Project delivery framework

System Expansion Committee

11/12/2026

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Why we are here

Responding to Board direction via R2026-11

- Share key features of the Adaptive Management Plan and Project Delivery Framework
- Provide a more thorough review of the Project Delivery Framework
- Review next steps for applying Framework to projects in development

Information only, no action required

Enterprise implementation

Key outcomes from successful implementation

- **Help to avoid or minimize future program affordability challenges** through adaptive, transparent management and independent oversight
- **Establish clear criteria, conditions, and process** to advance projects that aren't fully funded into the affordable System Plan
- **Ensure all projects progress quickly and within budget** with a common approach to address project-specific cost and delivery challenges
- **Implement the Enterprise Workplan** to continue saving costs, speeding project delivery, and increasing agency financial capacity

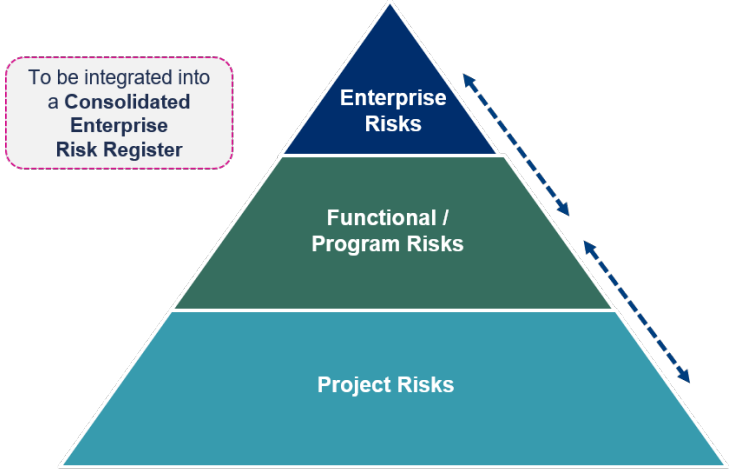
Adaptive management plan & project delivery framework

	Adaptive management plan	Project delivery framework
What is it?	Assesses agency financial health and supports ability to adapt to changing and emerging conditions	Defines approach to manage delivery of and transparency for system expansion projects
What is included?	• Strengthened Finance Plan process, standards, and metrics • Establishment of an independent oversight program • Risk framework & escalation thresholds • Regular reporting	• Lifecycle framework and application to light rail extension projects • Potential changes to budget and delegation of authority policies • Risk framework & escalation thresholds • Regular reporting

To be coordinated between efforts

Risk framework & escalation model

- Provides **a consistent approach to identify, assess, communicate, and respond to** risk across the agency
- **Three interconnected levels of risk management**, with escalation based on the potential impact and level of action needed to manage the risk
- Critical components of the framework include a **risk hierarchy, escalation considerations, and escalation thresholds**



Risks may escalate or de-escalate between hierarchy levels

R2026-11 language: the AMP will include "a formal agency-wide risk register at the project and program level"

Escalation thresholds to the Board

Tiered approach for potential impacts to program affordability

1

Regular reporting

Indicator, trend, or risk is being actively managed and reported on

2

Board awareness

Staff will proactively alert the Board about a change and how the situation is being managed/mitigated.

3

Board engagement

Board feedback and/or decision-making is required to address issues

4

System Plan updates

Potential for System Plan updates to address program affordability

- Escalation must be timely to be effective
- Moments for escalation: through regular reporting (e.g., Finance Plan update), discrete Board actions, and as needed based on emerging issues

R2026-11 language: the AMP will include "definitions for the conditions under which emerging risks must be escalated to the Board…" (continued on next slide)

Project risk escalation considerations

When should a significant project risk be considered for broader attention?

1 Affordability & Long-Range Financial Plan

Risk related to affordability, funding capability, financial sustainability, or the LRFP, aligned with the Financial Governance framework.

2 Service Dates / Major Delivery Commitment

Risk related to an approved/planned revenue service date or other major agency commitment.

3 AHJ / 3rd Party Relations & Commitments

Risk related to external dependency or commitment could materially affect delivery, approvals, access, permitting, environmental commitments, or agency relationships.

