



**CITY OF KIRKLAND**  
**Department of Public Works**  
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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Rod Steitzer, P.E., Capital Projects Manager  
Julie Underwood, Public Works Director

**Date:** July 9, 2021

**Subject:** CAPITAL IMPROVEMENT PROGRAM—OPERATIONAL ENHANCEMENTS

**RECOMMENDATION:**

In preparation for the August 4 CIP update study session, it is recommended that the City Council receive a presentation about actions taken over the past few years to improve the operations of the Capital Improvement Program Division. The purpose of the study session is to review recent organizational analyses, comparisons, action items, and steps taken by the Department of Public Works to enhance the operations of the Capital Improvement Program Division to better align service delivery with long-range plans and policy direction and assure sound financial management and high quality delivery.

**Background:**

The Capital Improvement Program Division ("Division") of the Department of Public Works ("Department") is responsible for implementing the City Council-adopted Capital Improvement Plan ("CIP"). Working closely with other Public Works Divisions, and with Finance, Parks and other Departments, the Division:

- Helps develop the recommended CIP;
- Creates scopes of work and budget estimates for projects;
- Retains and oversees third party consultants and contractors for the timely study, development and implementation of projects;
- Ensures projects are compliant to legal requirements and codes and within budget;
- Inspects projects during construction and the projects' warranty periods;
- Performs a limited amount of in-house design;
- Attends to related administrative and problem-solving tasks;
- Ensure documents and records are compliant with audit requirements; and
- Provide project information to staff, management, Council, and community

**Recent City and Regional Influences on the Capital Improvement Program:**

The recent evaluations of the Division were initiated because the number, cost and complexity of capital projects has grown significantly and while there have been many notable successes, some mistakes have been made as well. The Division has also grown, and its responsibilities have evolved, just as the City and the region has grown and evolved. For example, one event

that advanced the City to a different level was the 2011 annexation of the Juanita-Finn Hill-Kingsgate area. The annexation not only added size and population, but added inventory of roads and rights-of-way, publicly-owned property, an array of infrastructure, and deferred maintenance. Table 1 below highlights City and Division growth since annexation.

**Table 1: City and Division Growth**

Item	2011	2021
Population	+ 49,000	+ 89,000
Area in Square Miles	11	18
CIP Budget for year	\$16 million	\$85 million
CIP Projects for year	25	49
CIP Staff Positions	13	24

The City's growth has also seen an increase in private and public investment and urbanization such as Kirkland Urban, the Village at Totem Lake, the upcoming \$75 million reconstruction of the I-405 and 132<sup>nd</sup> Avenue NE interchange, and the \$250 million investment at the NE 85<sup>th</sup> Street interchange.

To plan for and keep pace with Kirkland's evolution, the City is investing in numerous safety, capacity, maintenance, and dependable infrastructure projects including, but not limited to:

- \$55 million voter-approved fire bond for the replacement, expansion, & remodel of four fire stations.
- \$22 million (\$2.5 million grant) Totem Lake Connector Bridge.
- \$15 million (\$7 million grant) 124<sup>th</sup> Avenue NE Roadway Improvements.
- \$15 million Totem Lake Public Improvements Phase II.
- \$12 million utility improvements West of Market Street.
- \$11 million transportation improvements around the I-405/NE 85<sup>th</sup> Street interchange.
- \$ 7 million (\$4.8 million grant) Totem Lake Gateway.

For the Division, this meant increases in the quantity of CIP projects, often a higher degree of complexity within them, and increased demands and expectations by the Council and the public. The Division has worked hard utilizing some systems and internal organization practices that now are dated and disproportionate to the current CIP program. The work has been effective in some areas but challenged in others sometimes not meeting expectations.

### **Recent CIP Success**

Even with some of the challenges discussed later in the memo, the team has achieved high levels of success. Some examples of recent successes include:

- Completing the renovation of Fire Station 25 ahead of the ballot measure
- Cedar Creek 120-foot Culvert; reopened roadway in three weeks
- Juanita Beach Park Bathhouse winning project of the year award through APWA
- Completing the Juanita Drive Quick Wins safety improvements
- Carrying out initial elements of the City's ADA Transition plan such as the \$2.5 million Lake Washington Boulevard/Market Street ramps
- Installation of the \$9.1 million 108<sup>th</sup> Avenue NE Water and Sewer Improvements
- Completing the 2014 School Walk Route Priority Project list

- Substantial completion of the Rose Point Lift Station
- Acquiring property and constructing Totem Lake Park [nearing completion]
- Securing external funds/grants:
  - \$2.5 million for the 108<sup>th</sup> Avenue Transit Queue Jumps
  - \$3 million for 100<sup>th</sup> Avenue NE Roadway Improvements
  - \$4.8 million for Totem Lake Gateway
  - \$2.5 million for the Totem Lake Connector Bridge
- Developing and incorporating contract provisions and remote work to keep all projects advancing during COVID-19 pandemic.

### **Staff Turnover and Financial System Implementation**

The remarkable regional public and private sector growth has created strong competition for contracted labor and materials, consultants, and qualified staff for each party to manage the projects. The impact has been seen in high bid prices, deferred projects, and when coupled with many retirements, career opportunities for Kirkland staff. Over the past three years, nine Division staff have either retired or taken career opportunities. Although talented, the newer staff has less experience managing projects.

The success of securing external funds and partnering with external agencies has also meant a greater need for enhanced records management and accounting. In 2018, the City upgraded our Enterprise Resource Planning (ERP) software and transitioned to using Munis, which is now the system for all financial, payroll, and human resources functions, including monitoring capital project budgets and expenses. The new robust financial system requires more department-level input and accountability. This transition required a significant transfer of project data and the need to develop new procedures in a more advanced system. Additionally, significant staffing turnover in the CIP group and Financial Planning added to the complexity for this transition. City staff have been dedicated to finalizing this transition and utilizing all the capabilities of Munis in 2021. Two major initiatives have been auditing all data on a project by project basis to ensure validity; staff presented the budget adjustments that resulted from this project audit at the June 15 Council. Another major initiative is the development of financial charters; discussed later in the memo. All of these changes will be active ahead of the CIP update that will be presented to Council at the August 4 study session.

Staff has learned and made improvements from those experiences; however, with the large planned delivery need, staff wants to ensure delivery matches and keeps pace with growth, and to provide assurance that the quality of work and services meets expectations. The Division's goal is to deliver every project on time and on budget. Identifying structures and practices necessary to meet this goal prompted the Department and Division to undertake an in-depth review of its capital operations.

### **Operational Assessments:**

A recent assessment was conducted by the Public Works Director in 2019/2020 and an on-call consultant. A summary of their observations are as follows:

### Challenges

- Strong public and private sector competition for qualified staff increased turnover and made hiring replacements difficult. These regional forces resulted in new staff with less experience managing more projects.
- Strong state and regional growth driving up prices of contracted labor, consultants and materials, resulting in significant cost increases during bidding process.

### Things working well:

- The Division maintains a positive culture with strong camaraderie.
- The Division has a comprehensive project management professional process manual.

### Things to improve:

- Finding sufficient time to train new staff in the City's best practice expectations.
- Eliminating a sense of complacency; a misplaced confidence that if the budget is exceeded or the schedule extended, a solution will be found without consequences. Replacing the approach with an on-time, on-budget drive towards excellence.
- Developing an 'ownership' or active stewardship of the project.
- Structured and consistent use of project management processes.

### Improvements from the first assessment included:

- Established sustainable staff workloads and hired outside project management support;
- Restructured the Division to begin to address span of control (e.g., restructured the Outreach Coordinators from reporting to the CIP Manager to the PW Deputy Director);
- Improved project definition and using established processes for better management of scope, schedule, budget, and change management;
- With the migration to a new financial system, CIP and Finance staff conducted a thorough review of project closeouts and a verification of data accuracy in MUNIS;
- Emphasized project ownership and accountability; and
- Developed a group performance 'scorecard'.

Second, the Department retained **Rock Project Management Consulting** in 2020/2021 to perform a "gap analysis" of the Division followed by a more thorough assessment report (see Attachment A). In Section 3 "Key Findings" (page 15), Rock Consulting concludes:

*"Overall, it is RPM's opinion based on our evaluation, that the City of Kirkland's capital improvement program is within normal expectations of program performance of its size and the volume of work and number of projects managed on an annual basis. There are areas of concern that should be addressed and there are positive components of the program that should be recognized and promoted further to continue replicating on future projects. Most of our findings are minor changes that could produce major improvements to the program and individual project successes."*

In summary, and in comparison, with other agencies, Kirkland's CIP Division performs within expectations of a program of its size and volume of work and minor changes are recommended.

Key themes from the Rock Project Management report include:

Identified issues and solutions:

- Address span of control issues that can lead to lack of proper oversight, untimely troubleshooting, and accountability. To remedy this, the Division has reallocated existing staff positions (office specialist and project engineer) to a second CIP Supervisor and a Senior Financial Analyst. The Supervisor will reduce the number of direct reports, providing appropriate project manager oversight, and improve delivery. Adding a Senior Financial Analyst will aid with the early development of project funding, developing, tracking, and monitoring of grants, align project schedules, and ensure project expenses line up with forecasted estimates. Moreover, this new position in the CIP Division will play a key liaison role with Finance. It is worth noting that the PW Director temporarily moved the Department's Senior Financial Analyst to focus nearly exclusively on the CIP approximately a year ago; this restructure will continue.
- Address retention by converting Limited Term Employees to Regular FTEs ([Council approved, May 18, 2021](#)). In this tight labor market, it was imperative to address concerns involving workplace stability.
- Address having a thorough early scoping of projects. If left unaddressed, it can lead to unclear scope, infrastructure needs being overlooked, and expectations and budgets missing the mark. The Division addressed this by adjusting its process by formally establishing a set-up team. A successful project is largely dependent on significant up-front proper planning of project purpose, defining a complete scope of work, designing in the details, and aligning the project budget and schedule with the project purpose.

Process Improvements

- Enhance each project's charter.  
A charter describes the project in its entirety, including objectives, constraints, risks, general scope, schedule, and budget, and stakeholders. Update the charter template to include identification of a project champion and sponsor, key decision makers, and approval authority, key milestones, and fundamental scope of work and deliverables for success.
- Develop a management plan for every project.  
The plan is a roadmap of how a project will be managed by the team, clarifying a more detailed scope of work, budget and estimate, detailed schedule, communications plan, Quality Assurance/Quality Control plan, Risk Registry, and Roles and Responsibilities Matrix.
- Establish an ongoing training program.  
Utilizing subject matter experts from a variety of internal departments and resources, provide knowledge area and proficiency training for Division staff for a diverse list of project development and management topics and knowledge areas.
- Evaluate a web-based project management performance program.  
A project management system ensures consistent implementation of best practices by standardizing the approach in an efficient, online basis, reducing hard copies, and allowing all team members to track and monitor project progress and documents online in real time.

Third, five cities were identified that were similar to Kirkland not only in terms of population but also in terms of the range of municipal services offered, whether they managed their own utilities, the scale of their CIP, and other factors. The purpose of contacting other cities was to

see what we could learn from them and what they do differently. The team made comparisons of the cities of Bellevue, Bellingham, Federal Way, Olympia, and Redmond.

