



Summary Minutes

System Expansion Committee Meeting October 13, 2022

Call to order

The meeting was called to order at 1:37 p.m. by Committee Chair Balducci.

Roll call of members

Chair	Vice Chair
(P) Claudia Balducci, King County Chair	(A) Kim Roscoe, Fife Mayor

Board Members	
(P) Nancy Backus, Auburn Mayor	(P) Kent Keel, University Place Mayor
(P) David Baker, Kenmore Councilmember	(A) Joe McDermott, King County Council Vice President
(A) Cassie Franklin, Everett Mayor	(A) Dave Somers, Snohomish County Executive
(P) Bruce Harrell, Seattle Mayor	

Alejandro Monzon, Board Relations Specialist, announced that a quorum of the System Expansion Committee was present at roll call.

Report of the Chair

Monthly Contract Report and Agency Progress Report

The meeting packet included the monthly contract report and the August agency progress report.

Welcome CEO Julie Timm to her first System Expansion Committee

Chair Balducci welcomed new CEO Julie Timm to her first System Expansion Committee Meeting. She mentioned the effort by Ms. Timm to meet Board members and view the many expansion projects the agency is working on.

West Seattle-Ballard Link Extension Chinatown-International District Open House

Chair Balducci called out for the audience that agency staff were preparing for an Open House for Chinatown-International District engagement, in line with previous Board action on the West Seattle Ballard Link Project. The Open House was scheduled to take place in Union Station after the System Expansion Committee meeting.

CEO Report

CEO Timm provided the report and thanked Chair Balducci for the welcome.

Condolences to Fife and Pierce County transit partners

CEO Julie Timm offered condolences and well-wishes on behalf of the agency to the family and friends of Russ Blount, Deputy City Manager in Fife, who passed away the prior week.

WSBLE Chinatown-International District Open House

Ms. Timm echoed Chair Balducci's excitement for the Open House after the meeting. She informed the audience that the Open House would be taking place from 4:30 – 7:30pm in Union Station.

Update on Hilltop Tacoma Link Extension, Testing, and Vehicle Delivery

CEO Timm notified the Board that the work on the 9th and Commerce cut over had been completed over the weekend, and that the T-Line resumed regular service on October 11th. Additionally, the completion of this work meant that the agency is on track to open the Hilltop Tacoma Link Extension in 2023.

Visit to Operation & Maintenance Facility East

Julie Timm participated in a tour of the Operations & Maintenance Facility East as a part of the APTA conference. She offered tours to Board members and community members to highlight the less visible work that is going into the expansion of the system.

Game Day Trains for October 15th-16th

Ms. Timm shared that BNSF and Amtrak had approved Sound Transit's request to run Sounder service for the Mariners playoff game on Saturday. Additionally, service was approved for a potential Sunday game and necessary accommodations for service to the Seahawks game were planned, if needed.

Public comment

Chair Balducci announced that public comment would be accepted via email to meetingcomments@soundtransit.org and would also be accepted verbally.

Written public comments:

Bill Hirt

In-person Verbal Public Comments:

None were submitted

Virtual Verbal Public Comments:

Zakariya Osman signed-up to provide virtual public comment, but experienced technical difficulties and was asked to submit their comment via email.

Technical Advisory Group Presentation

Chair Balducci reminded Board members that the Technical Advisory Group (TAG) and their presentation today were directed by the Board Realignment motion. Chair Balducci asked Charla Skaggs, staffer to the TAG, and members present to begin their presentation.

Ms. Skaggs introduced TAG Chair, Grace Crunican, and Ken Johnsen, TAG Vice Chair, to present. Ms. Crunican first thanked the interviewed staff and Board members for their participation in the TAG's review process.

TAG Chair Crunican first framed a few cultural notes regarding the tendencies in the region for lengthy discussion to take precedence over action, and the slight shift in Sound Transit's decision-making to focus at the top, between Board members and executive leaders. Ms. Crunican turned the presentation over to Ken Johnsen.

Mr. Johnsen first gave an overview of the presentation before giving background on the TAG itself and its main directive of offering recommendations on how to accelerate the overall rate of delivery for Sound Transit's expansion projects. In this goal, the TAG has three main tasks: a comprehensive review of studies conducted prior to the TAGs assembly, a case study of one or more of the current projects to

validate what is occurring in project delivery, and Final Report comprising the specific recommendations for action.

