CIP TRANSPARANCY STATEMENT OF LEGISLATIVE INTENT RESPONSE

Seattle
Department of
Transportation

PURPOSE AND OVERVIEW

This report responds to a Statement of legislative Intent requesting options for improving the transparency of the Seattle Department of Transpiration's CIP. (full text below).

Contents include:

1. Current CIP and additional transparency with Modal table summary

2. People Soft 9.2 "SRI" Impacts

3. Capital Cabinet, revised CIP Monitoring Report

4. CBO Budgeting System

5. SDOT Findings

2018 Statement of Legislative Intent 61-1-A-1

"Council requests that the Executive provide a report identifying options for improving the transparency of the Seattle Department of Transportation's (SDOT) CIP program. The report should consider reorganizing Budget Control Levels/Budget Summary Levels, adding CIP Programs to summarize SDOT CIP projects by different classes of infrastructure, or additional summary information in the CIP narrative. Such options could include classifying investments by mode, or by other characteristics that would help the general public understand capital spending in the CIP. The report should consider how such transparency improvements can be made in coordination with the accounting system upgrade to Summit version 9.2.

The report should also consider ways to highlight the specific projects included in programmatic CIP projects, such as the Arterial Asphalt & Concrete Program Phase II (TC367740); this could include additional summary information for select projects in the introductory CIP narrative, or in the project descriptions of individual CIP project pages.

The report should identify recommendations that could be implemented during the development and approval of the 2019-2024 Capital Improvement Plan."

1. Current CIP and additional transparency with Modal table summary

As part of the 2018 budget process, SDOT and CBO re-organized the SDOT CIP narrative to provide more information on the investments that support the four modal plans (pedestrian, bike, transit, and freight) and major asset groups (pavement, bridges, and traffic cameras & signals).

Modal Plans – For the Modal Plans, each narrative describes the planned projects, type of work, and funding dedicated to the implementation of the modal plans. It also includes a table listing the planned projects and dollar amounts for the next two years. This provides some information on the type and locations of projects planned over the next 2 years.

Asset Groups – For the Asset groups, maintaining the current infrastructure is a critical part of the Capital Improvement Program. In the CIP narrative, we have included sections describing the investments that are planned for the major asset groups such as paving and bridges. Because of the size of these projects, SDOT

must budget and plan the detail projects well in advance. This allows us to include specific project locations. However, there are often project schedule changes due to unforeseen issues such as environmental permitting delays, grant timing, community concerns, coordination with other agencies, etc. We provide the project information for general awareness with the understanding that the work listed in the final adopted budget will change due to the challenges listed above.

2. People Soft 9.2 "SRI" Impacts

Peoplesoft 9.2 is a citywide accounting and finance initiative that went live at the beginning of 2018. This software implementation impacted SDOT's ability to provide consistent and accurate reporting, as well as required significant business process changes. The past few months have been mostly spent addressing stabilization issues and ensuring the system is working correctly both citywide and for the department. There have been many things going well, but several impactful issues continue to be worked. We are working in collaboration with the SRI team and FAS to stabilize and setup ongoing processes to manage the system and functionality. There are several timing issues that have required our department to institute new business processes in order to keep things moving. SDOT has been working over the past 8 months to recreate our reporting functionality, which had to be redone due to the new project structure. The citywide leadership team is still evaluating how we take advantage of the new system, processes, and standardizations. Given where the city is with the new system, it is too early for us to know or recommend reporting improvements due to changes with Peoplesoft 9.2.

3. CIP Monitoring Report

In collaboration with CBO and Council Central Staff we have been working to reevaluate the Quarterly CIP monitoring reports. Given that all involved agree that the monitoring report could benefit from an update to the format and content, we hope to use this reporting to provide increased visibility into SDOT CIP projects. The new CIP Quarterly Monitoring reports will have two elements: Discrete

Projects and Ongoing Programs.

Discrete Projects
Departments will focus on a select number of large projects and provide current projections on cost/budget, schedule, risk, etc. This new approach will provide the Executive and Council a more prospective look at what is on the horizon for each of these large/complex projects. The CIP Quarterly Monitoring report will also include a total project cost projection for the balance of the discrete projects, along with an explanation of any variance from adopted CIP total project cost estimate.

Ongoing Programs
The CIP Quarterly Monitoring reports will also include a status update on the ongoing programs included in the departments CIP. The emphasize for this part of the report is accomplishment rate, which department staff and CBO are working to define. Reporting on accomplishment rate will help the Executive and Council analyze both spending on the programs, and what the departments are achieving with regards to what they stated they hoped to accomplish in their adopted budget. The ongoing program report will show the accomplishment rate for each of the modal plans mentioned above, which provides more transparency for each of these programs.

CBO and Central Staff are finalizing the project list and report layout and hope to release the new report in August of 2018.

4. Capital Subcabinet and the Project Delivery Executive Committee

The Capital Subcabinet continues to provide governance and oversight of large, complex CIP projects, overall CIP policies, and high-level planning and community development topics. The Cabinet reconfirmed this dual role at a retreat in March of 2018.

In early 2018, the Capital Subcabinet also created the Project Delivery Executive Committee (PDEC), made up of deputy director level department personnel of the capital departments, to provide ongoing oversight of large capital projects and provide a forum for addressing interdepartmental CIP project issues. The PDEC also provides policy and oversight recommendations to the Capital Subcabinet.

5. CBO Budgeting System:

The City Budget Office (CBO) has recently signed a contract with Questica to implement a new budget system. The new budget system will include capital budgeting and will eventually replace the current Capital Improvement Program) database. Along with replacing both the operating and capital budget systems, CBO will be reviewing current budget processes and budget presentation. This review may lead to enhancements in our CIP and an opportunity for additional transparency in the City's capital budgeting.

6. SDOT Findings:

SDOT is committed to providing clear and transparent budget information to both City Council and ultimately the public. The budget book and SDOT CIP are both high level introductions to SDOT's funding and authority, while the Capital Explorer Dashboard, the Performance Seattle Dashboard, and the Move Seattle Dashboard all provide project and capital funding information for SDOT's various projects and programs. In addition to these tools, SDOT developed a budget specific tool that would link SDOT BCLs and programs into "sources" and "use" categories, further tying our funding structure to the assets we produce and/or maintain. Our intent is to help the public understand where the funding is allocated and to which types of infrastructure. Given the complexities of the SDOT CIP and the various funding streams, there is not an easy, one size fits all solution to summarizing our work. A mix of some of the tools discussed in this report can be used as a pilot, and we are open to including additional asset group reporting in the CIP. When the new 9.2 accounting systems is stabilized, and the functionality from a new capital budgeting system is developed, there will be an opportunity to revisit the capital BCL structure. Both the 9.2 accounting system, and a new capital budgeting system provide opportunities to be able to report in a more robust way to the Mayor and Council. We look forward to the continued partnership to improve on the tools we share with the public and with Council.