibility that enables it to choose a method best suited to its construction needs. The report makes three recommendations that are intended to improve and monitor the county's performance in developing, implementing, and overseeing capital projects. The County Executive concurred with the recommendations.

### **Measurement of Project Performance**

The study attempted to measure project performance by comparing the final scope, schedule, and budget of each of the 20 case study projects to the scope, schedule, and budget when each project was first proposed to the council. Therefore, each project was measured against itself. Because there are many legitimate reasons for changes to scope, schedule, and budget during the development of a capital project, this is a rough measure of project performance. However, due to the unique nature of each capital project, external benchmarks for project performance were not available. The project-specific measures we used were the best measures of project performance available.

### **Project Performance**

All six of the projects using the public-private partnership delivery method performed well. These projects all were delivered the promised scope within schedule and budget. The performance of projects using other project delivery methods (Design-Bid-Build, Design/Build, General Contractor/Construction Manager) was mixed. Some projects using these delivery methods performed well and some did not.

### **Report Observations**

The report made several observations resulting from the case studies that we reviewed. These observations included:

- The availability of alternative methods for delivering capital projects can provide valuable flexibility. In one instance, a project that was suffering from problems during construction was restructured using another delivery method in a manner that was very favorable to the county.
- The county's experience with using public-private partnerships to deliver capital projects has been favorable.

- Agency use of alternative project delivery methods varies. For example, the Facilities Management Division makes extensive use of alternative project delivery methods while other agencies have no experience with alternative delivery methods.
- None of the agencies participating in the study had formal criteria for selecting a project delivery method.
- For projects that did not perform well, the reasons seem to be unrelated to the project delivery method. For example, the worst-performing projects in our case studies all suffered from problems that began during the planning phase of the project and continued through design and construction. The problems noted did not seem to be related to the project delivery method.

### **Recommendations**

The report recommended that

- Agencies without experience in the use of alternative project delivery methods should consult with the Facilities Management Division on how to make best use of those methods and/or provide training to project managers.
- Agencies using alternative project delivery methods should develop policies and procedures for selecting a delivery method.
- The auditor's office should work with the council to select high-risk projects for oversight by the auditor's office during the planning phase of the project and continue through subsequent phases as warranted.

### **Executive Response**

The executive concurred with the three recommendations of the report.