After formation, the TAG established three subcommittees to focus on three areas of recommendation: Governance, Pre-construction/Planning, and Construction. In focusing on the first task related to performing a comprehensive review, Mr. Johnsen said that the TAG reviewed several documents from the agency, partners, and external groups. He then asked Grace Crunican to continue with the presentation.

Ms. Crunican began a review of the key recommendations that stemmed from the initial comprehensive review. From a governance angle, the TAG made several recommendations that increase accountability and commitment of staff to each project. Moreover, the TAG recommended that the Board focus on matters of policy, while the staff take lead on project delivery and operations decisions. Ms. Crunican and Mr. Johnsen also stated the benefits of co-location arrangements for project teams.

Ms. Crunican also stated that the Board and agency should look at delays in early action as similar in cost to construction delays. She continued to cover a handful of recommendations that could help shorten planning decisions, including establishing a more disciplined NEPA process, standardizing project components, and planning early for property acquisition and utility relocation.

The last area of focus for the presentation centered on project reporting. Ms. Crunican stated that Sound Transit has already developed a project delivery dashboard, and that frequent reporting out to the Board from the dashboard could be beneficial.

Ms. Crunican pushed back on the notion that the agency is fully ready to begin re-orienting itself toward Operations. She warned that focus on the capital projects should not begin to take a backseat in the agency's planning. In looping back to the project reporting, Ms. Crunican mentioned the importance of an up-to-date risk register for each project.

Chair Balducci reminded the committee that this presentation is a progress report and final recommendations will be given in the Final Report to the Board. Board members were offered the opportunity to ask questions.

Boardmember Backus mentioned that the idea of co-location does clash with the idea of remote work. Ken Johnsen noted that the construction industry is one area in which teams working in-person and together on the project is a benefit.

Boardmember Keel found the presentation refreshing and as advertised. He stressed the goal of ensuring that the Board hears and acts upon the recommendations quickly. Mr. Johnsen noted that the staff interviewed are phenomenal and committed to delivering the expansion program. Boardmember Keel clarified that high-level culture and process may be the more difficult changes that are needed to support the staff. As an example, Ms. Crunican shared that the resident engineers had received an increase in authority for their projects but continue to ask supervisors and managers for approval.

Chair Balducci wanted to provide clarity that the issues related to the Bellevue process perhaps stemmed from complications from the city and asked how information from additional projects shaped the recommendations. Ken Johnsen stated that while the planning phase is typically set to 4 years, projects do slip past the timeline and that should not happen. Chair Balducci also agreed with the culture of trust that the Board needs to work toward.

CEO Julie Timm thanked the TAG members for their presentation. She noted that her goal in further engagement with the TAG is to decide what changes are the responsibility of management and which are decision for the Board.

Progress Update from Independent Consultant to the Board

Chair Balducci reminded Board members that Dave Peters and his role also came out of the discussions related to realignment and the reporting requirements that resulted from those decisions.

Mr. Peters gave a recap of previous work he had reported to the Board related to reporting practices and recommendations that had been delivered previously. Additionally, Mr. Peters has interviewed most of the Board members and has been in contact with the Technical Advisory Group.

At this point, Mr. Peters began his slideshow presentation specifically tailored to reporting for the Capital Program. In reviewing both existing and new reporting practices, Mr. Peters stated his goal was to provide recommendations to the Board for improvement of their information to support decision-making.

To begin, Mr. Peters shared that many comments from Board members relate to reporting overload, both in the frequency and density of reports. Mr. Peters also noted comments from some Board members that echo a reluctance to bring negative information to the Board, and that he also received plenty of positive comments related to the current reporting process.

Mr. Peters first showed a table from his report to show an overview of his review, including noting the frequency, focus, and information for the individual reports of the Board, before going through the individual reports and his recommendations for each.

For the Project Performance Tracker, Mr. Peters recommended continued development of the reporting tool. He mentioned the inclusion of trend arrows as an example of a Board member's comment that would be applicable to add. He further suggested that the Project Performance Tracker could be the main feature of a monthly report to the Board of Directors or System Expansion Committee.

