

2001-2002 GRAND JURY REPORT

Riverside County Capital Improvement Program

Background

Riverside County is larger in area, and has a population greater than that of many states. The county is empowered to acquire property, and to lease or build buildings, in order to meet the needs of its ever-increasing population. As guardians of public funds, the county has a duty and responsibility to provide the facilities necessary for the efficient operation of public services in an expedient and cost effective manner.

Riverside County has not had a centralized Capital Improvement Program (CIP) since 1994. Capital improvement projects are approved on a reactive, case by case basis, without the benefit of evaluation from a countywide perspective. Several of the major construction projects undertaken in the past decade have not met project requirements, and have grossly exceeded original budgets and contractual time constraints. This has resulted in early departure of contractors, and in some cases, costly litigation.

As the population grows, and the need for county space for services increases, a well thought out CIP becomes imperative. There is currently \$67.8 million in capital projects that will require funding over the next three fiscal years.

Development of a multi-year CIP would assist the Board of Supervisors in dealing with growth management issues, and allocation of limited capital resources. The Board of Supervisors would then be able to measure capital needs in context of the overall needs of the county.

Findings

1. County Policy B-11 (Award of Public Works Contracts Pertaining to County Facilities), last updated in 1993, and Policy H-7 (Selection of Architectural, Engineering and Appraisal Services), last updated in 1989 are both outdated and do not clearly delineate authority, responsibilities, and procedures for planning capital improvement projects.
2. Although the Department of Facilities Management is charged with capital improvement, many departments (EDA, sheriff, fire, courts, and others) are conducting capital project planning that is not coordinated through a centralized planning process. This decentralized process has not always addressed standards and requirements for future budget, maintenance, and staffing needs.
3. In their "Report Card on Government Performance – Grading the Counties", *Governing Magazine*, in the February 2002 issue found, "(Riverside County)

Departmental rivalries and politics play major roles in project selection; capital improvement plan desperately needs updating.”

4. In response to many capital project difficulties experienced by the county, the Board of Supervisors, the Department of Facilities Management, and others have previously commissioned several studies, audits, and investigations of county projects and project planning/management procedures.
5. Recommendations from these reports stressed the importance of having well-defined, detailed planning/management policies and procedures in place early, closely monitored, and followed explicitly throughout the life of the project. These recommendations have not always been followed.
6. A “standard list of materials and equipment” and a “project management task list”, not previously available for use by capital project planners, are currently being reviewed and finalized by the Department of Facilities Management.
7. On April 16, 2002, the Board of Supervisors directed the County Executive Office (CEO) to prepare an expanded CIP that will address, “...scoping of various agencies and departments, potential facilities, equipment and manpower needed for the growth (of the county).”
8. The CEO and the Department of Facilities Management jointly presented, in a workshop to the Board of Supervisors on May 20, 2002, an outline concept of a county capital project planning and oversight process to include the establishment of a county CIP Team.
9. The Board of Supervisors approved the concept, and directed the CEO and Department of Facilities Management to return in 90 days with a formal CIP policy.

Recommendations

Board of Supervisors

County Executive Office

Department of Facilities Management

1. Board of Supervisors provide maximum support and assign the highest priority to the current laudable efforts toward the establishment of a permanent CIP Team.
2. Board of Supervisors direct that the CIP Team be staffed and budgeted as a permanent county entity with oversight authority and coordination responsibilities for all county capital projects from conception to completion and final acceptance.

3. The CEO, in coordination with all county agencies and departments, immediately begin revising all county policies that are relevant to capital improvements and establish procedures and standards that support CIP Team goals and objectives.
4. Director of Facilities Management provide standards and details for contracts, and also begin a review and update of relevant policies with particular emphasis on completion of the county's "standard materials and equipment list" and the "project management task list".
5. Board of Supervisors direct that policy be established which requires all county agencies and departments to coordinate and submit all capital projects, without exception and regardless of funding sources, through the CIP Team – no matter who eventually manages the project.