

# TRIUNITY



## SOUND TRANSIT: ST3 COST ASSESSMENT TASK 2 DRAFT REPORT

June 10, 2021

# 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



# FOCUS TODAY

## Task 2 Draft: Estimating Methodology Review and Recommendations

- » Why
- » Methodology
- » Recommendations
- » Next Steps



# WHY

## 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.



## Slide 4

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**AK3**

'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

# METHODOLOGY – CONSTRUCTION COST ESTIMATING

- » Prescriptive process with little flexibility.
- » Unit costs were updated.
- » Some original design assumptions were inaccurate.
- » Second opinions were not utilized.



# METHODOLOGY – RIGHT OF WAY COST ESTIMATING

- » Buffer method underestimated right of way needs.
- » Changes to the formula approach.
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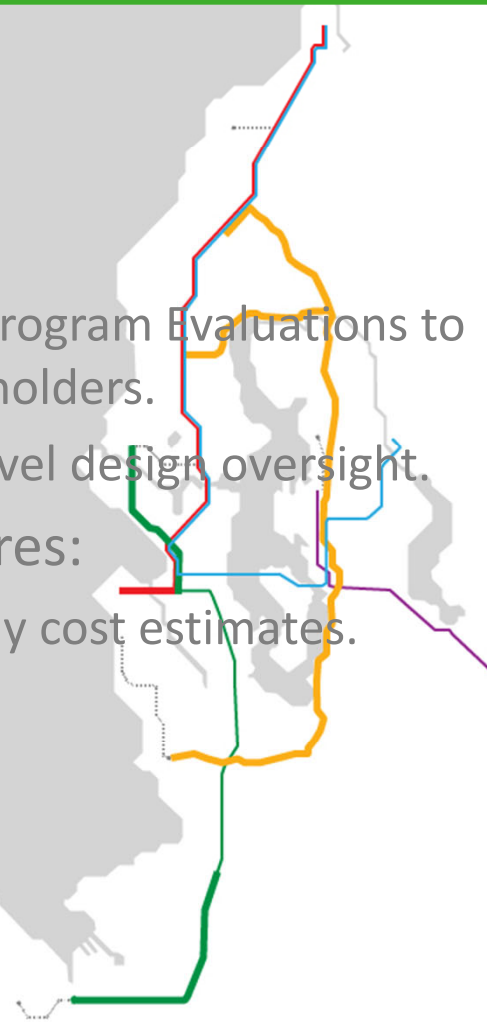
# PROJECT RECOMMENDATIONS

## » 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:

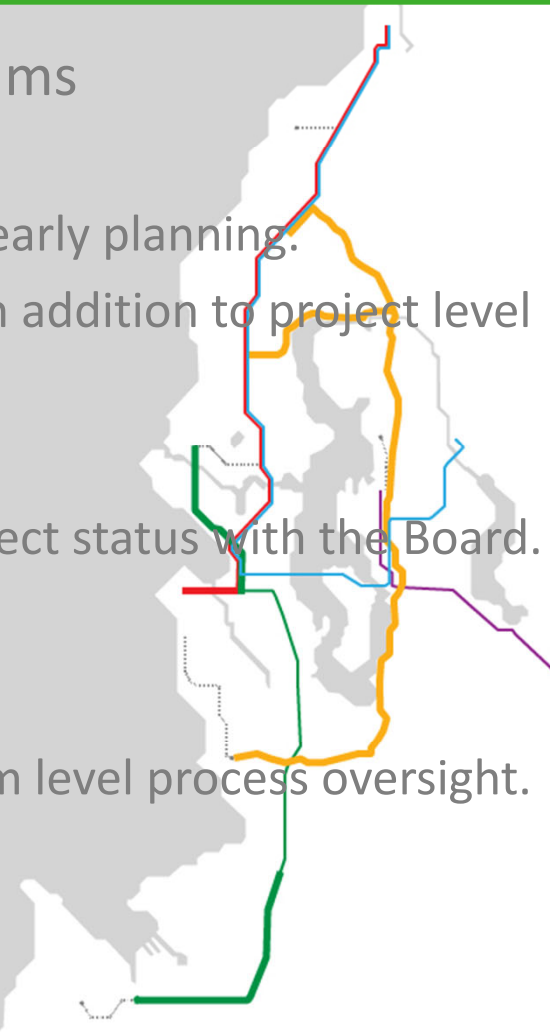
- » Procuring an independent opinion to validate early cost estimates.
- » Active use of a Responsibility matrix.





# 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 24<sup>th</sup> Board Meeting

- » Address Board Comments
- » Meeting with King County
- » WSDOT

