

# *Technical Advisory Group Recommendations Implementation Update*

*System Expansion Committee  
2/8/24*



# *Why we are here*

- Provide monthly status update on agency staff implementation of Technical Advisory Group (TAG) recommendations.
- Review the new document – TAG Action Plan.
- Review the TAG Action plan, timelines, and recent activity.
- No decision or action by the Board requested today.

# ***Summary of TAG recommendations***

***CEO Sparrman: We are unequivocally committed to creatively, effectively, and urgently implementing the TAG recommendations.***

## ***Recommendation 1:***

- Rebuild trust and clarify Board and staff roles and responsibilities.

## ***Recommendation 2:***

- Introduce an experienced megaproject capital program executive team.

## ***Recommendations 3 & 4:***

- Internal improvements, including accelerating decision-making and applying industry best practices to reduce unnecessary process.

## ***Recommendation 5:***

- Strengthen and enforce an agency betterments policy.

## ***Recommendation 6:***

- Engage the FTA as a delivery partner equally invested in delivering regional transit.

Recommendation 1 – Rebuild trust and clarify the roles and responsibilities of the ST Board and Staff			
Implementation Goal	CEO Direction	By end of February 2024	By end of Q1 '24
Review and revise Board bylaws and procedures to focus on policy and major programmatic decisions.	<b>Continue to delegate decisions to lowest level reasonable, from the Board to the CEO, and from the CEO to Agency staff.</b>	<ul style="list-style-type: none"> <li>Identify all programmatic presentations, across all Board committee workplans, to assemble a Board-wide workplan that focuses on programmatic issues/decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with Board to finalize a program workplan that focuses on system-wide issues and decisions.</li> <li>Clarify rules of engagement for real property acquisition decisions without approval.</li> <li>Update internal governing documentation for delegation of authority (i.e., streamline internal delegation of authority controls and procedures to help ensure staff empowerment).</li> </ul>
Limit the type of actions that require Board input and approval			
Include Staff recommendations on all actions going to the Board	<b>When presenting project-specific and programmatic issues, Staff will provide a recommendation for Board consideration which will disclose additional options.</b>	<ul style="list-style-type: none"> <li>Prepare and distribute a draft staff report template that includes a clear staff recommendation section for feedback; create corresponding template slide.</li> <li>Project Controls staff, in close partnership with Finance, will identify a consistent method to identify cost and schedule impacts to alternatives.</li> </ul>	<ul style="list-style-type: none"> <li>Finalize staff report template to forecast long-term implications of project specific decisions; staff report will incorporate a clear section that discloses cost and schedule impacts.</li> <li>Finalize cost of development calculations guide.</li> </ul>
Identify cost and schedule impacts of alternatives coming to the Board	<b>Recommendations – and additional options – will include pros and cons, as well as the financial impact of action and inaction. Board communications will be consistent visually and in detail.</b>		

# Updated reporting framework

## Monthly TAG Implementation Action Plan Update

- Simple, focused, and timely.
- Dedicated to outcomes.
- Developed to focus on strategic priorities within each recommendation.
- Provides a monthly and quarterly action plan for each recommendation and associated action.

# Recommendation 1

## Rebuild trust and clarify the roles and responsibilities of the ST Board & Staff

### February

- Complete analysis of scheduled Board presentations, develop programmatic workplan.
- Distribute updated draft staff report template, including staff recommendations.
- Develop method to assess cost and schedule impacts for alternative staff recommendations.

### End of Q1 2024

- Engage the Board to finalize a workplan focusing on systemwide issues and decisions.
- Propose potential new revisions to internal governing documentation for delegation of authority (i.e., new internal delegation of authority controls and procedures to ensure staff empowerment).
- Finalize staff report template and cost of delay and alternatives guidance.

### Key progress update

- On January 1, we began using Board-authorized delegation authority, allowing the CEO to sign contracts <\$10 million for competitive procurements, and \$5 million for sole source contracts.

# Recommendation 2

*Introduce an experienced megaproject capital program executive team.*

## *February*

- DCEO final candidate visits complete.
- Establish recruitment and review process for ST2 & ST3 deputies.
- CEO will complete review of relevant organizational structures.

## *End of Q1 2024*

- Make offer to new DCEO – Mega Capital Projects.
- Post ST2 & ST3 positions and formally begin recruiting. Clarify engagement rules for making real property acquisition decisions without Board approval.
- Complete first draft of organizational refinement plan.

## *Key Progress Update*

- Partnering with Board leadership, initial round of interviews for DCEO – Mega Capital Projects were completed in January and planning is underway for finalist visits to the agency.

