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Title: AN ORDINANCE relating to budgeting for technology projects; and amending Ordinance 18432, Section 8, and K.C.C. 2A.380.200, Ordinance 14155, Section 3, as amended, and K.C.C. 2A.380.310, Ordinance 14155, Section 4, as amended, and K.C.C. 2A.380.320 and Ordinance 17929, Section 14, and K.C.C. 4A.100.030.

Sponsors: Dave Upthegrove

Indexes: Budget, Information Technology

Code sections: 2A.380.200 - ., 2A.380.310 - ., 2A.380.320 - ., 4A.100.030 - .

Attachments: 1. Ordinance 18802.pdf, 2. 2018-0301 legislative review form, 3. 2018-0301 transmittal letter, 4. 2018-0301_SR_ITCode.docx, 5. 2018-0301_ATT2_AMD1_Technical.docx, 6. 2018-0301_REVISSED_SR_ITCode.docx

Date	Ver.	Action By	Action	Result
10/1/2018	2	Metropolitan King County Council	Hearing Held	
10/1/2018	2	Metropolitan King County Council	Passed	Pass
9/24/2018	2	Metropolitan King County Council	Hearing Held	
9/24/2018	2	Metropolitan King County Council	Deferred	
9/12/2018	1	Budget and Fiscal Management Committee	Recommended Do Pass Substitute Consent	Pass
8/20/2018	1	Metropolitan King County Council	Introduced and Referred	

Clerk 09/13/2018

AN ORDINANCE relating to budgeting for technology projects; and amending Ordinance 18432, Section 8, and K.C.C. 2A.380.200, Ordinance 14155, Section 3, as amended, and K.C.C. 2A.380.310, Ordinance 14155, Section 4, as amended, and K.C.C. 2A.380.320 and Ordinance 17929, Section 14, and K.C.C. 4A.100.030.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 18432, Section 8, and K.C.C. 2A.380.200 are each hereby amended to read as follows:

A.1. ~~The chief information officer shall ((prepare a biennial proposed technology business plan that shall)) assess all technology project budget requests to be transmitted to the council ((at the time of transmittal)) as part of either the executive's proposed biennial budget ((and shall align with an individual agency's business plans and budget requests)) or any supplemental appropriation ordinance. ((The technology business plan shall include:~~

- ~~1. A list of technology projects proposed for funding in the new budget;~~
- ~~2. For each project seeking funding in the budget, the following information shall be reported:~~
 - ~~a. the total budget request for the proposed project;~~
 - ~~b. the total of past appropriations;~~
 - ~~c. the total estimated cost of the project;~~
 - ~~d. an annual cash flow plan and any encumbrance or expenditures planned for carryover beyond the two-year period of the proposed budget;~~
 - ~~e. the expected useful life of the technology; and~~
 - ~~f. preliminary outcome measures to assess whether the project is successful upon completion;~~
- ~~3. For all existing projects seeking funding in the proposed budget, a status report on whether the project's major milestones identified at the time of the first and subsequent budget appropriations have been achieved; and))~~

2. The assessment of technology project budget requests by the chief information officer shall fulfill the following objectives:

- a. technology projects shall align with the county's strategic information technology plan and enterprise architecture and standards;
- b. technology projects shall contribute to minimizing the county's application portfolio risk; and
- c. project plans, cost estimates and benefit achievement plans shall meet the requirements in K.C.C. 4A.100.030.C, D, and F, respectively.

~~((4-A))~~ 3. The chief information officer shall provide to the office of performance, strategy and budget a list of all projects with active appropriation authority, including projects not seeking funding in the proposed budget and the unexpended appropriation for each project. That list shall be included as part of the executive proposed biennial budget.

B. Beginning in 2019, and every fourth year thereafter, the chief information officer shall prepare a strategic information technology plan for council adoption by motion. The strategic information technology plan, and the motion for adoption of the plan, shall be transmitted to council by December 31 of the year it is prepared, with annual updates provided by April 30 starting in the year two of the four-year plan. The plan should include, for the subsequent four calendar years:

1. A vision statement for the coordination of technology management and investment across the county;
2. A description of the current environment, strengths, weaknesses, opportunities and challenges for individual planning issue areas;
3. A list of recommended objectives, with description;
4. The approach to achieve the desired outcomes for each strategic objective;
5. The accomplishments towards meeting objectives from previous approved strategic plans, when objectives have not been met and a discussion of the obstacles towards meeting those objectives;
6. Appendices supporting the recommended objectives; and
7. Appendix defining appropriate strategic performance metric or metrics for each recommended objective in the plan.

