

# *Capital Cost Savings Opportunities: Projects in Planning*

*June 10, 2021*

*System Expansion Committee*



# *Early Actions to Address Affordability*

## *No decisions today*

- Due to COVID-19 recession and increased capital cost estimates, Sound Transit is using a 3-category framework to address rise in estimates
- With completed third-party review of current estimates, now we can identify capital cost savings opportunities

# 3-Category Framework



## Category 1

**Explore improvements to cost estimating process**

Timeline: Ongoing with completion by 4th quarter 2021



## Category 2

**Explore improvements to project management controls**

Timeline: Ongoing with completion by 4th quarter 2021



## Category 3

**Identify capital cost savings**

Timeline: Ongoing; tied to specific project schedules

# 3-Category Framework



**Category 1 –  
improve cost  
estimating**



**Category 2 –  
improve project  
mgmt. controls**



**Category 3 –  
identify potential  
capital cost savings**

**Project-  
specific  
cost  
savings**

**Programmatic  
cost savings**

**Major  
project  
definition  
changes**



# **Category 1**

## *Explore improvements to cost estimating process*

- Explore changes to ST's cost estimating methodology for construction and right-of-way estimates
- Use Triunity's work and lessons learned from regional partner agencies
- Answer why estimates increased from 2019 to 2020
- Provide a range for estimates consistent with level of design
- Identify application to future projects
- Draft report complete from TriUnity



## Category 2

### *Explore improvements to project management controls*

- Examine staff level controls and project management
- Explore potential enhancements to transparency, oversight and staffing
- Enhance our processes to daylight sooner the potential changes that substantively impact scope, schedule, and/or budget
- Builds on Triunity's work scheduled for summer 2021
- Timeline: Ongoing with completion by 4th quarter 2021



# Category 3

## *Identify capital cost savings*

- Develop actionable options that identify capital cost estimate reductions from the current project estimates
- Projects: *West Seattle and Ballard Link Extension, Tacoma Dome Link Extension, Operations and Maintenance Facility South, Bus Rapid Transit program, and NE 130th infill station*
- Provide options within 3 focus areas:
  - Project design and construction efficiencies
  - Programmatic review of agency requirements
  - Major project definition changes for Board consideration





## **Category 3: Focus Areas**

### ***Identify capital cost savings***

- **Project design and construction efficiencies**  
Examine guideway, bridge structures, and drainage options
- **Programmatic review of agency requirements**  
Review station design guidance and standards; calibrate system requirements
- **Major project definition changes for Board consideration**  
Possible examples: alignment changes, scope consolidation, deferral, surface options, or removal of parking; largest opportunity for cost savings
- Timeline: Ongoing; tied to specific project schedule



# *Important Elements for Implementation*

- Engage ST Board regularly throughout the process
- Incorporate ST values, with focus on passengers' needs, safety and equity
- Ensure stakeholder and community input is incorporated as planning advances
- All ideas should be evaluated for cost savings
- Year-long effort; no decisions will be made before July 2021 realignment
- Establish a strategy to support durable and consistent commitments with third parties and authorities with jurisdiction

# ***Board Oversight and Direction: Proposed Schedule***



**Category 1 –  
improve cost  
estimating**



**Category 2 –  
improve project  
mgmt. controls**

- Executive Committee Coordination
- TriUnity presentations in June, July, and August
- Staff updates on incorporating recommendations and improving processes: Q4 2021

# ***Board Oversight and Direction: Proposed Schedule***



## ***Category 3: Identify capital cost savings***

- System Expansion Committee coordination
- Updates to Board based on project development schedule
  - WSBLE, BRT program, and NE 130th infill station starting Q4 2021 (pending realignment)
  - TDLE and OMFS 2022
- Recommendations and findings will be applied to future projects

# Engagement and Outreach



## *Category 3: Identify capital cost savings*

- Any project definition changes will include outreach to the public, stakeholders, and jurisdictional partners
  - Schedule in parallel to project development process
  - Separate outreach effort may be needed
- Peer and Partner coordination: Lessons learned
- TriUnity review of potential cost savings estimates

# *Next Steps*

- Board feedback on proposed schedule
- Ongoing coordination with regional partners
- Public and stakeholder involvement will inform changes to project definitions which require Board approval

# *Independent Cost Estimate Review: Estimating Methodologies*

*Presentation from TriUnity*



## **Category 1**

**Explore improvements to cost estimating process**

Timeline: Ongoing with completion by 4th quarter 2021