# Recommendations 3 & 4

## Internal improvements

### February

- Set internal expectations to meet the three critical benchmarks: invoice (30 days), change orders (60 days), and contract closeout (120 days).
- Implement the initial suite of changes to the internal Capital Program Change Control Board (CCB), including scope re-focus and narrowing.

### End of Q1 2024

- Updated invoice processing reporting will begin (30-day standard).
- Project tracking (Unifier) system will be updated to account for the change order processing 60-day standard.
- Implement delegated signature authorities for Resident Engineers and field project teams, as appropriate.

### Key progress update

- Completed assessment of payment performance within light rail capital program.

# Timely payments data

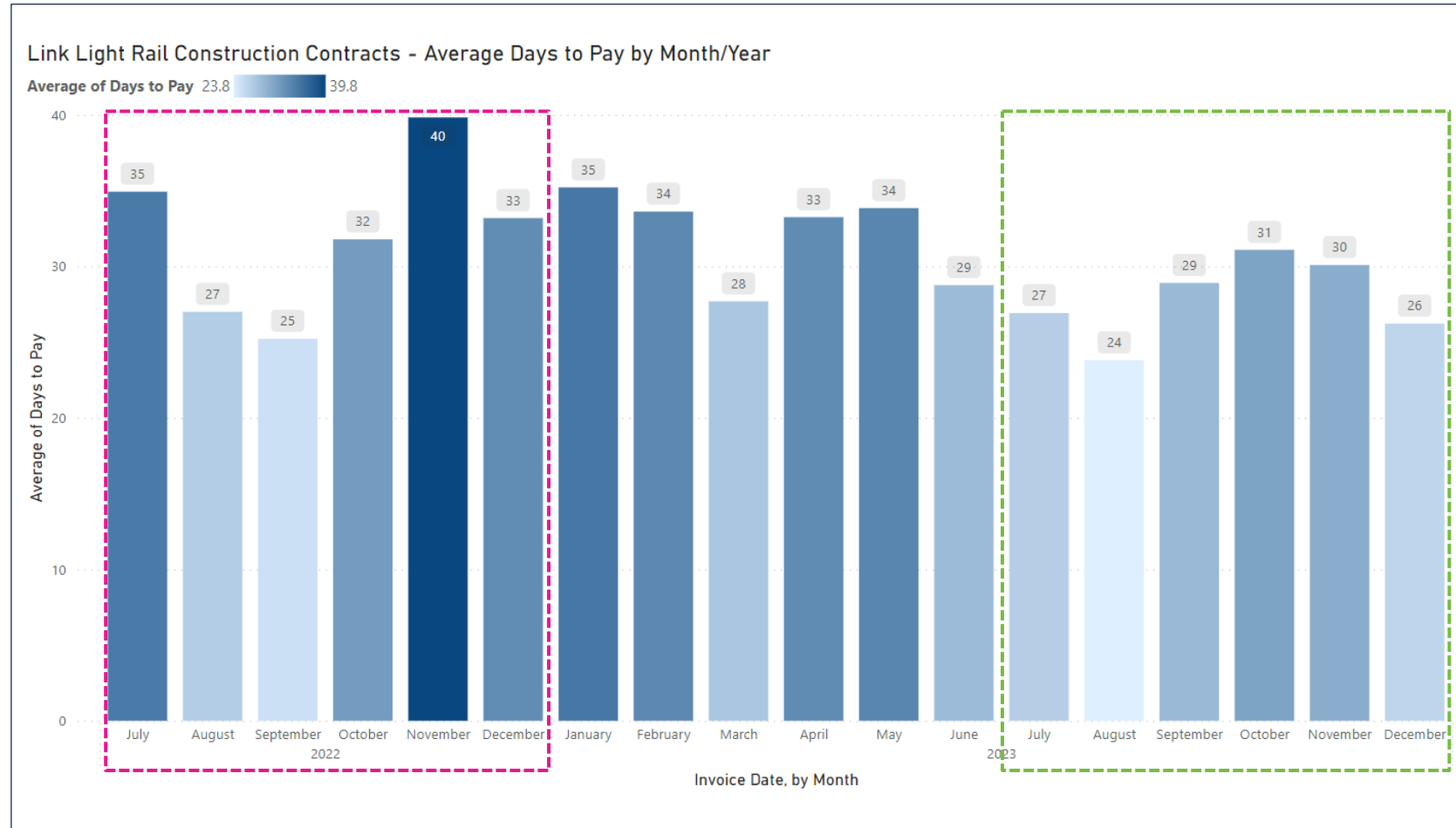
## Sample performance on Link light rail prime construction contracts

### Baseline performance

- 2022 Q3/Q4 Average: **32 days**
- 2023 Q3/Q4 Average: **28 days**

### Ongoing improvements

- Improve categorization.
- Increase agency visibility and reporting.
- Increase automated payments to vendors and delivery partners.
- Pursue discounts with vendors.