Findings from the city comparisons include:

- In Kirkland, the CIP Supervisor currently has 14 direct reports. None of the cities we contacted had any one staff member in any position who had as many direct reports; more likely, it was half that number or less. Some management industry professionals state that about 7 direct reports is a reasonable number.
- In both Olympia and Redmond, the CIP unit enters into a written understanding with the "home department" before the project is initiated about what the purpose and goals of the project are, identify items such as stakeholders that need to be included, special concerns and interests, and what would be the measures of success.
- In Olympia, they have an interdepartmental team (as does Kirkland) that monitors the progress of CIP projects. It works as a team to resolve issues, as opposed to working out issues simply between the home department and the CIP unit. Also, at the end of the project the team takes time to review what worked well and didn't not only from measurable factors (e.g., schedule, budget) but also qualitative factors (e.g., did the finished project actually meet the community's expectations).
- Comparisons to Bellevue were made somewhat difficult because Bellevue has all transportation CIP projects performed by one work unit and all other CIP projects performed by another work unit.

### **Improvements:**

Using both lessons learned and assessment findings, the Division has made operations improvements in a variety of areas; 24 of those improvements are listed in Attachment B, CIP Division Operational Improvements. Highlights of those improvements include:

#### Organizational Improvements

- Converted an administrative and engineer position to a financial analyst and supervisor.
  - To provide appropriate oversight and faster response time for project managers.
- Defining roles and responsibilities between the Division and other groups.
  - To reinforce seamless work, through roles and responsibilities, between the Division and Finance.
  - Establishing regular meetings between the Division and the Finance staff, the City Attorney's Office, Planning, and project 'owners' (currently in development).
- Dedicate a staff resource to develop project concepts, scopes, schedules, compliance needs, estimates, and ensure quality controls.

#### Process Improvements and Project Management Tools

- Reinforcing best management processes already in place.
- Enhance each project's charter as detailed by Rock Consulting.
- Developed financial 'Charters' to clarify project goals, scope, schedule, and budget.
  - Transition of the financial system prompted the replacement of the financial tracking tool. The Division's new Senior Financial Analyst and Finance staff collaborated on the development of a new financial charter to communicate status, expenditure forecasts, and grant reimbursements, as well as provides early identification for project budget considerations. The charter uses many of

Munis' powerful functions including, automatically updated financials and integrated contract and grant information.

- Financial charters for each project have been developed. Develop a multi-project financial management tool ('pivot cube' in development).
- Develop portfolio metrics (scorecard in development) to manage program performance.
- Established financial and contract routing protocols, conventions, and feedback loops.
- A long-term improvement is to evaluate project management software.

#### Training

- Conducted workshops on project management knowledge areas and practices.
- Set-up weekly proficiency project management meetings.

With the implementation of these improvements, we are seeing positive outcomes; examples include:

#### Financial coordination and management

The new financial charter tool was a key element in the management of the NE 132<sup>nd</sup> Street Sidewalk Improvements. The project was awarded a \$500,000 grant matched with \$113,800 of local funds. Recognizing additional capacity for eligible expenditures, the project manager worked with the new CIP Senior Financial Analyst and the Finance Department to restructure a grant contract amendment that resulted in the reimbursement of an additional \$70,000 for the project. The project was accepted returning \$61,000 to local sources.

#### Enhanced project charter

As part of the project development process, an early review and recognition of comprehensive scope definitions allowed staff to bring opportunity options forward for Council input on the Lake Street and Kirkland Avenue Intersection Improvements Project. The project manager used a 'Gemba walk' to help scope opportunities. A 'Gemba walk' is a site review with project owners and stakeholders, including finance and outreach staff, to further develop project needs and scope.

#### Change coordination and management

Staff has worked closely with the City Attorney's Office on change management such as deductive change orders for Totem Lake Gateway saving approximately \$315,000.

#### Group meetings and ongoing training

With multiple staff working on projects in Totem Lake, weekly group meetings allowed for the coordinated work for the Totem Lake Gateway, Totem Lake Park, Totem Lake Connector, Northshore Utility Improvements, Totem Lake Boulevard-120th Avenue NE Preservation, 124<sup>th</sup> Avenue NE Roadway Improvements, and redevelopment of Totem Lake Mall.

Additionally, the Division coordinated with the Finance Department on two topics. One was for training on contract routing timeline requirements, synchronization of invoices received and processed for prompt payments, and processing of tax and retainage requirements. A second training was to review "capitalizing assets" and what information is needed for reporting.

## **Conclusion**

Staff welcomes the Council's feedback on the performance of the Division and any questions about the assessments or the action steps being taken. These external and internal assessments have helped to foster a culture of continuous improvement. While perfection is not the goal, the Division has recognized that setbacks provide opportunities to reflect, learn, and improve. The CIP Division is committed to its mission, and by proactively addressing its shortcomings, it will be well positioned to consistently deliver impactful quality public projects to the community.





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March 26, 2021

Rod Steitzer, Capital Projects Manager  
City of Kirkland Public Works  
123 Fifth Avenue  
Kirkland, WA 98033

SUBJECT: City of Kirkland Public Works Capital Projects Program Assessment Report

Dear Mr. Steitzer,

Rock Project Management Services, L.L.C. (RPM) is pleased to provide the enclosed City of Kirkland (City) Public Works Capital Projects Program Assessment Report. The following assessments were conducted and are discussed in the report:

1. Capital Projects Program Organizational Structure
2. Processes for Administering all Phases of Capital Projects
3. Capacity, Roles & Responsibilities, and Technical Skills of the City's Capital Projects Team
4. Peer Review of Similar Public Works Programs in Nearby Cities

Based on the above assessments, RPM provides recommendations in the report for next steps, to implement Capital Projects Program Improvements. The recommendations identify key action items to improve overall capital program success, and more consistent individual project successful outcomes from project to project.

In addition to the assessments conducted and the recommendations developed, RPM has conducted three training workshops with the City's Capital Projects Staff to align training and skills with expectations and best practices.

Workshops conducted:

1. Project Management as Team Leader
2. Setting up a Project for Success
3. Change Management

The three workshops were well attended, examples and templates for program integration were provided, and follow-up discussions and future training topics are included in the report.

I hope you find this report a useful assessment of the City's Capital Projects Program and that it serves as a tool for future improvements. If you have any questions regarding the information contained in the report, or our recommendations for action plans, please do not hesitate to contact me. It has been a pleasure getting to know the fine staff at the City and the great work each public employee provides.

Sincerely,  
ROCK PROJECT MANAGEMENT SERVICES, L.L.C.

Bernie O'Donnell, President

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## SECTION 1 – BACKGROUND AND APPROACH

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### **BACKGROUND:**

The City of Kirkland maintains a robust capital improvement program laying the groundwork for a safe, healthy, and vibrant community. Project types include Transportation, Water/Sewer Utility, Surface Water, Parks, Public Safety, General Government-Technology, and General Government - Facilities.

The 2019-2024 Capital Improvement Program has current funding of \$244M and an additional unfunded CIP of \$631.6M. This represents a tremendous volume of capital projects all occurring over a six-year period. At any given time, dozens of construction projects are underway at various stages of planning, design, or construction. Projects are primarily managed by in-house project construction management staff who oversee the planning, design, construction, and closeout of each project.

In recent years, the capital program's volume, complexity, and size of projects have grown in response to the City of Kirkland's substantial growth and its aging infrastructure needs while the project management approach to capital projects has largely remained unchanged.

To optimize management resources and promote reliable project outcomes, the City of Kirkland contracted with RPM to review current capital project management practices, recommendations for enhancements in practices, processes, and subsequent training and education on implementing recommendations.

### **APPROACH:**

The approach of the assessment team was to remain as objective and open to the information we learned at each step, refining our understanding, as more information was learned, and adapting and refining our understanding, building on baseline information and data as new information and data was reviewed and incorporated into our assessments. Each assessment effort built upon the previous one, to the point that we able to establish a comprehensive understanding of the City's program, what was working well, and where improvements could be made.

RPM's approach and scope of services included gathering data on the existing program and capabilities of the team. We reviewed the organizational structure, position descriptions, project types, and conducted a (1) Survey of CIP Staff on PM/CM skillsets, and (2) Interviews of City staff CIP Stakeholders with open-ended questions.

Over the course of several weeks, RPM surveyed and interviewed City leadership and management staff of various department that are served by the CIP team, and we interviewed CIP staff. 14 City leaders/department managers were interviewed, and 18 CIP-related staff members were interviewed.

The interviews were conducted by senior leadership of Rock Project Management: Bernie O'Donnell, President; Debbie Boodell, Vice-President-Project Management, and Rusty Cutner, Vice-President-Pre-Construction Services. Combined, the three-member interview team has over 100 years of project management experience managing hundreds of public work projects in the State of Washington and beyond.

1. **Survey.** Conduct a survey of all CIP staff and other key City CIP stakeholders using the City's CIP Project Manual and process documents, of current project design development, acquisition, and

construction management practices, procedures and approaches compared with industry norms. The survey results serve as a “Gap Analysis” tool to judge where individual team members and the group is challenged or succeeding.

2. **Interviews.** We Interviewed City staff CIP stakeholders including CMO, CAO, Finance, Parks, Planning, PW Transportation, PW Maintenance, and Facilities. We Identified and reported on blind spots, needs, and current practices that should continue. Specifically, we asked four open-ended questions:
  - a. Tell us what you believe are things that are going right, things that are going wrong, things you would change and things you would keep the same.
  - b. Do you believe you have the proper tools, resources, training, and support to perform your job? Explain.
  - c. What are the top five things that are impeding you from being more successful in your role?
  - d. Is there anything else we should be aware of that we have not asked?

**Based on the analysis of the survey responses and responses to the four questions above, we have:**

1. Identified a list of project management topics and prioritizing the list based on:
  - a. Staff identification of topics they would like to discuss and enhance their understanding.
  - b. Leadership identification of topics.
  - c. A reconciliation of the two lists of topics into one master list.
2. Developed a timeline and instructional topics for group discussions. These topics include on-going business norms that help sustain the Project Management skills and best practices
3. Identifying and developing subject matter experts (in process) to provide training, instructions, and to help facilitate informed discussion sessions (utilize in-house staff to develop "ownership" in process where possible).
4. Conducted group discussions and three workshops with CIP staff to discuss project management team responsibilities and best practices, successful processes tools to start up a project, and successful change management processes and tools.
5. Using the City's organizational structure and defined role of steering teams, a list of project management topics is identified to assign in-house subject matter experts, for continuous improvement, and for the City to have a go-to person for specific topic expertise.

Following the surveys, series of interviews and three workshops with staff, RPM then conducted an assessment of the City's program with peer cities and departments of similar size and services provided. Those public organizations included:

1. City of Olympia Public Works Capital Projects Program
2. City of Bellingham Public Works Capital Projects Program
3. City of Federal Way Public Works Capital Projects Program
4. City of Tacoma Transportation Public Works Capital Projects Program

We interviewed each of the above organizations to understand their program organizational structure, their approach to managing capital projects from early planning, through design, permitting, construction and closeout, and we also asked each to describe the challenges, successes, areas of improvement and other specific topics related to their individual programs. The information we learned from each allowed us to measure the City of Kirkland's capital program performance comparatively to other similar local public organizations.

A significant volume of data has been collected from City staff surveys, interviews, workshop trainings, and review of peer-organizations. Assessments of information and key findings is provided in the following sections, followed by RPM’s recommendations for implementing action items for near-term and long-term program improvements.