4 Operational / Service Commitments

Risk to ability to safely and reliably operate & maintain the transit system (e.g., impacts to existing service, future service readiness, system performance, rider experience, or operational capacity.

5 Safety / Security

Risk related to significant safety or security exposure beyond normal project/function management.

6 Reputation / Public Trust

Risk related to public confidence, agency credibility, Board confidence, or a significant external relationship.

7 Regulatory / Funding Commitments

Risk related to regulatory compliance, federal funding and FTA commitments, environmental review, grants, or other externally imposed obligations.

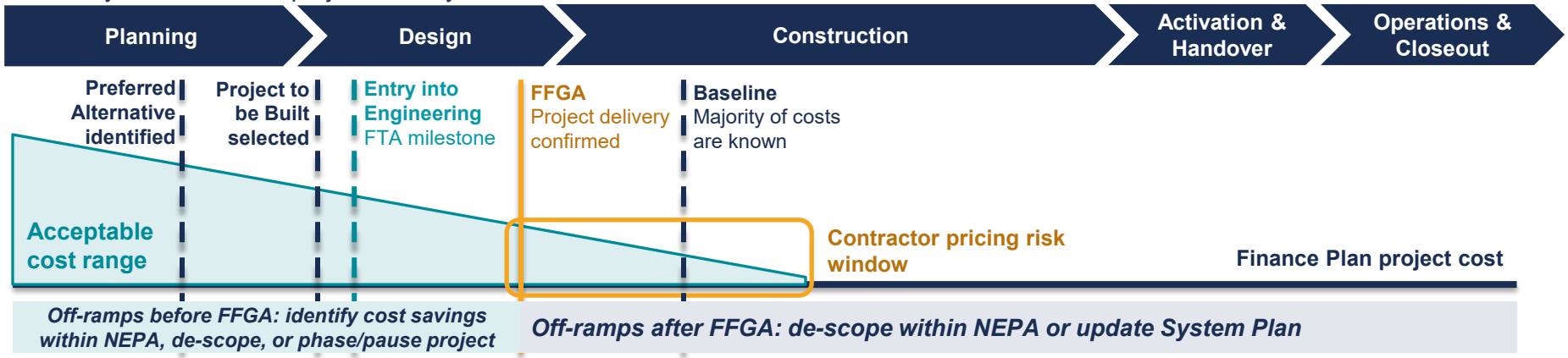
8 Cross-Project / Systemic / Authority

Risk affecting multiple projects, indicating broader systemic or program-level exposure, or requiring management, coordination, resources, or authority beyond the individual project.

R2026-11 language: (continued from previous slide)…"including thresholds for cost growth, schedule delay, and material changes to grant assumptions"

Integrated project delivery framework

Simplified lifecycle for a light rail extension project pursuing an FTA Full Funding Grant Agreement (FFGA) to illustrate how cost certainty increases, and project delivery is confirmed



Cost estimates

Cost certainty increases as a project advances. Estimates within range are normal. The range above the Finance Plan narrows each phase; an updated estimate above the threshold is reported to the Board.

Off-ramps at key milestones

Off-ramps are moments during project delivery where the Board can address cost and other challenges through scope, schedule, phasing, or implementation changes.