# *Recommendation 5*

## *Strengthen and enforce an agency betterment policy.*

### *February*

- Begin engaging Board on path forward for an updated agency betterments policy through work on the agency's existing Scope Control Policy.
- Complete the technical report on Sound Transit station design standards.

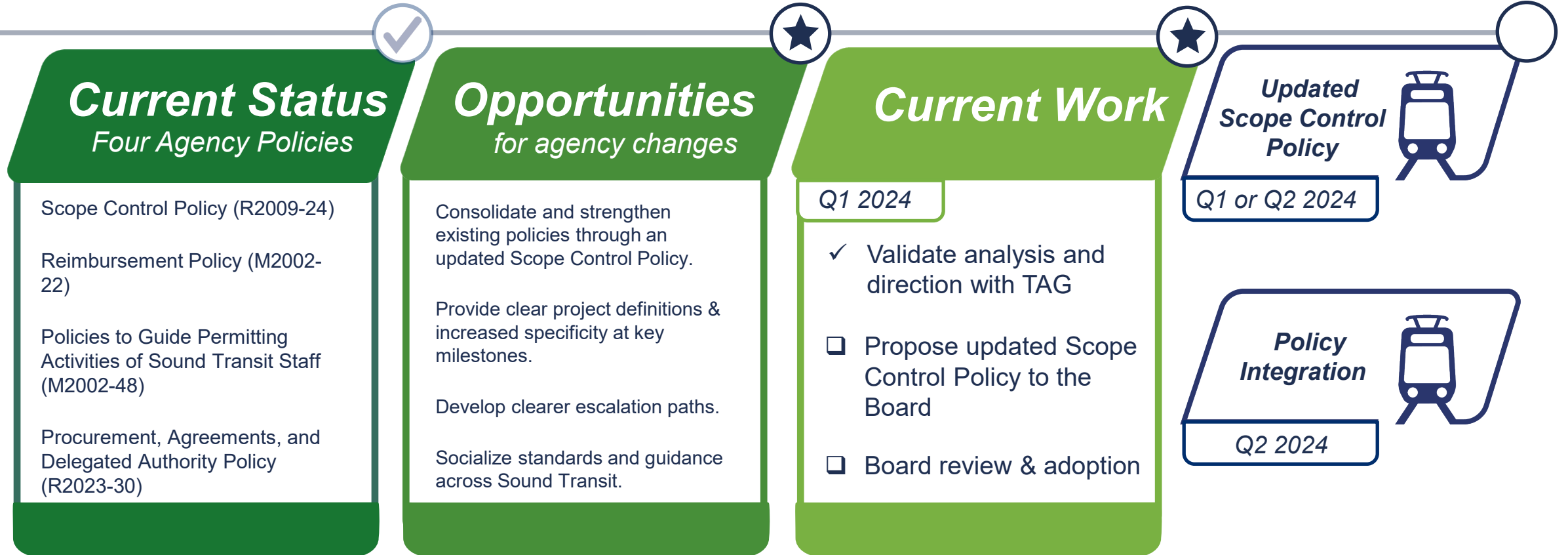
### *End of Q1 2024*

- Finalize proposal for updated agency Scope Control Policy, to strengthen and enforce the agency's policies on betterments, and present to Board for consideration and possible adoption.

### *Key progress updates*

- In-depth TAG member engagement began in January on the path forward to strengthening the betterments policy.
- Station Design Standard interviews, site visits and staff work to inform technical report have been completed.

# Strengthening and enforcing an agency betterments policy



# Recommendation 6

*Engage the FTA as a delivery partner equally invested in delivering regional transit.*

## *February*

- CEO and agency leadership will update a clear relationship map between the agency and FTA to promote streamlined and consistent communications between the agencies.

## *End of Q1 2024*

- Implement needed changes to reflect the updated agency relationship map.

## *Key progress update*

- Through 2023, the agency implemented a series of changes to move Sound Transit and the FTA to communicate more effectively, including implementing a monthly meeting between the CEO and FTA regional leadership, and refining the scope and information sharing for the quarterly interagency meeting.

# ***Additional Notes and Updates***

- CEO will hold a priority-setting meeting with Agency leadership and responsible staff in the coming two weeks (scheduling underway).
- Engaging Independent Consultant for an opinion on cost estimating methodology and impact from market factors.
- Continue to implement per the commitments laid out in the Action Plan and flag early concerns for Board support when appropriate.

*Thank you.*



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