## SECTION 2 – ASSESSMENTS

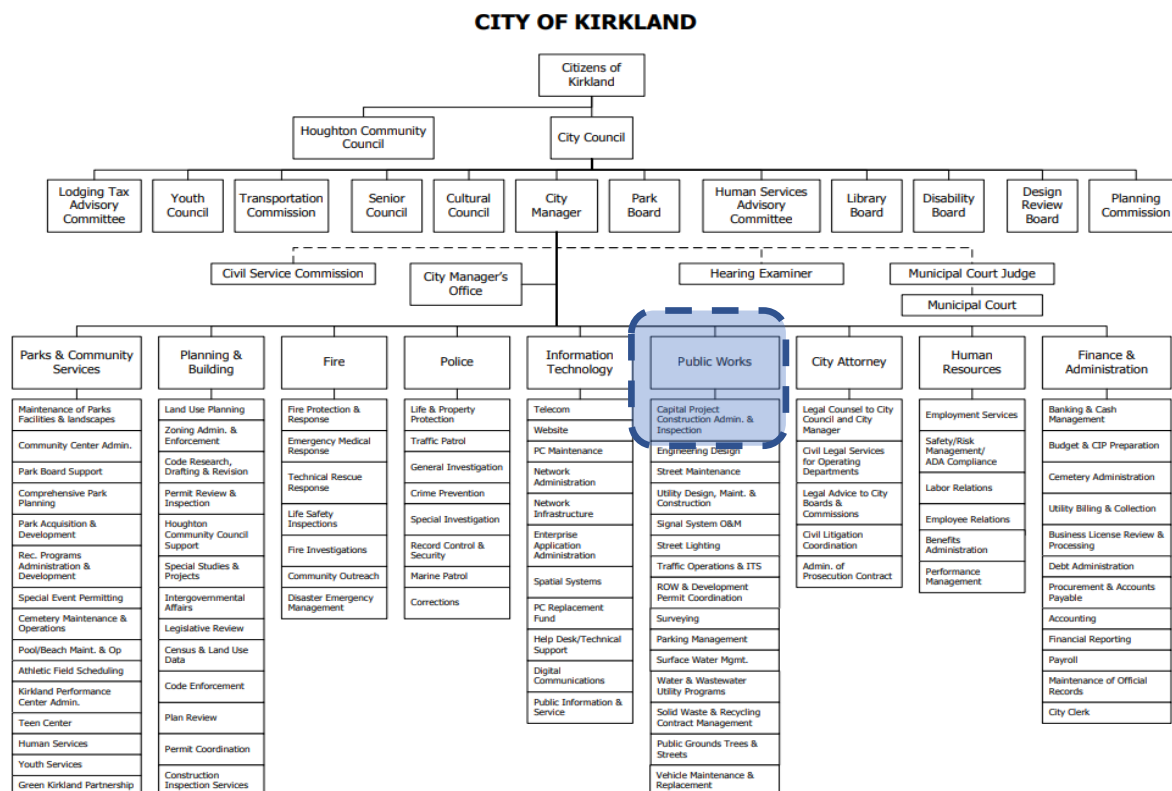
### INTRODUCTION.

Our steps in assessing the City of Kirkland’s Capital Improvement Program are organized in a manner that allowed baseline information of program structure and processes to build upon information about how well the staff and others were able to manage within that structure and those processes, and from that understanding, we were then able to compare organizational structure, processes, and team performance to peer organizations for final conclusions of recommendations and action items. Our assessments that follow are detailed by:

1. Organizational Structure
2. Capital Projects Processes
3. Capital Projects Staffing
4. Peer Reviews of Similar Organizations

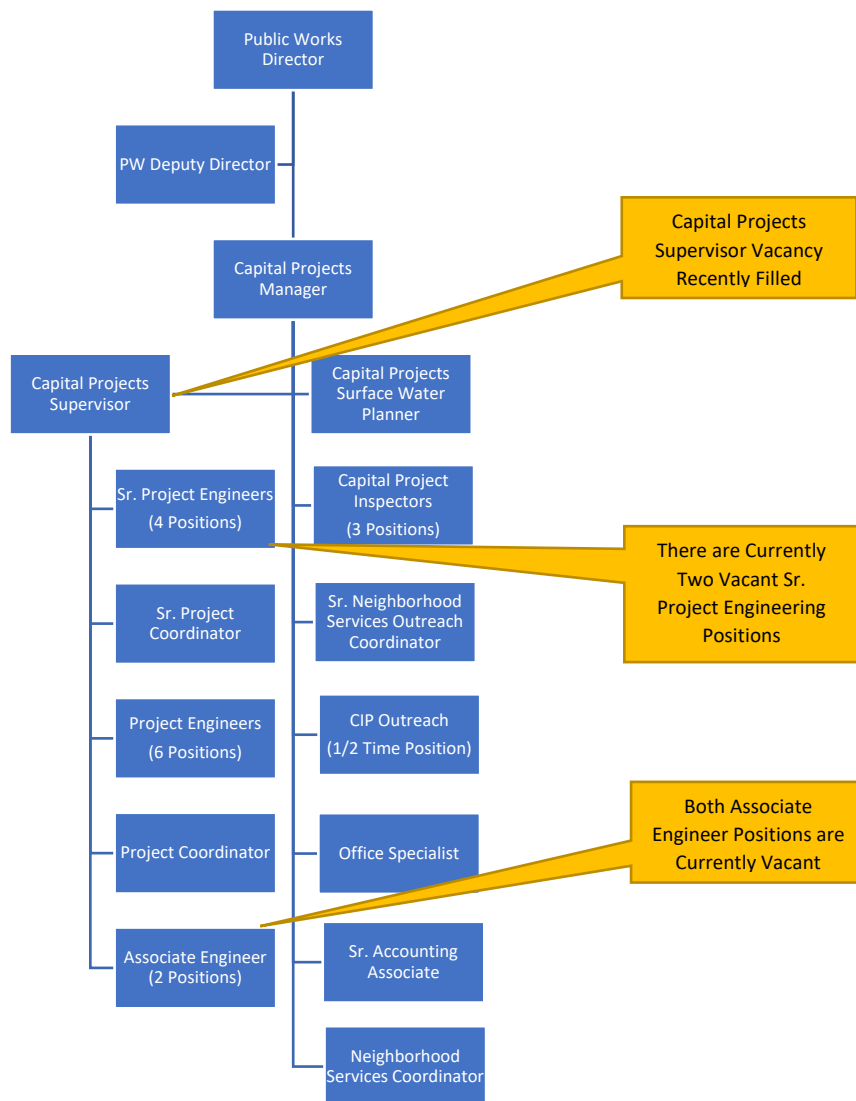
### SECTION 2.1 ORGANIZATIONAL STRUCTURE

The City’s Capital Improvement Projects Program operates within the Public Works Department and is one of fifteen distinct teams within the larger Public Works Department. The Public Works Department is one of nine City Departments reporting to the City Manager, as shown in the overall City Organization Chart.



Within the Capital Projects team, the Capital Projects Manager has specific overall responsibility for the Capital Improvement Program, reporting to the Public Works Director, in coordination with the Public Works Deputy Director and other City Departments. The Capital Projects Manager has (10) direct-report positions, including a Capital Projects Supervisor, Capital Projects Surface Water Planner, (3) CIP Inspectors, a part-time CIP Program Outreach representative, an Office Specialist, Sr. Accounting Associate, and a Neighborhood Services Coordinator. Under the responsibilities of the Capital Projects Supervisor, (14) CIP employees report to the Supervisor including (4) Sr. Project Engineers, (1) Senior Project Coordinator, (6) Project Engineers, (1) Project Coordinator, and (2) Associate Engineers.

As of the timing of this report, our records show there are currently (4) vacant positions including (2) Sr. Project Engineer, and (2) Associate Engineers. The Capital Projects Supervisor position was recently filled by a Sr. Project Engineer, creating two Sr. Project Engineering vacancies.



Over a major duration of 2020 and into 2021, the Capital Projects Supervisor position has been vacant, and the direct-report employees were directly reporting to the Capital Projects Manager. As illustrated in the above organization chart, the CIP team is vertically stacked with (14) positions reporting to the Capital Projects Supervisor position (vacancy just recently filled) and (9) positions, including the Supervisor position reporting to the Capital Projects Manager.

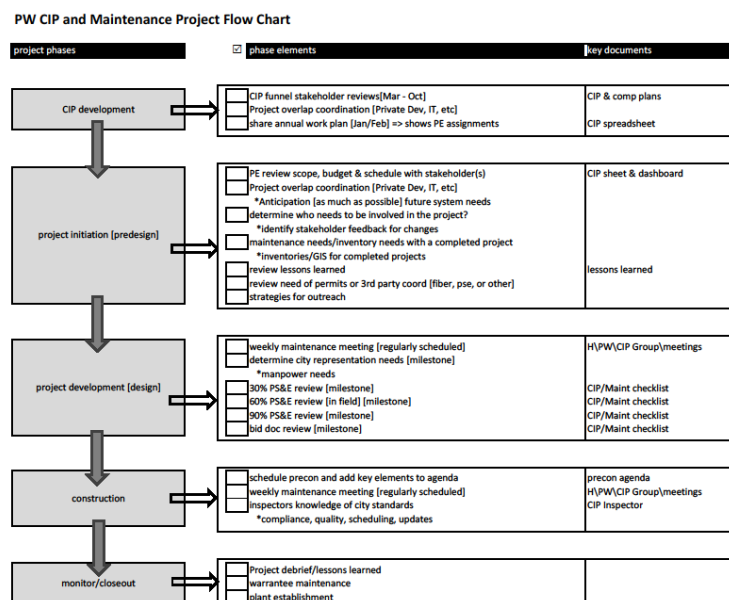
Our assessment of the organizational structure is that too many positions report directly to one person (14 positions report to the Supervisor and 9 report to the Manager). Most organizational structure planning would suggest a range of three to five direct reports for each manager where day-to-day engagement is needed, or that ratio can be increased up to five to seven positions when the direct reports have assignments that require less oversight. Optimizing the span of control for managers also needs to consider the degree of cross-organizational collaboration required. Since the supervisor and manager roles also require substantial cross-organization coordination, meetings, and engagement, the span of control should be structured relatively small. Times of organizational transformation which the City's Capital Projects Program has seen with substantial growth over the past few years, is also an indication that span of control should be managed to allow management focus time on the transformation efforts.

The dangers of having too many direct reports, answering to one supervisor or manager can cause a bottleneck condition for decision making, approvals, employee coaching and guidance, reassurance, and morale management in an organization. Significant, timely decisions are essential in a capital projects program such as the City of Kirkland's CIP, and the challenge of providing timely responses is increased with many active projects occurring simultaneously, all in varying stages of planning, design, permitting, construction, and closeout. Our assessment of the current organizational structure is that there are too many positions reporting to too few oversight positions causing bottleneck decision points and impeding strong leaders from developing and implementing forward-looking program strategies. Our recommended restructuring to address these concerns is provided in Section 3.1.

## SECTION 2.2 CAPITAL PROJECTS PROCESSES

Overall, RPM's assessment of the City of Kirkland's Capital Projects Processes is that the processes that have been developed are good. The City has developed a project manual document that identifies processes for reliable, successful, and consistent project management.

Projects are defined by project phases. Project phases have specific phase elements, and each phase element has key documents, and templates that are utilized by the project team and others to ensure good project development, pre-design, design, construction, and closeout goes as planned. Inherent in any process, is that the process is only as good as it can be if it is indeed followed.



The processes for managing all project phases, from project to project is not always consistent from one project manager to another. Shortcuts on process occur as project managers develop their own unique way of managing projects while multi-tasking larger workloads and more complex projects. Past good experiences or bad experiences reinforce the use or non-use of processes developed. Many times a project manager will inherit new projects in various stages, and they inherit projects that may not have been set up properly for adequate funding, or it is behind schedule, or the scope of work has not been clearly developed and/or aligned with the budget and schedule expectations. For a variety of reasons, established processes get compromised, even with good intentions, that jeopardize the success of project delivery at each stage.

RPM's assessment of the CIP process is that the processes, when followed, lead to successful project outcomes. In fact, our review of the City's CIP processes is that the processes are better than most similar CIP processes identified by other peer organizations we interviewed. Unfortunately, the regimented use of the processes is lacking.

