TIMELINE OF REPORTS

Task 1: Review and Assessment of Past Cost Estimates and Trends
   » Draft Report – March 2021
   » Final Report – April 2021

Task 2: Estimating Methodology Review and Recommendations
   » Draft Report – May June 2021
   » Final Report – June 2021

Task 3: Management Methodology Review and Recommendations
   » Draft Report – July 2021
   » Final Report – After Receiving Board Comments
Task 2 Draft: Estimating Methodology Review and Recommendations

» Why
» Methodology
» Recommendations
» Next Steps
Construction cost estimating:
» Prescriptive process with little flexibility.
» Unit costs were updated.
» Some original design assumptions were inaccurate.
» Second opinions were not utilized.

Right of Way cost estimating:
» Buffer method underestimated right of way needs.
» Changes to the formula approach.
» Unpredictable market conditions.
» Unclear ownership for early estimates.
'market conditions' - not necessary wrong but I would say it’s more of a mixed bag. Market conditions was part and there were some items such as vertical conveyance at stations that went from $350k per to $1.2M.
Andrew Kean, 5/26/2021
» Prescriptive process with little flexibility.
» Unit costs were updated.
» Some original design assumptions were inaccurate.
» Second opinions were not utilized.
» Buffer method underestimated right of way needs.
» Changes to the formula approach.
» Unpredictable market conditions.
» Unclear ownership for early estimates.
» Communication
  » Conduct thorough Annual Program Evaluations.
  » Develop a standard reporting format for Annual Program Evaluations to communicate with leadership and program stakeholders.
  » Engage the Portfolio Services Office in program level design oversight.

» Update of Sound Transit Policies and Procedures:
  » Procuring an independent opinion to validate early cost estimates.
  » Active use of a Responsibility matrix.
PROGRAM RECOMMENDATIONS

» Best Management Practices for large programs
  » Use estimate ranges at the program level.
  » Use estimate ranges as communication tool in early planning.
  » Include a program level management reserve in addition to project level contingency.

» Board Tools
  » Annual Program Evaluation to share yearly project status with the Board.
  » Dashboard for project status.

» Communication
  » Portfolio Services Office involvement in Program level process oversight.
  » Involve SMEs early and often.
NEXT STEPS

» Final Cost Estimating Methodology Report the week of June 24th Board Meeting
  » Address Board Comments
  » Meeting with King County
  » WSDOT