

The Capital Improvements Management Office of Kansas City, Mo.

BACKGROUND

- CIMO was established by ordinance in January 2004.
- The original CIMO team consisted of six city employees from various departments and 25 staff from private industry.
- CIMO's original project load was 151 projects, valued at \$250 million.
- Seventy-five percent of the original backlogged projects were identified as being stalled due to the budget, design, or contract issues.
- Six months after its inception, CIMO's original task load increased to include the majority of the City's capital infrastructure projects, including more than 400 capital projects.
- 2005 City Auditor's report showed a city capital backlog of \$400 million and concluded that "CIMO is the right strategy" for the City.
- CIMO became a city staff managed organization in January 2007.

CHALLENGES

- Right-of-way: Prior to CIMO, right-of-way services were fragmented, resulting in inconsistent approaches to resolving project ROW issues.
- Contracting: Prior to CIMO, contractors typically placed a premium on their bids for city construction jobs as the city was historically a slow payer and bid to notice-to-proceed durations took at least six months. This also affected how contractors planned for resources, often resulting in either a low number of bids or higher cost bids for the city.
- Estimating: Project estimates prepared prior to CIMO were often outdated or inaccurate. This resulted in projects being significantly under-funded by the time they were ready to bid for construction. This often delayed projects, which led to higher construction costs.
- M/WBE Participation: Prior to CIMO, there were no effective mechanisms in place for small businesses to act as primes on city projects. Most MBE and WBE firms were included as subcontractors in order to meet goal requirements.
- Communication: City government has continuously been criticized for not effectively communicating with its citizens. In addition, projects did not have city-managed schedules, or schedule tracking, which led to contractor dictated schedules as opposed schedules driven by the city's needs.

PROCESS/SYSTEM IMPROVEMENTS

- Right-of-way: Right-of-way services and acquisition are now part of CIMO. This allows for better communication between the project manager and the right-of-way specialist, keeping projects on schedule and to scope.
- Contracting: CIMO instituted a design-build standard in 2004, allowing construction firms and design professionals to serve as a joint prime contractor, creating cost and schedule savings. Prior to CIMO, payments to contractors took an average of 60 to 90 days. As of the end of 2006, the average time for payment was 23 days, garnering preferred client status.
- Estimating: CIMO provides estimating support for all CIMO projects throughout the project's lifecycle. PIAC estimates are now reviewed and the engineer's estimate is validated, allowing for more secure budget forecasting.
- M/WBE Participation: In 2004, CIMO introduced an extensive prequalification process for design and construction firms, speeding the bidding process on low-dollar projects and allowing work to be completed in a timely manner. This process allows small, minority and women-owned construction firms and design professionals to serve as the prime contractor. Of these firms, one-third of the design firms and one-fifth of the construction forms are classified as woman or minority-owned businesses.
- Communication: The Public Access Link, powered by Primavera software, launched in January 2005 on the CIMO Web site for increased accessibility and transparency to project information.



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- Additionally, CIMO publishes a comprehensive progress report twice a year that is posted on its Web site and mailed to stakeholders. Meetings with these stakeholders, including City Council members, occur quarterly in order to solicit feedback on CIMO progress and look for ways to improve.
- To provide timely information regarding schedule, budget, and scope, a project controls system was developed under the CIMO organization. Using recognized industry systems, CIMO now has current project information to efficiently manage capital projects.

PROGRESS

- Since 2005, CIMO's total project portfolio has consisted of 432 projects, valued at \$1.2 billion, of which 301 have entered the construction phase.
- CIMO is currently responsible for managing a portfolio of 233 active projects, valued at \$966,619,193.
- Since 2004, CIMO has completed 199 projects, valued at \$159,463,760.
- In the 2003, average project completion time was 36 months. In 2006, CIMO project completion time averaged 18 months.
- In 2006 the bid to Notice-to-Proceed duration for CIMO projects averaged 88 days, a threefold improvement over pre-CIMO timeframe, which was in the 270 day range.
- In 2006 CIMO payment processing averaged 23 days, three times faster than pre-CIMO.

Capital Expenditures

- Since the 2005 fiscal year, \$295.3 million was expended on all active CIMO projects. Prior to CIMO \$86.39 million was expended on those same projects throughout their existence.
- In 2003, prior to CIMO, the City expended \$121.4 million for non-enterprise capital construction, while in 2004 it expended \$83.7 million for non-enterprise capital construction. Since CIMO's inception, capital expenditure has increased with \$142 million expended in 2005, \$199.7 million expended in 2006, and \$191.5 million projected for 2007.
- Since CIMO's inception, City expenditures have increased to an average of \$200 million per year, not only halting the project backlog growth but reducing it by \$60 million per year.

Contracts

- In 2003, prior to CIMO, the City issued 45 capital construction contracts.
- In 2004, CIMO issued 112 design and construction contracts, valued at \$91.3 million.
- In 2005, CIMO issued 252 design and construction contracts, valued at \$339.2 million (including Power and Light District and Sprint Center contracts).
- In 2006, CIMO issued 244 design and construction contracts, valued at \$255 million.