RPM has also evaluated some of the tools used by project managers to manage their projects:

MUNIS is the City's financial tool to track costs against budget, but the system is not a strong tool for forecasting project risks, identifying potential change orders for risk management and what-if forecasting. From what we have learned from the CIP staff utilizing MUNIS is that the tool tracks costs that have occurred but is not as useful for a project manager to forecast future costs against budgeting.

The CIP team does not have a project management web-based system for tracking project documents between the various project team members and internal or external stakeholders. A web-based PM system allows for real-time interaction and sharing of project documents online, speeding review times, approvals, and monitoring and tracking issues resolution timely. Project tools that could enhance the CIP processes for excellence in project management include:

1. **Web-Based PM System.** Customized web-based PM system for tracking project progress, documentation, budgets, schedules, RFIs/Submittals, correspondence, changes, risks, quality inspections, payments, punchlists, permitting processes, and closeout activities could be better managed by a web-based project management software system, customized to the City of Kirkland's capital improvement program process requirements.
2. **Project Templates.** RPM has shared some project templates that the team may want to consider, including a Project Management Plan (PMP) template and examples, Project Charter templates and examples, Project Startup Checklists, Risk Registry with examples, Roles and Responsibilities Matrix, Budget Options Log, and Budget/Estimates templates. These templates have been made available to the City and could be adapted for integration into the City's processes.

Recommendations for improving the consistent use of the capital projects processes is discussed in Section 3.2 of this report.

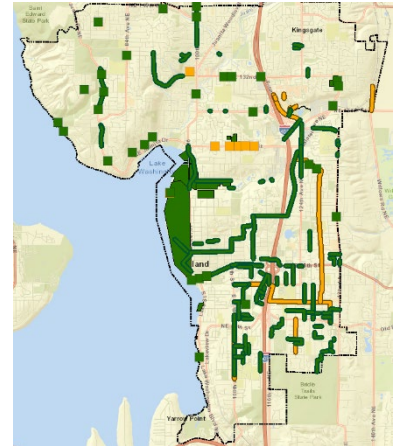
### **SECTION 2.3 CAPITAL PROJECTS STAFFING**

After assessing the project organizational structure and processes that had been developed internally at the City to manage capital projects, RPM conducted a review of the capital projects staffing, which included the following:



**Staff Sizing.** We reviewed the number of full-time-equivalent employees that manage projects or support key components of each project and compared that to industry norms. We also reviewed each position description to ensure each existing position had clearly defined the role and responsibilities expectations.

There are currently 14 positions that oversee multiple projects or components of projects as part of the capital improvements program. Those 14 positions are overseeing approximately \$200+ million of projects in various stages of design, or construction on an annual basis. There are currently 23 active major projects in the system, either in design or construction. The snapshot of the City's interactive Capital Improvement Projects is a useful tool to illustrate the vast number of projects planned or under construction. These projects are in addition to over 40 active projects under construction by commercial developers in the City of Kirkland.



CIP Supervisor Direct Reports	# of Positions
Senior Project Engineers	4
Project Engineers	6
Associate Engineers	2
Sr. Project Coordinator	1
Project Coordinator	1
Other: Inspectors/Specialists	9

Of the (14) key project management positions, there are (4) that are vacant (28.6% vacancy). Our assessment is that the fourteen positions, if not vacant, is sufficient for the volume of projects managed on an annual basis. During key peak workloads, or major influx of large concurrent complex projects, short periods of staffing can be augmented with specialized contracted project professionals with qualifications tailored for the specific projects to ease peak workloads.

The staff sizing should not be reduced based on expected future workloads and training requirements that would be required to onboard new staff with the skillsets trained in City processes. Increasing supervision positions and span of control is discussed in Section 3.1.

**Staff Experience, Skills, and Training.** RPM conducted a survey of CIP Staff on PM/CM skillsets and conducted a series of interviews of City staff and CIP Stakeholders with open-ended questions.

Over the course of several weeks, RPM surveyed and interviewed City leadership and management staff of various department that are served by the CIP team, and we interviewed CIP staff. 14 City leaders/department managers were interviewed, and 18 CIP-related staff members were interviewed.

The interviews were conducted by senior leadership of Rock Project Management: Bernie O'Donnell, President; Debbie Boodell, Vice-President-Project Management, and Rusty Cutner, Vice-President-Pre-Construction Services. Combined, the three-member interview team has over 100 years of project management experience managing hundreds of public work projects in the State of Washington and beyond.

The survey results serve as a "Gap Analysis" tool to judge where individual team members and the group is challenged or succeeding.

We Interviewed City staff CIP stakeholders including CMO, CAO, Finance, Parks, Planning, PW Transportation, PW Maintenance, and Facilities. We Identified and reported on blind spots, needs, and current practices that should continue. Specifically, we asked four open-ended questions:

1. Tell us what you believe are things that are going right, things that are going wrong, things you would change and things you would keep the same.
2. Do you believe you have the proper tools, resources, training, and support to perform your job? Explain.
3. What are the top five things that are impeding you from being more successful in your role?
4. Is there anything else we should be aware of that we have not asked?

**Based on the analysis of the survey responses and responses to the four questions above, we have:**

1. Identified a list of project management topics and prioritizing the list based on:
  - a. Staff identification of topics they would like to discuss and enhance their understanding.
  - b. Leadership identification of topics.
  - c. A reconciliation of the two lists of topics into one master list.
2. Developed a timeline and instructional topics for group discussions. These topics include on-going business norms that help sustain the Project Management skills and best practices
3. Identifying and developing subject matter experts (in process) to provide training, instructions, and to help facilitate informed discussion sessions (utilize in-house staff to develop "ownership" in process where possible).
4. Conducted group discussions and three workshops with CIP staff to discuss project management team responsibilities and best practices, successful processes tools to start up a project, and successful change management processes and tools.
5. Using the City's organizational structure and defined role of steering teams, a list of project management topics is identified to assign in-house subject matter experts, for continuous improvement, and for the City to have a go-to person for specific topic expertise.

A total of 33 interviews of City staff and 99 sets of interview notes we compiled to assess team performance, qualifications, and skillsets and to explore ideas for improving the program. Through the intensive interview process and the review of survey responses, we believe our assessment of the staff is an informed assessment:

Our assessment of CIP staff is that the qualifications and skillsets of the team is within industry norms. The staff is a good mix of senior level qualified professionals, mid-level project managers, and a few early-career junior-level experienced project service providers. Based on our assessment, the team is qualified to manage the volume, variety, and complexities of projects the City's CIP faces; however, the amount of employee turnover is above normal and does not allow for City processes to be fully adapted, further refined and developed, and fully utilized by all CIP team members. Opportunities for new employees to interface with senior-level, more experienced employees are reduced with the number of vacancies and employee turnover.

Staff training can and should continue to address and reinforce best project management practices. The following couple pages list the survey results of the training topics, employees' self-assessment and assessments of the team on comprehension level of training topics.

Discussion Topics	Specific COK PM Manual Topic	Specific PM/CM Body of Knowledge Topic	General PM/CM Leadership Skills Topic	Individual Comprehension Level					Overall Staff Comprehension Level				
				Excellent	Very Good	Fair	Poor	Very Poor	Excellent	Very Good	Fair	Poor	Very Poor
				4	3	2	1	0	4	3	2	1	0
City of Kirkland Project Manual Topics													
I - PLANNING													
A. SCOPE:		✓											
1 Review CIP Sheet	✓			9	4	1		1	4	8	1	1	
B. BUDGET:		✓											
1 Project Revision Request policy	✓			2	3	7	2			5	5	2	
2 Project Revision Request form	✓			3	4	4	3	1	1	5	4	2	
3 Funding change notification	✓			3	2	5	3			7	3	2	
C. SCHEDULE:		✓											
1 Determine project design/construction schedule	✓			7	5	2			1	6	4	1	
D. STAKEHOLDERS		✓											
1 Project Location and Mapping	✓			9	2	1		1	5	5	3		
2 RFI Coordination	✓			8	2	4		1	1	7	4		
E. RISK		✓											
1 Review permitting requirements	✓			4	6	3		1		4	7	1	
2 Review 3rd party coordination (fiber, PSE, transit, Metro Sewer, etc.)	✓			4	5	4	1	1	1	3	8		
F. OUTREACH		✓											
1 Develop outreach strategy	✓			3	8	1	1	1		7	6		
G. LESSONS LEARNED		✓											
1 Review lessons learned	✓			4	6	3			2	5	5	2	
II - EXECUTE/CONTROL DESIGN													
A. SELECT PROJECT CONSULTANTS:		✓											
1 Set-up internal file system	✓			10	3	2			3	4	5		
2 Advertise/Select consultant from roster	✓			7	6	1		1	4	6	1		
3 Select from consultant pool for project per Consultant Selection Process	✓			7	4	3		1	3	8	1		
4 Develop scope for consultant work	✓			4	8	1		2	1	7	4		
5 Interview prospective consultants (if necessary)	✓			6	5	1	1	1	3	4	5		
6 Check consultant references (2.A.6)	✓			8	4		1	1	3	7	2		
7 Consultant Selection Memo	✓			8	4	1	1	1	4	5	2		
8 Notify consultant of award or rejection	✓			7	5	1	1	1	5	5	3		
B. SECURE CONSULTANT CONTRACT:		✓											
1 Negotiate consultant contracts	✓			5	5	3	1	1	2	3	7		
2 Submit "Project Revision Request" (if required)	✓			2	6	3	2		1	5	6		
3 Secure City contractual routing/approval of contracts	✓			5	5	5				6	3	5	
5 Notice to proceed to consultant	✓			7	6	2			1	6	4	1	
6 Assemble project schedule in MS Project	✓			6	3	6			1	5	4	3	
C. COORDINATE ASSEMBLY OF PRE-PLANS AND SPECIFICATIONS		✓											
1 Provide standard specification package to consultant	✓			7	4	3		1	7	4	1		
2 Provide Federal provisions and information	✓			6	3	3	2	2		3	8	1	
3 Provide standard details to consultant and CAD Cover Sheet and Title Block	✓			8	4	3		1	1	8	1	2	
4 Notify utilities of project	✓			8	4	3	1			8	3		
5 Assist in SEPA checklist preparation	✓			8	3	3	1	1		5	4	3	
6 Obtain required permits (HPA, Shoreline, BNRR, etc.)	✓			3	5	6	1	1		4	5	3	
7 Answer consultant design questions	✓			7	6	2		1		8	3	1	
8 Perform in-house design review	✓			7	3	5		1		6	4	2	
9 Provide 30% design review	✓			7	3	4	1	1		5	4	3	
D. MONITOR PROJECT CONSULTANT PROGRESS:		✓											
1 Monitor consultant design	✓			6	5	3		1		6	6		
2 Monitor consultant schedule	✓			5	7	2		1		5	7		
3 Monitor consultant products/requisitions	✓			5	5			2		7	5		
4 Requisition process	✓			4	4	5		2		7	5		
5 Process consultant progress payments	✓			6	5	3		1	2	4	5	1	
6 Monitor consultant budget	✓			7	6	2			1	2	8	1	
7 Submit "Project Revision Request" (if required)	✓			4	2	7	1	2	1	2	9		
E. ACQUIRE PROJECT RIGHT-OF-WAY (ROW) AND EASEMENTS:		✓											
1 Review WSDOT ROW Procedures (For federally funded project) (2.E.1)	✓			2	5	2		2		5	7	1	
2 Select ROW consultant from roster	✓			4	4	3	2	2		8	5		
3 Acquire title reports for ROW	✓			3	4	3	3	1		6	5	2	
4 Make initial contact with property owners	✓			3	5	4	2	1		8	3	2	
5 Provide easements or take documents	✓			3	6	3	2	1		6	7		
6 Coordinate meeting with property owner	✓			4	4	3	3	1		5	6	2	
7 Proceed or not proceed with condemnation	✓			1	5	4	2	3		3	7	2	1
8 Forward documents for closing	✓			1	5	4	3	2		6	5	2	
9 Process payments for ROW	✓			3	3	5	2	1		5	7	1	
F. PREPARE AGENCY AND PUBLIC INFORMATION:		✓											
1 Prepare Council memoranda and information	✓			5	4	1	3	2	3	6	3	1	
2 Prepare open-house notifications	✓			5	3	3	1	2	1	9	3		
3 Secure open-house facilities	✓			4	4	1	3	2		8	4	1	
4 Prepare open-house exhibits	✓			5	4	2	1	2	1	6	6		
5 Attend public open houses	✓			5	4	3		2	1	7	4		
6 Answer design questions for public	✓			5	5	2	1	2	1	7	4		
G. COORDINATE ASSEMBLY OF FINAL PLANS AND SPECIFICATIONS:		✓											
1 Provide 60% design review/engineer's estimate	✓			6	5	2	1	1	2	6	3		
2 Submit "Project Revision Request" (if required)	✓			3	3	4	2	3	1	5	5		
3 Provide plans to utilities for review/comment	✓			6	4	3	1	1	2	5	4		
4 Review construction insurance requirements (Contact WCIA)	✓			1	4	6	2	1		5	6		
5 Provide 90% design review	✓			6	5	1	2	1	1	5	5		
H. COORDINATE ADVERTISEMENT OF PROJECT FOR BIDS:		✓											
1 Prepare Council memorandum and information	✓			5	2	5	1	1	4	2	5	1	
2 Establish advertisement dates	✓			6	4	3	1			4	5	3	
3 Establish pre-bid meeting date	✓			6	3	4		1	4	4	4		
4 Establish bid opening date	✓			7	3	3		1	3	6	3		
5 Prepare/submit advertisement package to purchasing	✓			7	2	3	1	1	2	5	5		
6 Provide final design review and stamp	✓			8	2	2	1	1	3	4	4	1	
7 Provide applicable prevailing wage rates	✓			6	3	3	1	1	2	4	4	1	
8 Incorporate all WSDOT/APWA amendments (CD or Web page)	✓			6	4	3	1	1	1	6	3	2	
9 Prepare plan holder list	✓			2	5	3	4	1	2	4	5	1	
10 Setup construction estimate/specification pages	✓			5	5	2		1	1	6	5		
11 Prepare final PS&E package for bid	✓			5	3	2	1	1	2	6	4		
12 Advertise for bid	✓			7	2	2	1	1	4	4	4		