In reviewing the Agency Progress Report, Mr. Peters noted that the lengthy document is geared toward many different audiences. Uniquely, the monthly Agency Progress Report includes an update-based executive summary. No significant changes were recommended, but Mr. Peters suggested adding more summaries of the content and including a single table to track contingency funds across the system.

Addressing the in-development Cost Savings Work Plan, Mr. Peters noted that it was not historical but rather focused on opportunities. He recommended removing the quarterly reporting requirement, in favor of an annual or ad-hoc report for agency-wide program issues. Project-specific reviews should be implemented by project team and be conducted routinely.

The semi-annual Cost Drivers memo is specified in the re-alignment resolution. Mr. Peters stated that since the information is included in other agency report, it is somewhat redundant as a standalone report. He recommended changing the frequency to ad-hoc but at least annually and noted that the information related to cost drivers should be included in the Annual Program Review.

Mr. Peters offered no recommendations to improve the Financial Plan & Budget and found the inclusion of State of Good Repair budgets for long-term planning as a strong positive.

For the Annual Program Review, Mr. Peters recommended removing the individual project write-ups in favor of linking to relevant information in the Agency Project Reports. Moreover, he suggested merging the information from the Cost Drivers memo into the Annual Program Review to address external pressures.

Chair Balducci noted that the request for this review and recommendation came out of realignment discussions that focused on building an annual reporting process. She asked if Mr. Peters had covered all the requests from the Board. He answered that he believed he reviewed all the reporting practices asked of him from the realignment discussions. Chair Balducci asked specifically about the Biannual Cost Drivers report that comes to the System Expansion Committee. Mr. Peters noted that he titled it as a memo in his report and presentation.

Chair Balducci inquired about ad-hoc reporting. Mr. Peters noted that the agency has brought Ad-hoc reports in past, and he sees no reluctance by staff to do so, specifically referencing the report to the System Expansion Committee in September regarding issues with current projects in construction. He also identified the monthly Agency Progress Reports as a starting point for identifying potential ad-hoc reporting needs. Chair Balducci asked Mr. Peters to work on a recommendation for what information to include in summaries of the length Agency Project Reports. From his conversations with agency staff, Mr. Peters shared that he believed that is the intention to use the Project Delivery Tracker and the Agency Progress Reports in tandem.

Boardmember Keel asked for clarity regarding the reporting of contingencies, and how to keep track of unused contingency funds. Mr. Peters noted that the Agency Progress Report does include information, including spend-down projections, broken-out project-by-project. He also recommended that staff include summaries for the potential projected contingency spending for projects. Chair Balducci noted that the Committee has been wanting to review contingency use but hasn't had the time to get it before them at this point.

Boardmember Keel asked Mr. Peters for continued conversation on how to implement recommendations from a perspective of necessary actions by the staff and/or Board. Deputy CEO Farley noted that the Portfolio Services Office can prepare information for the Board. Chair Keel also stressed the importance that the agency doesn't just come to the Board with a list of changes, but that it is a dialogue with Board members. Chair Balducci agreed with the need for staff and Board members to work together to decide which recommendations to act on, and how to do so.

CEO Julie Timm thanked Mr. Peters for his presentation and committed to working with Board members to meet their information and reporting needs.

Chair Balducci noted that at this point, agency leadership will look at the recommendations and approach the Board with potential action.

Business items

For Committee Final Action

Minutes: September 8, 2022 System Expansion Committee meeting

It was moved by Boardmember Backus, seconded by Boardmember Keel, and carried by unanimous voice vote that the minutes of the September 8, 2022 System Expansion Committee meeting be approved as presented.

For Recommendation to the Board

Motion No. M2022-79: Authorizing the chief executive officer to execute a project coordination agreement with the City of Shoreline which includes a contribution to the city in the amount of \$450,000 for construction work currently required for the Lynnwood Link Extension Project that will be modified and reconstructed by a city project that will enhance access to the Shoreline South/148th Street Station.

Chair Balducci asked Kristin Hoffman, Light Rail Development Manager for the Lynnwood Link Project, to begin the staff presentation.

