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

- 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