Discussion Topics	Specific COK PM Manual Topic	Specific PM/CM Body of Knowledge Topic	General PM/CM Leadership Skills Topic	Individual Comprehension Level					Overall Staff Comprehension Level				
				Excellent 4	Very Good 3	Fair 2	Poor 1	Very Poor 0	Excellent 4	Very Good 3	Fair 2	Poor 1	Very Poor 0
<b>City of Kirkland Project Manual Topics</b>													
<b>III - EXECUTE/CONTROL CONSTRUCTION</b>													
A. AWARD CONTRACT		✓											
7 ADMINISTER/COORDINATE PUBLIC BIDDING PROCESS FOR PROJECT	✓			6	4	3	1		5	4	4		
8 ADMIN/COORD PUBLIC BIDDING PROCESS FOR PROJECT (Continued):	✓			5	4	3	1	1	3	5	4		
B. PRE-CONSTRUCTION		✓											
1 PREPARE INFORMATION /DOCUMENTS FOR CONSTRUCTION:	✓			6	4	2	1		1	6	5		
2 CONDUCT PRE-CONSTRUCTION MEETING:	✓			6	3	3	1	1	3	5	4		
C. CONSTRUCTION MANAGEMENT		✓											
2 MANAGE CONSTRUCTION AND INSPECTION OF PROJECT:	✓			6	4	2	1		1	7	4		
3 MONITOR CONSTRUCTION PROGRESS OF CONTRACTOR (Continued):	✓			6	4	2	1	1	1	6	5		
4 OTHER	✓			6	2	3	1		1	6	3	1	
IV - CLOSE OUT		✓											
A. PROVIDE FINAL CONTRACT ACCOUNTING:		✓											
1 Prepare construction close-out cost summary	✓			5	3	3	1	2	3	3	6		
2 Prepare Council acceptance memorandum	✓			6	1	4	2	1	2	6	5		
3 Draft "Notice of Completion" to Office Specialist	✓			4	3	5	1	1	2	3	4	3	
4 Complete Administration and Finance (A&F) checklist	✓			3	4	2	2	3	1	6	2	3	
5 Coordinate release of retainage to contractor (letter from A&F)	✓			3	5	1	3	3	1	6	4	1	
B. COLLECT PRIVATE FUNDING:		✓											
1 Determine concomitants for project	✓				3	3	4	2	1	1	6	2	
2 Send concomitant billings to property owners	✓			1	2	3	3	3	1	1	5	2	1
3 Collect concomitant funds	✓				3	4	2	3	1	1	5	3	
4 Prepare, route, record concomitant releases	✓				3	4	2	3	1	1	5	3	
C. PROJECT CLOSE-OUT:		✓											
1 Provide construction record drawings (Mylar and electronic) for inclusion in bas	✓			5	5	2	1	1	3	4	5		
2 Take post-construction photographs	✓			6	5		2	1	3	3	4	2	
3 Prepare job completion critique (consultant and contractor)	✓			3	4	4	2	1	2	3	4	3	
4 Complete and file project documentation	✓			5	5	1	2	1	3	3	4	2	
5 Submit Final Project Revision Request (mandatory)	✓			4	2	5	2	1	3	2	5	2	
6 Submit all files to archives - PROJECT COMPLETE	✓			5	3	3	2	1	2	3	4	3	
<b>Glossary of Terms</b>													
<b>PM/CM Industry Topics</b>													
Value Engineering		✓		3	5	6	1		5	8			
Constructability Reviews		✓		4	4	4	2	1	1	4	7	1	
Estimating		✓		4	6	2	3		1	1	10	1	
Scheduling		✓		4	6	4	1		1	5	6	1	
Budgeting		✓		7	2	5	1		1	5	7		
Alternative Contracting in WA State (GCCM, Design-Build)		✓		3	1	6	3	3		3	7	3	2
Concrete and ACI standards		✓		3	1	6	3	3	1	3	7	2	
Structural Steel and ASTM steel standards		✓		3	1	3	5	3					
Structural Types		✓		2	3	4	3	3	1	1	9		1
Permitting Overview		✓		3	5	4	1	1	1	5	6		
SEPA		✓		4	3	6	1	1		3	9		
DAHP and Historic Preservation Requirements		✓		2	7	3	2	1	5	5	2		
Zoning		✓		2	4	5	1	3		6	3	3	
Facilities and Building Systems 101		✓		2	2	4	4	3		4	6		2
Inclusion and Outreach Approach and Contract Language		✓		3	4	3	2	2		8	3	1	
Public Speaking		✓		3	6	3	1	1	2	7	3	1	
Business Letters		✓		1	8	3	1	1	2	7	5		
Contract Notice Requirements		✓		2	5	3	3	2	1	7	5		
Change Order Management and Cost Control		✓		5	2	7	2		1	4	6	1	
Establishing Roles and Responsibilities		✓		5	4	4	2	1		5	7	1	
Managing Risk		✓		4	7	3	1	1	1	3	7	1	
Quality Assurance and Quality Control		✓		4	6	3	1	1		4	7	1	
Must Do's as PM		✓		3	7	5	1	1	1	6	5		
Must Don'ts as PM		✓		4	5	4	1	1		7	5		
Public Advertising Requirements		✓		4	3	5	1	1	2	6	5		
Standard Contract Procurement Methods		✓		4	3	5	1	2	2	6	4		
Claims Resolution, arbitration, mediation, litigation processes		✓		3	3	4	2	2	2	2	7	2	
Alternative Dispute Resolution Processes		✓		3	1	5	3	2	1	2	6	3	
Insurance, types, explained		✓			4	6	3	2	1	3	8	2	
Taxes, Bonds, Levies explained		✓		1	5	5	2	2	1	3	9		
Indemnification Language explained		✓		1	4	4	3	2	1	3	6	2	
RCW and WAC in Washington State		✓		3	4	5	2	1	1	5	5	1	
Project Team Building		✓		3	6	3	2		4	3	5		
Building a Positive Workplace Culture		✓		5	6	1	1	1	4	3	4	1	
Electrical Systems Explained		✓			1	7	4	2	1	2	5	4	
Sustainability		✓		3	5	5	3			2	1	6	3
LEAN Management		✓		1	3	7	2	1	1		8	3	
Progressive Design-Build, Integrated Project Deliver, Contracting Trends		✓		1	4	3	3	2		2	6	3	1
Emergency/Crisis Management		✓		4	1	4	2	2	1	1	3	6	
Incident Management Program (ICS, NIMS standards)		✓		3	1	6	4	2	1		6	5	
CPR/First Aid		✓		3	7	1	1	2			6	4	1
OSHA Training and Certification		✓		1	3	6	2	3		1	6	4	1
Safety Expectations of PMs and Others		✓		4	5	5	2	1	2	4	4	2	
PPE Requirements		✓		6	5	2	1	1	2	4	4	1	1
Confined Spaces		✓		3	3	3	3	2		2	7	2	1
SDS, MSDS		✓		3	3	4	1	3		2	7	2	2
Dealing with Hazardous Materials		✓		2	4	3	2	3	1	3	6		2
Developing a positive Workspace Safety Program		✓		2	6	2	2	2	1	6	2	1	1

The above survey highlights topics where the number of respondents is significant with green cells noting positive excellent, or very good training or understanding of the topics, yellow for cells where a larger number of marginal understanding of the topics are noted, and red cells where there is a poor understanding of the topic by a larger than expected number of staff. The survey serves as a tool to prioritize future training topics, and to identify subject matter experts that can provide additional training to the team in the near future.

## SECTION 2.4 PEER REVIEWS OF SIMILAR CITY PUBLIC WORKS PROGRAMS

Building on our understanding of the City of Kirkland's Capital Project Team Organizational Structure, CIP Processes, and Staffing, RPM met with four separate local jurisdictions of similar size and complexity as Kirkland's CIP program. The intent of the meetings was to determine how well the City of Kirkland's CIP program compared to others, look for similarities, where they had been successful, and where they struggled. Where there were similar challenges, how they have overcome those challenges if indeed they were able to overcome.