Motion No. M2022-79 was moved by Boardmember Baker and seconded by Boardmember Keel with a do-pass recommendation.

Chair Balducci asked if there were any questions, and state hopefulness that we might see similar agreements in the future to allow for safe travel over I-5.

Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Bruce Harrell
Kent Keel
Claudia Balducci

Nays

It was carried by unanimous vote of the five members present that Motion No. M2022-79 be forwarded to the Board with a do-pass recommendation.

Motion No. M2022-80: (1) Ratifying a previously executed betterment task order under the umbrella utility relocation agreement with the City of Shoreline for Sound Transit to construct a sanitary sewer line as part of the Lynnwood Link Extension project in the amount of \$414,773; and (2) authorizing the chief executive officer to execute an amendment to the betterment task order in the amount of \$186,030, bringing the total betterment task order to an amount of \$600,803 to be reimbursed by the City of Shoreline.

Chair Balducci asked Randy Harlow, Executive Project Director for Lynnwood Link, and Mattie Tharpe, Legal Counsel, to provide the staff presentation.

Ms. Tharpe began by stating this item is related to an item regarding the CEO's Delegation for Betterment Agreements that was forwarded to the Board from the Executive Committee last week. Due to a misalignment in the delegated authority policy, the CEO has the authority to execute task orders in the umbrella utility relocation agreement with the City of Shoreline but lacks the delegated authority to execute the individual betterment task order for the sanitary sewer line.

Mr. Harlow provided insight into the construction design and plans related to the sanitary sewer line work. He stated that since the City of Shoreline will be reimbursing Sound Transit, there is no negative financial consequence, at this time.

Chair Balducci asked if the misalignment in the Delegation of Authority policy is something that the Board should update. Ron Lewis, Design, Engineering, and Construction Management Executive Director, stated that he believes the delegated authority for Betterment Agreement should be brought in line with other agreements that the CEO has the authority to execute without Board action. He also reminded the System Expansion Committee that the Executive had forwarded the Resolution to update the policy to the Board for consideration at the October 27, 2022 Board of Directors meeting.

Motion No. M2022-80 was moved by Boardmember Keel and seconded by Boardmember Backus with a do-pass recommendation.

Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Bruce Harrell
Kent Keel
Claudia Balducci

Nays

It was carried by unanimous vote of the five members present that Motion No. M2022-80 be forwarded to the Board with a do-pass recommendation.

Reports to the Committee

WSBLE Chinatown-International District Engagement Update

Chair Balducci invited Cathal Ridge, Executive Corridor Director, and Leda Chahim, Government and Community Relations Manager, to begin the presentation.

Mr. Ridge reminded the Board of the language included in Motion No. M2022-57 that directed staff to continue further studies and engagement for areas along the West Seattle-Ballard Link Extension alignment. He then framed the presentation in relation to the request for further engagement with the Chinatown-International District community. Mr. Ridge also shared the timeline of next steps regarding updates to the Board before a final Status Report is issued in February 2023. He turned it over to Ms. Chahim from the Government and Community Relations team to continue.

Ms. Chahim presented an overall draft engagement process that would be rolled out beginning this afternoon at the Open House. She noted that feedback on past outreach led to the development of a more iterative process. After the Open House, Ms. Chahim said that two workshops related to the alignment options and tradeoffs were planned for November, one workshop related to key issues is planned for December, and a final summary workshop is planned to take place in January prior to Lunar New Year. The team is planning to use Lunar New Year to engage with the community on final ideas prior to coming to the Board in February.

Boardmember Harrell thanked the staff for their work on this intense issue, and the clear timeline laid out. Mr. Harrell inquired about the potential regarding the 4th Avenue-Shallow alternative, and how third-party funding may present issues with the timeline. He requested that the staff be ready to go in February with final decision, and noted his worry about the speed from staff, at this point. Mr. Ridge affirmed that his team is working diligently to meet deadlines framed by the Board.

Boardmember Keel echoed similar concerns regarding timelines for the entire West Seattle-Ballard alignment. Chair Balducci noted that she believes most are aware of the need for timeliness, as well as meaningful community engagement.