SECTION 2. Ordinance 14155, Section 3, as amended, and K.C.C. 2A.380.310 are each hereby amended to read as follows:

A. The business management council is hereby created. The business management council shall act in an advisory capacity to the county's chief information officer in carrying out duties related to developing short-

term, mid-term and strategic objectives for information technology countywide, in recommending information technology proposals for funding and in developing standards, policies and guidelines for implementation. The members shall be the chief information officer and each agency's deputy director or business manager, designated by the agency's director, who is familiar with that agency's business and operations and has authority to commit resources and speak with the authority of the agency when participating in business management council meetings.

B. The business management council shall:

1. Review information technology proposals made by individual members, groups of members or ad hoc committees;
2. Assess short-term, mid-term strategic value and risk of information technology proposals;
3. Assess alignment of information technology proposals with agency business plans, agency technology plans and adopted strategic objectives;
4. Recommend information technology proposals for funding and for inclusion in ~~((the technology business plan and))~~ the information technology strategic plan;
5. Review and endorse proposed information technology standards, policies and guidelines and recommend to the chief information officer for countywide adoption; and
6. ~~((Review and provide recommendations for finalizing the technology business plan; and~~
- 7.)) Review operations management issues as needed.

C. The ~~((King County))~~ chief information officer shall serve as the chair of the business management council and shall designate a vice-chair as needed.

D. The chief information officer may convene an ad hoc committee as the chief information officer determines to be necessary for the business management council to focus on specific topics or to address the needs of a group of agencies. An ad hoc committee shall review topics and report findings to the chief information officer and the business management council.

E. Votes on all recommendations and endorsements shall be taken by roll call and recorded. Meeting minutes shall include issues and concerns raised by members for consideration by the chief information officer.

F. Members of the business management council shall serve without compensation.

SECTION 3. Ordinance 14155, Section 4, as amended, and K.C.C. 2A.380.320 are each hereby amended to read as follows:

A. The technology management board is hereby created. The board shall act in an advisory capacity to the county's chief information officer on technical issues including policies and standards for information security, applications, infrastructure and data management. The members shall be the chief information officer, each agency's information technology director or manager, designated by the agency's director, who is familiar with the agency's technology needs and operations and information technology service delivery managers for executive branch departments.

B. The technology management board shall:

1. Review the strategic objectives recommended by the strategic advisory council and assess issues related to the ability of the technology infrastructure to support them;

2. Review the business objectives and information technology proposals recommended by the business management council and assess issues related to compliance with the county's technology standards and policies and the impact to the technology infrastructure required to support them;

3. Develop or review information technology program proposals that support the strategic and business objectives of the county;

4. Develop or review technology program proposals that promote the efficient operation and management of technology infrastructure, applications and data;

5. Recommend technology program proposals for funding and for inclusion in ~~((the technology business plan and))~~ the information technology strategic plan; and

6. ~~((Review and provide recommendations for finalizing the King County technology business plan;~~

and

7.)) Review and endorse information technology standards, policies and guidelines for countywide use. Information technology standards, policies and guidelines with business implications shall be referred to the business management council for endorsement for countywide use.

C. The chief information officer shall serve as the chair of the technology management board and shall designate a vice-chair as needed.

D. The chief information officer may convene an ad hoc committee that the chief information officer determines to be necessary for the technology management board to focus on specific topics or issues. The committee shall review topics and report its findings to the chief information officer and the technology management board.

E. Votes on all recommendations shall be taken by roll call and recorded. Meeting minutes shall include issues and concerns raised by members for consideration by the chief information officer.

F. Members of the technology management board shall serve without compensation.

SECTION 4. Ordinance 17929, Section 14, and K.C.C. 4A.100.030 are each hereby amended to read as follows:

A. All capital projects shall be included in the six-year capital improvement program for the fiscal period and the next two fiscal periods and shall be organized by fund in the budget. The capital improvement program shall reflect changes, as needed, to capital projects resulting from determinations that the capital budget is not supported by fund balance and revenues to be collected. If the budget includes a new mandatory phased appropriation project or an additional or amended capital budget appropriation for an existing mandatory phased appropriation project, the executive shall submit supporting data as identified in K.C.C. ((4.04.245.F. through H)) 4A.130.030. A bond ordinance to provide funding for a capital project is not an appropriation for capital projects.