The public organizations RPM interviewed included:

1. City of Olympia Public Works Capital Projects Program
2. City of Bellingham Public Works Capital Projects Program
3. City of Federal Way Public Works Capital Projects Program
4. City of Tacoma Transportation Public Works Capital Projects Program

We interviewed each of the above organizations to understand their program organizational structure, their approach to managing capital projects from early planning, through design, permitting, construction and closeout, and we also asked each to describe the challenges, successes, areas of improvement and other specific topics related to their individual programs. The information we learned from each allowed us to measure the City of Kirkland's capital program performance comparatively to other similar local public organizations. Additional topics included

1. **Managing Projects by Specialty Services or "Cradle to Grave" Approach.** Does the City organize their staff assignment for CIP work by specialization of engineers/project managers, or assigning projects to engineers/project managers to manage all project phases?
2. **In-House Management of Projects.** Various cities manage capital improvement projects with in-house public employees exclusively, some exclusively utilize consultants, and some have a mix of both. The majority of projects are managed in-house by the City of Kirkland.
3. **Managing the Projects as Project Owner or Project Facilitator.** Who "owns" the project, who owns the process, and who makes key decisions (CIP group, "home department," or collaborative). Understanding unique roles and responsibilities of managing projects is helpful to understand the work environment constraints to decision making and approvals.
4. **Departmental Coordination, Collaboration and Support within the City.** Degree of non-engineering support—either in CIP group or other departments is good information to know, and to understand the impacts of how much interfacing between and amongst departments occurs and/or is necessary to accomplish the volume of projects successfully.
5. **Unique Processes, Tools Utilized.** Before meeting with the individual cities' representatives, we knew at least one city has a charter for each CIP project, and project performance management systems range from nothing to a city-wide software program. Understanding their systems, tools, and processes unique to their programs were helpful to understand for opportunities to improve.
6. **Performance oversight and problem-solving.** We were aware that in some cities, the CIP team calls all the shots and in other cities the home department or asset owner is leading the problem-solving, in others a standing team of multiple departments has the oversight and problem-solving role and responsibilities.

A summary chart of key topics for comparison between the various cities is identified in the table below. A conversation of key differences, challenges, positive attributes, and key concepts we think are valuable topics to carry forward in recommendation are discussed following the table.

	City of Olympia	City of Federal Way	City of Bellingham	City of Tacoma
<b>Team Size</b>	23 People in Department 10 Engineers 3 PMs 5 Inspectors	Engineering = 7 People 6 Engineers 0 PMs 1 Capital Inspector	Engineering = 35 People 5 Engineers 0 PMs 5 Inspectors	90 People in Department 6 Project Managers 5 CMs 10 Inspectors
<b>Team Structure</b>	Very Collaborative Across Disciplines	Vertical	Vertical	Vertical
<b>Confidence in Team?</b>	Yes	Yes	Yes	Yes
<b>Annual CIP Budget</b>	\$65M/year	\$35M/year	\$70M/year	\$100-\$130M/year
<b>What Drives the Project?</b>	Schedule & Budget	Available Grants	Budget	Asset Management, Council, Physical Location & Budget
<b>On Budget, On Time?</b>	Mostly Yes	Yes	Mostly Yes	Mostly Yes
<b>Majority of Project Types</b>	Joint Transportation, Parks, Water, Wastewater	Overlay Projects	Trails and Bike Lanes	Overlay Projects
<b>Beginning to End Approach?</b>	Yes	Yes	Yes	Yes
<b>In-house Ability</b>	100%	80%	90%	100%
<b>Use of Outside Consultants</b>	10%	20%	10%	Yes, for Design-Build Assistance (Bridges)
<b>Cross Communication btw Departments?</b>	Yes, All Departments	Some, but Rare	Yes, Transportation and Utility	Yes
<b>Owner of Project</b>	PMs	PMs	PMs	PMs
<b>Non-engineering Support</b>	Yes	Minor	Yes	Yes
<b>Project Charter</b>	Yes	No	No	No
<b>Performance Management</b>	PMs	CIP Manager	CIP Manager	PMs
<b>COVID Struggles</b>	Slight - Loss of Team Feel	Yes - Loss of Team Feel / Performance Issues	No	No
<b>Project Management Performance Tools</b>	E-Builder ISI EnVision Tool	Smart Sheet BlueBeam	Microsoft Office	BlueBeam Ariba for Finances
<b>Frustrations</b>	COVID has Reduced Team Meetings	Need more PMs and Inspectors	Need more Staff. Can only do 7 Projects/year	Need more PMs

**City of Olympia:** The City of Olympia’s Capital Improvement Program is the best of all four cities we reviewed and is an example that the City of Kirkland could benefit from. The volume of projects and size of the CIP is nearly the same, and many of the processes that were developed for Olympia’s CIP team has been equally developed by Kirkland’s team. Similarities include processes originally developed on LEAN principles to streamline processes to measurable deliverables.

A big differentiator between Olympia and the other cities we interviewed, is their substantial investment in up front, early planning to define project purpose, and a detailed scope of work, fully coordinated with other projects, and a comprehensive schedule and estimate that serves as the basis for establishing the budget. They develop projects early to an “idea” stage, so a complete project purpose, scope of work and schedule are aligned with funding needs. Once sufficient funds are available, the “idea” project can move into the “Ready” stage and the design is detailed, bid, and construction occurs. To ensure a throughout “idea” project is well defined, the team meets on site and works through a checklist of coordination items with a multi-discipline team of multiple city departments and stakeholders. That on site review of conditions is then reviewed and specifics are added or revised to refine the scope of work that will lead to a successful project. The City of Kirkland conducts a similar exercise, but it is not always conducted systematically like Olympia’s program, and may not always be conducted in an early “idea” phase before budgets are finalized.



The City of Olympia's CIP Manager reported that the effort to align the team with standardized processes and hold them accountable to consistently follow, was not an easy process and took approximately three years to fully implement, but the effort was worth the challenge, and she is proud of the high level of project successes the team produces annually now.

**City of Federal Way:** The City of Federal Way Capital Program is a smaller capital program than Kirkland's and largely is reactionary to grant funding success. Projects are molded around grants received, and because of the strict grant funding rules, the limited projects adhere to the schedule and budget limitations imposed by the grants. Limitations on project prioritization and bigger picture comprehensive planning is a result of funding sources being primarily grants received. The City of Federal Way reported that they have suffered recently in team performance due to Covid. The majority of projects managed by the CIP program are transportation overlay projects.

**City of Bellingham:** The City of Bellingham is a smaller program than Kirkland's CIP program, but similar to Kirkland, the City of Bellingham manages all project types for all city departments. Most projects are managed in-house, and all projects are managed by the CIP team from early planning through the final construction closeout. Many of Bellingham's projects are smaller scale so they are managed with the in-house expertise of the CIP team. If, and when larger-scale projects are under construction, the City supplements in-house staff with specialty consultants to help manage the projects but that is a rare occasion. Processes for managing projects is not heavily regimented and not fully developed as other cities were able to demonstrate, but the program appears to be a solid-performing team that manages around seven projects each year.

**City of Tacoma:** We interviewed the City of Tacoma's transportation public works representative. All transportation projects are managed in-house by a robust team of capital projects managers. Significant coordination occurs between departments and Tacoma Public Utilities and other stakeholders and is a primary reason for the program's successful project outcomes on a consistent basis. Tacoma rarely uses outside consultants and has developed a strong team of capital projects managers, many with decades of experience. The in-house management of projects allows the team to keep projects under tight control, and the City's representative stated that most projects come within budget and complete on schedule because of the senior-level team they have in-house managing projects. Processes do not appear to be regimented as much as Olympia's program, or the City of Kirkland's program, and our review was limited to transportation-type projects only.

## **SECTION 3 – KEY FINDINGS**

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### **INTRODUCTION - KEY THEMES AND FINDINGS:**

Overall, it is RPM's opinion based on our evaluation, that the City of Kirkland's capital improvement program is within normal expectations of program performance of its size and the volume of work and number of projects managed on an annual basis. There are areas of concern that should be addressed and there are positive components of the program that should be recognized and promoted further to continue replicating on future projects. Most of our findings are minor changes that could produce major improvements to the program and individual project successes. Our recommendations are organized by Organization Structure, Process Improvements, Staffing Improvements, and specific recommendations based on peer-city programs reviews.

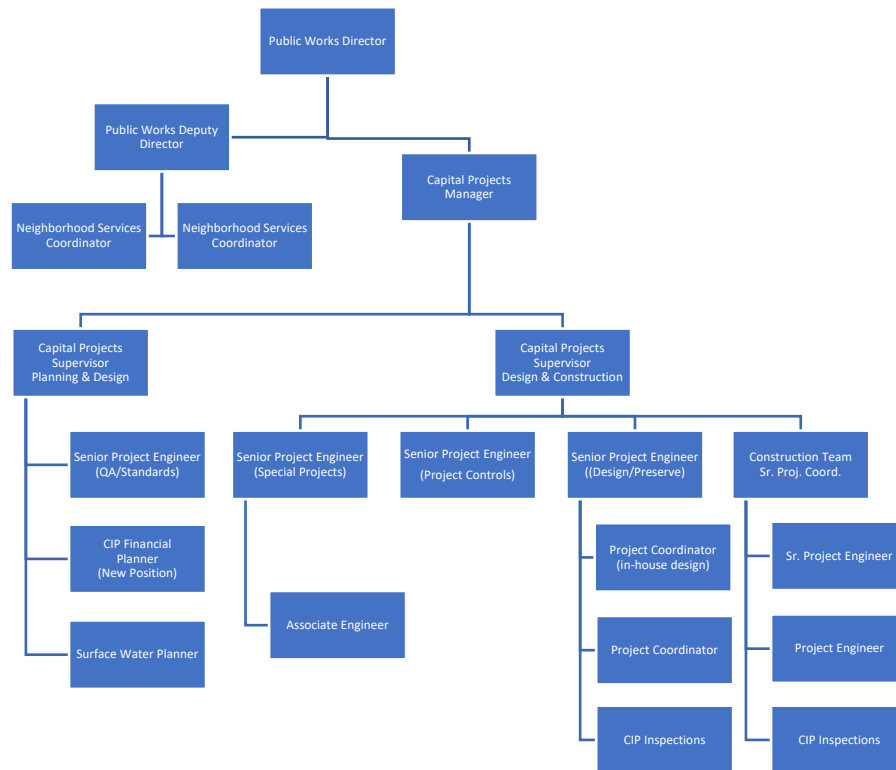
Key themes and findings can be summarized as refining the organizational structure of the team, its processes, training, and emphasis on key components. In each of the categorized recommendations that

follow is a general conversation of the recommendations and a numbered list of specific recommendations to consider.

### SECTION 3.1 RECOMMENDATIONS FOR ORGANIZATIONAL STRUCTURE

The size of the CIP team is appropriately sized, but the structure could be improved upon. It is our belief, that successful projects are largely a result of significant up front proper planning to achieve the project purpose, defining a complete scope of work, designing in the details, and aligning the project budget and schedule with the project purpose. If none of those activities are completed properly and thoroughly, the project purpose, plans, designs, budget, and schedule will not be aligned, and the chances of a successful construction project is jeopardized before it even breaks ground. For that purpose, and based on our review of the current organization, number of projects that are in planning and early design development, and projects that are further into design, and construction, and our experience and understanding of peer-cities' programs, we recommend the following:

One capital projects manager should be responsible and accountable to upper management, delegating the planning and early design development of projects to one supervisor, and the later phases of design and construction to another supervisor. Under each supervisor, no more than four direct reports will execute the team's assigned workloads. A recommended new structure is shown below.



The above recommended structure allows for projects to be developed in an “idea” stage, and to allow sufficient time to properly identify a comprehensive scope of work based on the project purpose. Financing is based upon a defined scope of work that is supported with a detailed estimate of costs and corresponding schedule that considers all project sequencing and other coordination challenges, including



interfacing with other projects. All positions are within the Capital Projects program and the expense of the staffing should be assigned to the individual projects as a cost of the capital improvements.

