

***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

Thank you.



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