B. The capital improvement program shall include the following supporting data in a standard format

for each capital project, in the form of an electronic database, when possible, with a capital project number, project title, division, department, council district, fund number and fund name, appropriation and expenditures to date and six-year appropriations. The electronic database should provide the capability to sort the capital improvement program by capital project number, division, department, council district, fund number and fund name. Supporting data shall include:

1. Estimated expenditure authority for at least the next six years, by program;
2. Expenditure authority proposed for existing or new capital projects during the ensuing fiscal period, with information indicating sources of proposed revenue;
3. Whether the proposed project is the result of an operational need identified in an executive and council approved business plan and project plan;
4. Anticipated project schedule information;
5. Estimated net annual operating costs associated with each capital project upon completion, if applicable;
6. An enumeration of any revised capital project cost estimates;
7. Life to date expenditure authority and moneys expended on the project life to date;
8. Anticipated specific project phases within each capital project, including the individual allocations by project phase;
9. A list of planned subprojects including an assigned capital project number, project title, division, department, council district, fund number and fund name;
10. A list of capital project appropriation requests, including an explanation of how the capital project complies with applicable plans under K.C.C. 4A.100.060.
11. One emergent need contingency project and any grant contingency projects under K.C.C. 4A.100.080 and 4A.100.090 may be included in the capital improvement program at the fund level;
12. A list of lapsed capital projects for which the appropriation has lapsed because the capital project

has been abandoned or no expenditure or encumbrance has been made on the project for three years shall be disappropriated; and

13. Separate operating and operating transfers to capital appropriations if a single fund finances both operating expenses and capital projects; and

14. For technology projects, the chief information officer's assessment required under K.C.C. 2A.380.200.A.2.

C. Project plans, also known as capital appropriation proposal forms, shall ~~((include))~~ also be included in the electronic database and shall include, but not be limited to:

1. Project number, project title, program, division, department, council district, fund number and fund name;
2. The project's scope and a brief description of how the project satisfies the agency's business plan requirements and, if applicable, how the project satisfies the agency's site master plan;
3. Current phase of project, phase status and whether the project has been designated as a mandatory phased appropriation project;
4. Project baseline, if established, and explanation of any significant variance from it;
5. An explanation of alternatives considered;
6. Appropriation and expenditure amounts to date;
7. Ensuing-fiscal period appropriation requested amount;
8. Estimated cost through project closeout, which may be expressed as a range if baseline is not established and planned project costs by phase;
9. Explanation of how contingency amounts were determined or reference to applicable county policy;
10. Explanation of how inflation is incorporated or reference to applicable county policy;
11. Identification of funding sources, funding status, and funding risks; and
12. Description of key project risks, including summary of top risks in the risk register, if applicable.

D.1. Capital project cost estimates shall:

- a. be prepared in accordance with applicable industry standards;
- b. be identified as part of the budget by the executive as part of the budget;
- c. include 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 time value of money.

2. The level of detail incorporated within each cost estimate shall be commensurate with the information available at each phase of a capital project, and shall be consistent with the Association for the Advancement of Cost Engineering International cost estimate classification system. For technology projects, cost estimates shall be consistent with the King County information technology project management methodology. The estimates for all succeeding phases shall be updated to represent the latest project information.

E. An updated project plan shall be provided for each capital project request for appropriation.

F. Each technology capital project seeking appropriation shall also include:

~~1. A business case for each technology project seeking appropriation authority in the budget or any amendment to the budget. The business case shall include at a minimum a description of the problem the technology investment is trying to address, the proposed solution, an analysis of alternative solutions, the project goals and objectives, a description of the project, project milestones with specific dates, of which at least two milestones shall be projected to occur during the fiscal period in which they are proposed for appropriation authority;~~

~~2. A) a benefit achievement plan describing: how the proposed technology investment will produce an improvement or savings in county services; how the improvement or savings will be measured; how much improvement or savings is expected; and when the improvement or savings is likely to be achieved;~~

~~3. A cost-benefit analysis).~~

G. The major maintenance capital program submitted with the budget shall include the following:

1. A 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 support 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 cover those expenses. The model shall include any proposed changes from the previous fiscal period 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 in the budget with the major maintenance fund expenditure authority request for the ensuing fiscal period, accompanied by criteria used to develop the list and any changes from the previous fiscal period 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 appropriation ordinance.

Expenditures from the major maintenance reserve fund may be made only for approved capital projects on the program plan or approved reallocations but total expenditures shall not exceed the amount appropriated to the fund.

H. 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 G.2. of this section.