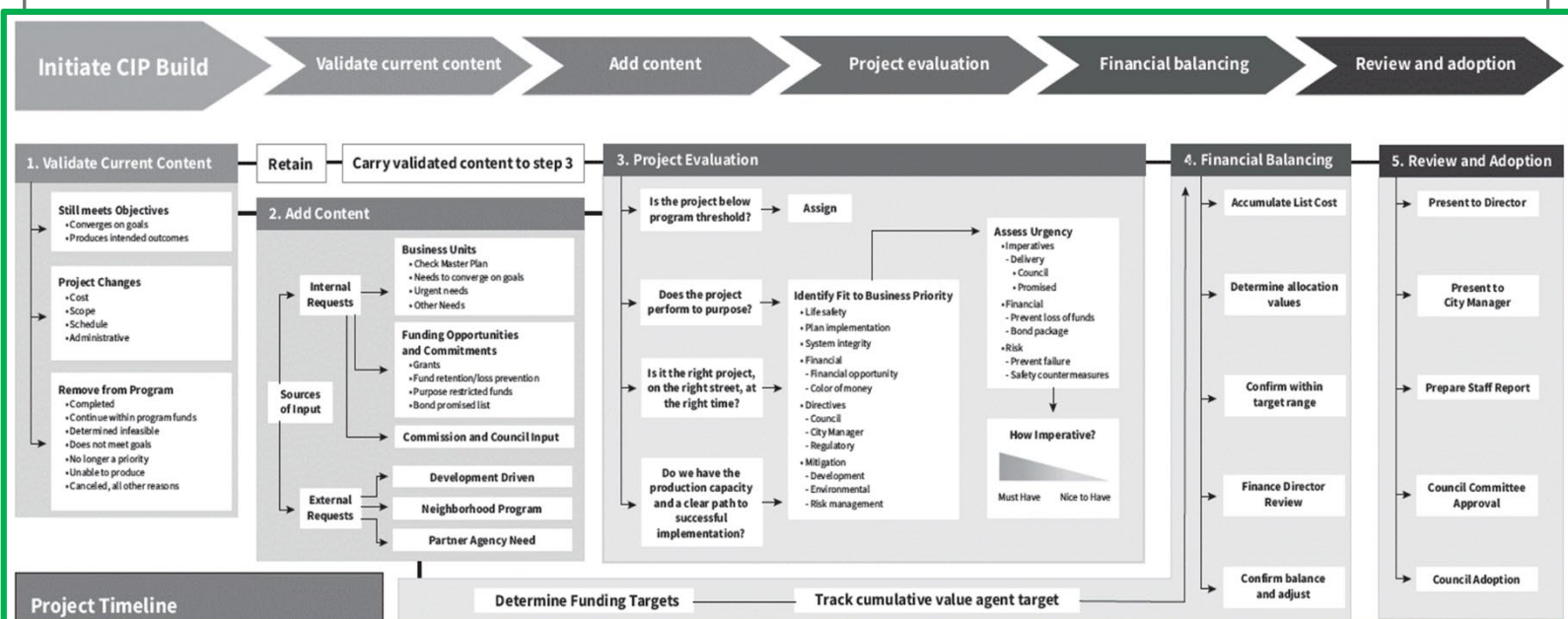
As an “Idea” project is ready for final design and construction, the project moves to the “ready” stage where final design, bidding, and construction activity takes place in a more reliable, predictable manner. Senior-level engineers are assigned key leadership roles reporting to the two supervisors. Cross-coordination between each senior project engineer would be anticipated so there is consistent transfer of knowledge between the idea stage and the ready stage of each project. As projects peak in the idea stage or the ready stage, it is anticipated that adjustments to staffing to leveled workloads will be made.

1. Restructure the existing team by developing an organization focused on thorough development of the planning, and early scope of work definitions. Project purpose, scope of work, scheduling and estimating is aligned with budget funding by this team, project by project, and as an annual program of projects to be administered. The second team ensures design and construction stays within the scope of work that has been previously defined.
2. The restructuring ensures projects do not progress further than the “idea” stage until adequate funding is available, aligned with project purpose, scope of work, estimate and schedule.

### SECTION 3.2 RECOMMENDATIONS FOR PROJECT PROCESS IMPROVEMENTS

Generally speaking, we are not recommending any significant process improvements except how the organization is structured, and the planning and development phases of projects are segregated first in an “idea” stage, and then moves to a “ready” stage so there is more defined scope of work earlier, aligned with budget and schedule, and project purpose, coordinated amongst other projects.

The processes outlined and detailed in the CIP Project Manual are best practices for capital programs sized similar to the City of Kirkland. In one of the three training workshops that RPM provided to the City’s CIP team, was a deeper discussion about the importance of setting up a project for success in the early planning and development stage of the project while it is still in the “idea” stage. The following chart shows a comprehensive, detailed structure of project development from Initial CIP concept, through adoption by the City Council as a CIP project “ready” for design, bidding, and construction.



Tools can be further developed to identify, track, and record project progress, manage risks and ensure quality outcomes. We recommend the following basics to be followed for every project:

1. **Develop a Project Charter for every project.** The purpose of the project charter document is to define the purpose of the project and what defines the project success. The project charter identifies the project champion and sponsor, key decision makers, and approval authority, key milestones, and fundamental scope of work and deliverables for success.
2. **Develop a Project Management Plan (PMP) for every project.** The PMP is the roadmap of how a project will be managed by the team, clarifying a more detailed scope of work, budget and estimate, detailed schedule, communications plan, QA/QC plan, Risk Registry, and Roles and Responsibilities Matrix. The templates of each of these items is available from RPM as previously provided.
3. **Develop a Web-based Project Management Performance Program.** The PM system ensures consistent implementation of best practices by standardizing the approach in an efficient, online basis, reducing hard copies, and allowing all team members to track and monitor project progress and documents online in real time.
4. **Continuous Training.** We encourage the staff to develop an internal list of subject matter experts to take the lead or be the gatekeeper of training topics, provide training and coaching to fellow employees, and continue to train so that employees have new emerging skills in the industry for personal career growth and knowledge of industry to continue to perform at a high level. The list of survey topics and level of comprehension is a good starting point to develop training courses on a prioritized basis.

### **SECTION 3.3 RECOMMENDATIONS FOR CAPITAL PROJECTS STAFFING ADJUSTMENTS**

We recommend that an additional supervisor report to the Capital Projects Manager to reduce the number of direct reports and allow the Capital Projects Manager to have more available time to be more strategic in big-picture management of the program. This additional supervisor also allows the CIP manager more time to manage upstream, be accountable and interfacing with upper management, managing expectations and improving communications between the CIP team and the City's upper management.

We recommend the addition of a CIP Financial Analyst. The CIP financial Analyst should be grouped with the planning and development team to ensure adequate funds are identified early in the planning stage as the purpose and scope of work is developed and aligned with the schedule and a detailed estimate.

An analysis of vacant positions can be used to convert to new positions, so the most efficient flow of work is aligned with staffing positions, skillsets, and program needs without necessarily increasing the FTE count of the City.

1. Add a Capital Projects Supervisor
2. Add a Financial Analyst to the CIP team for early budgeting
3. Fill vacancies
4. Reallocated unused positions to the two new positions added above
5. Ensure roles and responsibilities are fully defined, communicated, and that each CIP team member is accountable for their role and the responsibilities of their position.

The following addresses key positions, with recommended responsibilities to be further developed by the City. Key position employees can play a significant role in further defining these positions so there is “buy in” to the level of responsibility expected of each team member. Restructuring the Capital Projects program team with clarity of each role, accountability and responsibility of each role can better align with CIP workloads and assignments. Clarity of roles and responsibilities for each position allows for better performance evaluation and management, adjusting training needs and skills development to ensure highest probability for success project by project. Key positions and recommended responsibilities are as follows:

**CIP Manager.** The CIP Manager is the direct leader of the City’s Capital Projects Program. The Manager is directly accountable to the Public Works Director and Public Works Deputy Director, and regularly communicates with other City department leaders, City Manager, City Finance Director, City Council, and project stakeholders internal and external to the City. Our recommendation is that the CIP Manager has two direct reports, each a Supervisor, with one overseeing the Idea Phase of Projects, and the second Supervisor overseeing the Ready Phase of Projects. The CIP Manager may also choose to have specific direct reports (up to an additional three positions to keep span of control to five or fewer) to focus on Financial Management, GIS Program Adherence, and Administrative Support for project management best practices implementation. Key responsibilities the CIP manager should be accountable to provide:

1. Attracts, retains, leads and motivates a competent and professional staff, promoting a safe, inclusive, and positive work environment. A measurement of success for the CIP Manager is the manager’s ability to retain a high performing workforce that consistently provides project success, from project to project, elevating the Capital Projects Program to best-in-class for cities of similar size.
2. Has the overall responsibility to plan, direct, and prioritize the operations and activities of the Capital Projects Program team to insure timely development and implementation of Public Works’ capital projects within approved budgets and in compliance with applicable codes, procedures, and legal requirements.
3. Has the overall responsibility to plan, direct, and prioritize the operation of the Public Works Accounting team for the Capital Projects Program to ensure compliance with required financial records, tracking of funding levels, and adherence to fiscal controls for capital projects, enterprise funds, and grant administration.
4. Has the overall responsibility to plan, direct, and prioritize the operation of the Public Works GIS to ensure compatibility with the established structure, funding levels, and objectives of the City’s enterprise GIS.
5. Engages with internal and external stakeholders in the development and implementation of all annual CIP workplans and longer-term CIP strategic plans (CIP/CFP, Transportation Improvement Plan, PW Utilities Comprehensive Plans – water, sewer, and storm).

Some projects are high-profile, highly complex and involve multiple regional jurisdictions (WSDOT, Sound Transit, neighboring municipalities, and utilities). The CIP Manager, with the above recommended span of control more measured, can focus on these more complex projects needing higher, targeted emphasis by the City.

**Capital Projects Supervisor – Planning and Development.** This supervisor reports directly to the CIP Manager and has overall responsibility to ensure projects are developed through the “idea” stage of a potential project, ready for the next phase of design, bidding and construction. The Supervisor role has Senior Project Engineering and Financial Analysis support to develop a basis of design scope of work based on project purpose and strategic plans. The Supervisor ensures clear scope of work aligns with program needs and is coordinated with other City priorities and projects. The basis of design and scope of work is

defined for later stage design development and is aligned with a schedule and estimate. Project risks and site conditions are evaluated and incorporated into the early planning stages of the project scope of work, schedule and estimate to establish needed project funding and budget. RPM recommends the span of control not exceed five direct reports, allowing a proper level of engagement time with each direct report, and allowing sufficient workload capacity for a forward-thinking, proactive manner approach to the planning and development of projects.

**Capital Projects Supervisor – Design and Construction.** This supervisor is responsible for advancing assigned projects from the “idea” stage where funding has been identified to support a budget developed from an initial estimate and schedule, coordinated for potential risks, site conditions, and other projects. The supervisor assigns projects based on size and complexity, project type, and staffing availability, to Senior P.E.s or Senior Project Coordinators, operating in the capacity of Project Manager for the assigned projects. The supervisor has direct responsibility to oversee the implementation of best project management practices for each direct report and all projects in the design, permitting, bidding, construction, and closeout phases of the capital program. The Supervisor provides direct support to each Project Manager ensuring projects remain within the defined scope of work, established budget and schedule, and helps assess risk, remove obstacles, and is a champion for project success for the team. The Supervisor regularly meets with each Project Manager to ensure employees have the support to be successful, projects remain on track, and are coordinated amongst other ongoing projects. The Supervisor ensures workloads of each direct report is properly balanced amongst employees and skillsets and ensures employees receive the training, mentoring, and coaching for technical skills and positive workplace morale. RPM recommends the span of control not exceed five direct reports, allowing a proper level of engagement time with each direct report, and allowing sufficient workload capacity for a forward-thinking, proactive manner approach to the design, permitting, procurement, and construction of projects. The span of control allows more time to focus on individual project performance with each project manager to maximize quality, safety, schedule, and budget, and regulatory adherence.