Construction: 2004

In 2004, CIMO issued 52 Construction Notices-to-Proceed valued at \$55,368,420, which included:

- Three bridge projects, valued at \$15,765,159
- Nine building projects, valued at \$7,636,640
- Five park projects, valued at \$279,362
- One sanitary sewer project, valued at \$585,632
- One sidewalk project, valued at \$41,924
- Twenty-two storm sewer projects, valued at \$5,243,220
- Eight street-type projects, valued at \$12,669,115
- Two streetscape projects, valued at \$2,107,190
- One water project, valued at \$11,040,178



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Construction: 2005

In 2005, CIMO issued 116 Construction Notices-to-Proceed valued at \$630,334,591, which included:

- Thirteen bridge projects, valued at \$46,607,632
- Twenty-three building projects, valued at \$516,404,718
- Five sanitary sewer projects, valued at \$3,649,642
- One sidewalk project, valued at \$418,354
- Twenty-six storm sewer projects, valued at \$6,029,111
- Twenty-four street projects, valued at \$53,595,248
- Twenty-three traffic signal projects, valued at \$3,517,112
- One trail/path project, valued at \$112,775

Construction: 2006

In 2006, CIMO issued 132 Construction Notices-to-Proceed valued at \$161,417,177, which included:

- Eleven bridge projects, valued at \$35,415,578
- Twenty-four building and public art projects, valued at \$57,830,952
- Three sanitary sewer projects, valued at \$3,803,281
- Twenty-seven storm sewer projects, valued at \$13,188,487
- Fourteen street-type projects, valued at \$33,863,297
- Six streetscape projects, valued at \$4,994,110
- Forty-six traffic signal projects, valued at \$11,317,430
- One trail/path project, valued at \$1,004,043

PROJECTS: Completed

Downtown

- CIMO's responsibility for the Power and Light District consisted of preparing the nine-block area for private development, including all environmental, demolition, and infrastructure construction.
- A total of \$63 million in construction dollars have been spent on the infrastructure improvements for the Power and Light District: \$19.5 million on Environmental Abatement and Building Demolition; \$3.2 million for the Telecommunication Conduit System; and \$40.3 million for public utility improvements including water mains, sanitary and storm sewer separation and street reconstruction

Public Safety and Buildings

- Since 2004, 24 building projects have been completed, valued at \$63,425,409.
- To date, ten public safety projects have been completed including fire stations 14, 16, 19, 23, 29, 36, 43, 45, the Fire Search and Rescue Training Facility and the Shoal Creek Patrol Station. The total value of these completed projects exceeds \$42.45 million.

Transportation

- Since 2004, ten bridge projects have been completed, valued at \$29,465,705.
- Since 2004, 31 street, sidewalk and streetscape projects have been completed, valued at \$24,565,264.
- CIMO has managed 77 street and streetscape projects totaling more than \$200 million in complete or in-progress roadway and streetscape construction.
- Since 2004, 69 traffic signal projects have been completed, valued at \$14,378,423.



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- Prior to CIMO's involvement, it took 19 months to move a set of 40 traffic signal projects from design to completion. Under CIMO, this has been reduced to 11 months, a 42 percent reduction in delivery time.

Water

- Fifty-nine water projects (water, sanitary sewer and storm sewer) have been completed, valued at \$27,236,822.
- \$8 million in sanitary sewer projects are completed, enabling 1,000 residents to tie into the City sewer system.
- The Bannister Acres sanitary sewer project was completed in 2006, allowing 90 residences to be removed from septic systems and tie into the City sewer system.

PROJECTS: In Progress

Downtown

- Bartle Hall, worth \$147 million, and the Sprint Center Arena, worth \$276 million, constitutes more than \$420 million of CIMO's downtown investment portfolio.
- CIMO is responsible for 44 downtown projects valued at \$487 million, including the Library District streetscape, City Hall improvements and the Music Hall renovations, which are all currently in construction.

Public Safety and Buildings

- Thirty-two building projects are either planned or in construction.
- CIMO is managing the construction of 78 building and public art projects with a total value of more than \$620 million.
- The Bartle Hall Expansion public art project and the Sprint Center public art project are currently in construction with completion set for this year.
- CIMO is responsible for managing the 2001 public safety bond projects, approved by voters to fund the renovation and construction of 14 fire and police facilities, adding more than \$90 million to the City's public safety infrastructure.

Transportation

- Seventeen bridge projects are either planned or in construction.
- Twenty-three street and streetscape projects are either planned or in construction.

Water

- Twenty-six water projects are either planned or in construction.
- More than \$25 million in sanitary sewer projects are either underway or planned.
- To date, CIMO has managed 132 water, stormwater, and sanitary sewer projects worth more than \$82 million.