Contractor pricing window

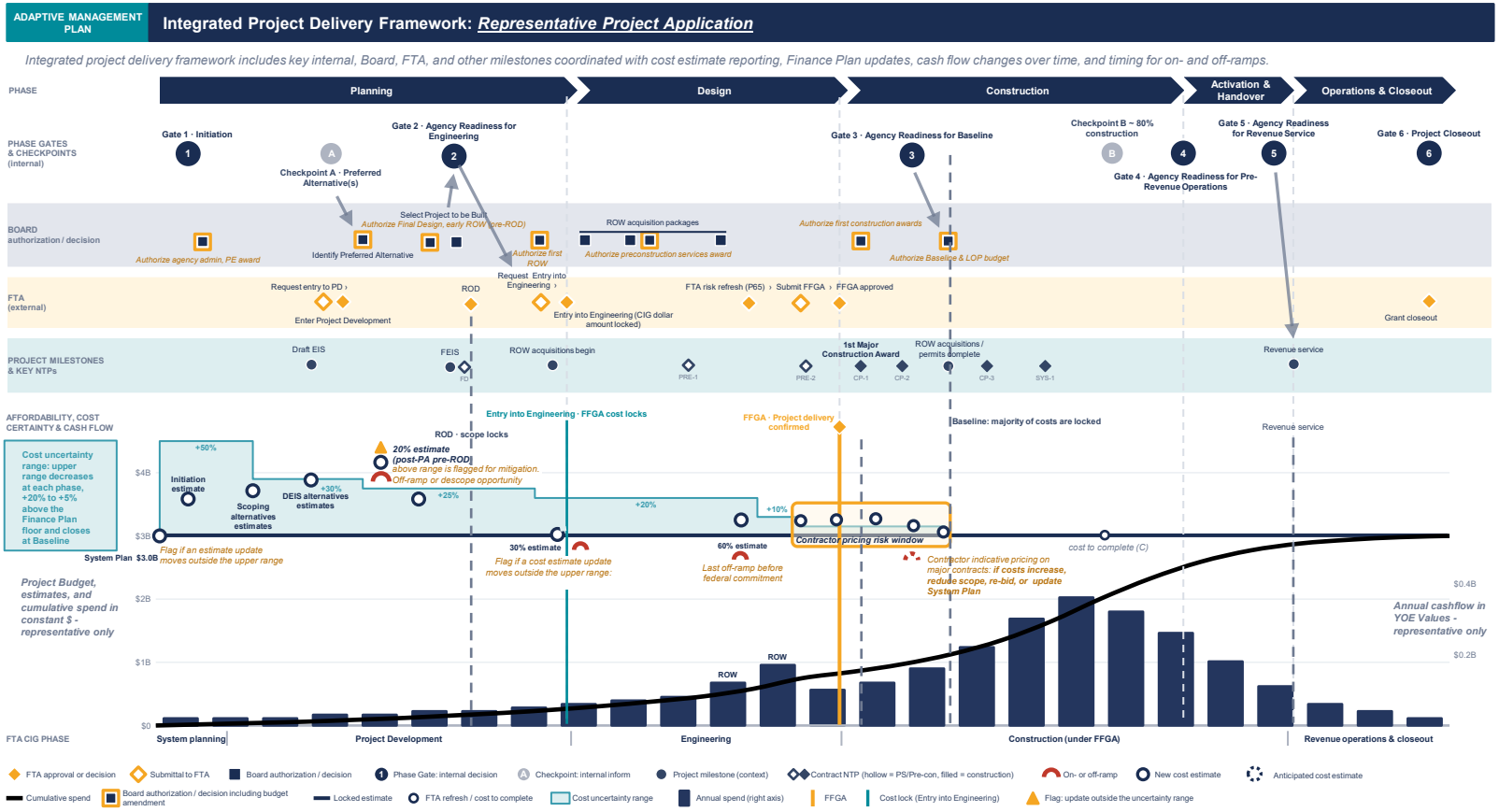
It is normal that actual bids will be above or below the Finance Plan estimate. Prior to Baseline, all costs must align to the amount carried in the Finance Plan, or contracts must be rebid or cost savings must be identified.

Establish budget & schedule

Confirm budget and schedule once a majority of project costs are known or committed: once major construction packages are awarded and/or ROW acquired

R2026-11 language: "develop a project delivery framework … to ensure that each project remains affordable and that the Board retains clear visibility and decision-making authority"

Project delivery framework: detailed view



R2026-11 language: "develop a project delivery framework … to ensure that each project remains affordable and that the Board retains clear visibility and decision-making authority"

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Project delivery framework

Application of project lifecycles

- Developing project-specific frameworks to more clearly communicate key milestones and Board action
- Working to synthesize project and capital program risk registers into consolidated enterprise risk register
- As part of the adaptive management plan, establishing escalation thresholds related to capital delivery

Thank you.

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