Presentation on Project Delivery and Contracting Methods

Chair Balducci shared that both her and Vice Chair Roscoe have been planning on getting a presentation regarding project management on the System Expansion Committee's schedule. She introduced Joe Gildner and Mike Bell to begin the presentation.

Mr. Bell, Executive Technical Advisor, noted that back in 2019 they brought a higher-level review of legislative constraints and contracting related to construction. Today's presentation would focus on several project delivery methods and new learned insights.

Mr. Bell first highlighted the phases of project delivery and noted that the selection of a project delivery method takes place in the Project Development Phase as "Gate 2" in the project lifecycle. He described delivery methods as the management solution for a construction contract, including defining roles, responsibilities, contractor engagement, and the assigning of risk.

Joe Gildner reminded the committee that several delivery methods, including General Contractor/Construction Manager (GC/CM) and Design-Build, require strict adherence to state guidelines and the agency re-applies every three years to extend certification. Mr. Bell then went through the most common delivery methods used at Sound Transit.

For Design-Bid-Build, the agency has separate contacts with contractors and designers, and this method tends to be the most traditional/default for public works agencies as it focuses on the best price. Mr. Gildner mentioned that all tunnel contracts, except for the University and Northgate extension projects, have been performed as Design-Bid-Build contracts.

Similar to Design-Bid-Build, General Contractor/Construction Management takes place in three distinct phases; however, the contractor is hired before the completion of the design phase. When implementing this delivery method, experience and value are the top criteria for selecting a contractor. Mr. Gildner added that since the contractor is hired in the pre-construction phases, there is often the ability to co-locate the contractor with staff and related consultants. Mr. Bell noted that Washington State maintains certain criteria around the use of GC/CM projects, including the agency's use for the completion of portions of the University Link project.

For Design-Build projects, the agency maintains a single contract for both final design and construction solution. The agency identifies performance expectations, and the contractor returns with designs and plans according to those established criteria and needs. Using an example from the Downtown Redmond Extension, Mr. Bell shared the creative solution that led to the potential for a TOD Site in the area. Mr. Gildner added that co-location is also highly prioritized in the Design-Build method.

A more recent method that has not yet been used by Sound Transit, Progressive Design-Build similarly entails a single contract based on qualifications and experience, but also hires the contractor early in the design process.

Mr. Bell shared that the selection of a delivery method is prepared via the Workshop Process. The Workshop Process analyses constraints and identifies criteria that will shape what delivery method is chosen for a given project.

In sharing observations from past experiences, Mr. Bell covered notable strengths and weaknesses of the delivery methods. For all delivery methods, Mr. Bell highlighted the importance of a many potential partners for both construction and design.

Boardmember Backus thanked the staff for the information provided.

Chair Balducci asked if there is a signature method used by the agency across our projects. Mr. Gildner looked at the successful use of traditional GC/CM method for subway and systems work. Mr. Bell also noted successful use of Design-Bid-Build projects.

Ron Lewis noted that the agency has utilized different methods to test projects and delivery methods across the system. He also shared with the committee that a contracting expo is planned for October 27, 2022 to engage with the contracting community on Sound Transit's needs and goals.

Boardmember Keel asked who participates in the workshop process. Mr. Bell stated that the process includes the project director, as well as staff from procurement and legal. At times, regional and local jurisdiction partners are invited. Boardmember Keel inquired as to whether policymakers are invited. Mr. Bell shared typically they are not. Deputy CEO Kimberly Farley explained that the workshop process does not include policy discussions but focuses on the design and construction process. CEO Timm shared she thinks any internal policy discussions should take place prior to the workshop process.

Boardmember Keel asked if there was any one thing the Board could do support the project delivery method process. Mr. Lewis said that the team would take the question back for internal discussion, but shared insight that further discussions around authority, such as with the earlier business item, may be necessary. Chair Balducci added that perhaps a retreat is needed in the future.

Executive session

None.

Other business

None.

Next meeting

Thursday, November 10, 2022
1:30 p.m. to 4:00 p.m.
Ruth Fisher Board Room &
Virtually via WebEx

Adjourn

The meeting adjourned at 4:11 p.m.

ATTEST:

Claudia Balducci
System Expansion Committee Chair

Kathryn Flores
Board Administrator

APPROVED on _____, AJM.