**Capital Projects Managers.** The payroll titles for a capital projects manager at the City of Kirkland ranges from Senior P.E., Senior Project Coordinator, Associate Engineer, and Project Coordinator. The assignment of projects, types of projects, volume of workload, and complexity of projects vary for each employee, based on qualifications, expertise and experience. Consistent however, in all project assignments, the Capital Projects Manager is responsible for the successful delivery of each assigned project, on time, within budget, and meeting all project objectives identified in the early planning and development stage. Each project manager is supported with City resources from all City departments and relies upon the Design and Construction Supervisor to elevate project challenges the project manager may face for prompt resolution, keeping projects on track. The project manager is the project leader, and takes ownership in the project to design, permit, procure, and construct the project within the defined scope of work, schedule, and budget assigned to the project manager. The project manager oversees the successful management of all project contracts, and coordinates with internal and external stakeholders for project success. A detailed list of roles and responsibilities are in each position description that the City maintains for Sr. P.E., Sr. PC, Assoc. Engineer, and PC. Those position descriptions should be reviewed and updated to ensure assigned roles and responsibilities are clarified. Modified position roles and responsibilities then need to be communicated with each employee to ensure accountability and expectations are met.

**CIP Inspectors.** The CIP Inspectors for the City are more commonly referred in the industry as Construction Managers or Owner’s Representatives as their roles typically relate to quality review of work

in process on site, and verifying the construction progress is on schedule, and contract terms are being achieved. CIP Inspectors typically report directly to senior-level project managers and can provide coaching and on-the-job construction phase mentoring to less experienced project managers. A collaborative approach to construction management and construction contracts management should be expected between the project managers and CIP inspectors. A roles and responsibilities matrix identifying each role on each unique project should be implemented to ensure exceptional communications between all project team members in the construction phase, anticipating that inspectors may play a larger role in the management of the construction phase depending on level of experience between the PM and the Inspector. The CIP inspectors, however, are not directly responsible for the overall project success, as their direct focus is on the construction phase delivery for quality, safety, time, and budget.

### **SECTION 3.4 RECOMMENDATIONS TO ALIGN PROGRAM WITH INDUSTRY STANDARDS**

**Earlier and More Defined Scope of Work for Projects.** Projects should be better defined earlier in the project planning stage, and clear scopes of work developed before funds are assigned to the project. It appears many times a budget is developed based on inadequate information or a scope of work that has not been fully developed and a schedule that has not been identified completely. An estimate on the scope of work and schedule should be the basis for identifying needed funds, which establishes the project budget.

**Maintain CIP Project Managers as Project Leaders.** Once a project moves to the “ready” stage, the project manager needs to be empowered and held accountable to take ownership in the project, even if the project manager is likely not the owner of the asset or end user. When a project moves to the ready stage, the project manager should be driving the development of the drawings and specifications in the design stage to adhere to the defined scope of work, keeping all project team members accountable for assigned roles and responsibilities and on schedule. As the project moves into construction, the project manager continues to oversee the project for quality and risk management, paying close attention to cost and schedule metrics. The project manager works closely with the on-site assigned inspectors that oversee on-site construction activity, track progress, and administer the terms of the construction contracts in coordination with the project manager.

**Refined Process Management.** Process management is as important as project management, and there tends to be a lack of following process as workloads increase or obstacles are faced, and work-arounds are developed in best efforts to move projects forward. Most of the processes for managing a project are well defined in the Project Manual developed by the CIP team. Those existing processes should be reviewed by a team of project managers that will use the processes on their projects. Where processes have become redundant or too cumbersome without adding value, they should be eliminated or refined on the basis of what value they add, and what risks they address, to the overall program. Only minor changes in established processes are anticipated, but opportunities to add new tools such as a developed project charter document, project management plan, roles and responsibilities matrix, budget options plan, and risk registry templates should be adopted for use. RPM has provided some training on these best practices, but more training as new processes are developed and existing processes are refined, is recommended.

1. Review and refine the City’s Project Manual with a clear-eyes perspective that processes need to support a purpose and goal, avoid specific risks, and add value to the overall process for positive project outcomes.
2. Provide additional training on project management processes, best practices, and project management tools to be used by the CIP team.



3. Hold team accountable as project owners and leaders of the project processes. Set clear expectations of ownership, decision making, roles and responsibilities of each team member.
4. Develop a web-based PM system to streamline processes and improve real-time monitoring and reporting of project metrics and improve project communications between project team members.

#### **SECTION 4 ACTION ITEMS SUMMARY**

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Throughout this report, the assessment of the CIP program has identified challenges and successes of the CIP organizational structure, processes, staffing, and how the program compares to other similar CIP programs managed by local jurisdictions. The following is an itemized list of action items that RPM has identified based on our recommendations in earlier sections of this report:

##### **Organizational Structure Action Items:**

1. Restructure the team as identified in Section 3.1 Organization Chart.
2. Add a Capital Projects Supervisor to oversee the planning and design development stage of projects.
3. Add a financial analyst to the CIP team in the planning and development stage to ensure available funds are identified, tied to a developed scope of work, schedule, estimate, and project purpose before assigning the project the “ready stage” to be managed by the CIP team in the design and construction phases.
4. Fill vacancies and realign positions to the Section 3.1 Organizational Chart.

##### **Project Process Improvements Action Items:**

1. Refine the Project Manual, add new project tools and templates, and remove any processes that do not address project risks or add value to the projects. These are anticipated to be minor items and should be conducted by a team of end-users of the process for buy-in.
2. Develop a Project Charter for every project. The project charter is the basis for holding team members accountable to early project definition and purpose.
3. Develop a Project Management Plan (PMP) for every project. The purpose of the PMP is to define how the individual project will be managed. RPM has provided templates for PMPs.
4. Develop a Web-based Project Management Performance Program. A web-based system such as PM-Web, Procore, E-Builder or similar systems can be adapted for the City of Kirkland’s CIP team. The web-based system should streamline processes, provide consistent reporting and metrics monitoring.
5. Conduct Continuous Training Program. The survey list of topics is a good starting point for training topic suggestions. Training conducted in-house by assigned subject matter experts will help to empower employees on being champions of key processes and subjects.
6. Ensure the process of every project includes a regimented on-site early review of site conditions and a clear scope of work is defined early in the planning stage. The City’s site checklist should be reviewed and revised as needed to ensure it is a comprehensive multi-disciplined, multi-department checklist for best opportunities to develop a comprehensive project scope of work based on site conditions.

##### **Staffing Adjustments Action Items:**

1. Reorganize Team per Section 3.1
2. Fill vacancies.
3. Establish clear roles and responsibilities for each key CIP position, program-wide.
4. Establish clear roles and responsibilities on each project and hold each team member accountable.
5. Acknowledge project successes.
6. Conduct lessons learned on every project.

7. Ensure promotions are provided to in-house expertise as a priority but not at the expense of promoting employees without the required expertise.
8. Reduce the amount of employee turnover by addressing team morale and providing career opportunities and career paths defined in employee evaluations and development plans.
9. Under the reorganization effort, ensure employees understand span of control and reporting structures, decision making authority, and resources available to ensure project successes and career development.
10. Under the reorganization effort, the CIP Manager will empower CIP supervisors to lead the detailed management of projects so the CIP Manager can focus on more strategic planning and program-level management and engaging in details and issues resolution on a needs-basis only. This will empower supervisors to be more accountable for leading their direct reports and frees up time for the CIP Manager to manage program expectations with senior leadership within the City and other stakeholders.

#### **Align Program with Industry Norms - Action Items:**

1. Largely, implementing the three categories of action items above will meet industry norms and the City of Kirkland's CIP team will be performing at a high level and above average for all similar jurisdictions.
2. Measure improvements annually and make adjustments where planned improvements are not producing the positive results expected. We suggest that the City form a small team of senior leadership and the CIP Manager, and both supervisors on a quarterly basis to evaluate program refinements, successes, and challenges.
3. We encourage the City of Kirkland's CIP Manager and the two supervisors to develop a relationship with the City of Olympia and share ideas of successes and challenges. Quarterly meetings and then bi-annually or annually after one year, could lead to the exchange of great ideas between two high performing capital projects programs.

## **SECTION 5      SUMMARY**

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Overall, RPM does not suggest a major overhaul of the City of Kirkland's capital improvements program. Slight adjustments in the organizational structure, processes, staffing, and industry norms will refine a solid program of public employees committed to delivering consistently successful projects.

Following through on recommendations and action items in this report will help to develop a more robust capital improvement program, and align all program team members, and City leaders with confidence in the program's structure, processes, staffing, and outcomes.

RPM is pleased to discuss the recommendations in this report in further detail with City leadership or to provide additional support, training, and verification or adjustments of program improvements to ensure long term program success.

## CIP Division Process Improvements

Attachment B

Item number	Improvement	Need	Time			
			Complete	Near term	Long term	Ongoing
1	Fill vacancies	Various CIP staff positions. Although the market is very competitive, we have hired highly qualified candidates.	X			X
2	CIP Development Process review	Lean process approach to align needs and council goals, validate and add content, evaluate projects and risks, financial balancing, and review and adoption	X			
3	Project Manager Manual review	Ensure Kirkland processes are comprehensive, complete, and provide project compliance and quality.	X			
4	Establish weekly group meetings	allows transparent project report outs, recognizes common issues/solutions to benefit group, improves accountability	X			
5	Supplemented Performance Evaluations	Quarterly check-ins offer opportunities for communication, focus objectives, and provide for timely feedback	X			
6	Develop Charter for each new project	To define the purpose, key decision makers, milestones, and deliverables for a project. Using Lean process 'Gemba' walks with owners and stakeholders early in the process to communicate objectives, work needs, and potential issues to resolve.	X			X
7	Develop Financial Charter for each project	To communicate project financial status and provide management of budget including expenditure planning, grant reimbursements, and use of funding sources.	X			X
8	Baseline training	Workshops on Project Management, setting up Projects for Success, Change Management.	X			
9	Ongoing training	Weekly proficiency training on all project management topics to stay up to date on industry standards and reinforce subject matter knowledge areas	X			X
10	Add a Senior financial analyst	financial and audit controls, mapping of CIP/CFP, grant applications/reimbursements, portfolio metrics (scorecard), and utility and impact fee tracking	X			
11	Align staff	to skill set and knowledge areas and reinforce processes	X			X
12	Contract and pay estimate processes	Updated to take advantage of Munis financial system capabilities. Meta data, contract name standardization, and communication feedback loop.	X			X
13	Internal financial audit of projects	reviewed a variety of project types and tax and retainage options. Satisfactory.	X			
14	CIP Open House	Public Works leadership Open House for consultants, contractors, and suppliers to discuss opportunities, answer questions about the capital program, and encourage partnering with the City of Kirkland.	X			
15	Permit coordination	Established weekly PW - Planning Department meeting				X
16	Legal coordination	Established weekly PW - CAO Department meeting				X
17	Portfolio Metrics (scorecard)	Measure performance of the program in terms of number of projects and costs by quarter.		X		
18	Updated PW-Finance roles and responsibilities	ID accountabilities and responsibilities for developing and managing project budgets		X		
19	Add a second CIP Supervisor	To provide project manager oversight, timely project development and implementation, scope, schedule, budget, and change management controls, acquisition, communications, memos, and training		X		
20	Identify Project Manager for project setup	To review and develop project ideas, estimates, path to compliance, acquisition, risks and countermeasures, and quality control reviews. Standardize contract documents, specifications		X		
21	Develop CIP-project 'owners' roles and responsibilities	to ensure focused objective and development of projects		X		
22	Develop financial cube	For focused reporting and management of multiple project strings managed as one project		X		
23	Estimating Projects	Hiring consultant/contractor to review near term project costs and analyze market conditions		X		
24	Enable web based project management software	Ensure consistent and efficient best practices. Also, monitoring and reporting tool. After full implementation of financial software.			X	