



## KING COUNTY AUDITOR'S OFFICE

Performance Audit of  
King County Procurement Practices for  
Brightwater Professional Design Engineering Services  
2005-01

King County substantially strengthened oversight of its procurement and contracting processes for professional engineering services during the past five years. The improved oversight processes provided greater assurance that county and ratepayer interests were adequately represented. However, the timeliness and effectiveness of the county's procurement and contracting processes could be further enhanced through performance-based scheduling, better collaboration among county agencies, and improved external communication with engineering firms.

The audit recommendations promote accountability to county ratepayers through performance-based scheduling and timely implementation of capital improvement projects; provide continued assurance that design engineering costs are fair, and reflect the best value for county ratepayers and the general public; and would provide an advisory forum to promote countywide procurement policy and process improvements.

### **Audit Objectives**

Our review focused on county procurement and contracting processes for two Brightwater conveyance system professional engineering service contracts to assess the:

- Timeliness and effectiveness of the county's procurement practices.
- Reasonableness of the procurement and contracting schedules, and potential impact of schedule delays.
- Fairness of the county's contractual rates for select design engineering services.
- County's compliance with federal regulations, and industry standards and best practices.

### **Brightwater Procurement Timeframes**

The lengthy Brightwater conveyance system final design procurement process delayed the overall project schedule by more than two months with an estimated cost impact of \$1.6 million. County procurement scheduling practices could be improved to ensure reasonableness of project-specific schedules and to promote compliance with planned capital project delivery schedules.

### **County Compensation for Professional Engineering Services**

The county reduced its compensation rates and fees during the past five years. Although questions were raised about the reduced rates and fees, the county's compensation was consistent with that offered by 11 surveyed public agencies and water utilities. The county's direct hourly salary rates were also consistent with the average rates identified in a national engineering industry salary survey.

### **Best Procurement Practices**

Our best practices review focused on opportunities to improve the county professional engineering service procurements. The county could benefit from establishing an open advisory forum of county and local engineering firms' representatives to collaborate on resolving issues and implementing current and emerging best practices.

### **Recommendations**

The report recommends that the county's Procurement and Contract Services Section continue to periodically assess and adjust compensation for design engineering services based on local and regional benchmarks, national salary surveys, and best management practices. The section should also collaborate with other county agencies on developing formal county procurement standards and schedules that conform to project delivery objectives and promote accountability to county ratepayers. The county should also establish an advisory forum to consider best engineering procurement practices.

### **Executive Response Objectives**

The County Executive concurred with the audit recommendations and agreed to: 1) convene an interdepartmental forum to collaborate on procurement and contracting practices including scheduling benchmarks; 2) retain an independent auditing firm in 2006 to review engineering compensation and annual salary escalation factors; and 3) establish an advisory committee comprised of engineering consultant representatives and senior county management to address procurement process improvements.