

A photograph of a Sound Transit train, showing the side of the train with windows and the 'SOUND TRANSIT' logo on the blue lower section. The train is white with teal accents. The background shows a station platform with a glass roof.

Board Approval Thresholds Overview

Executive Committee

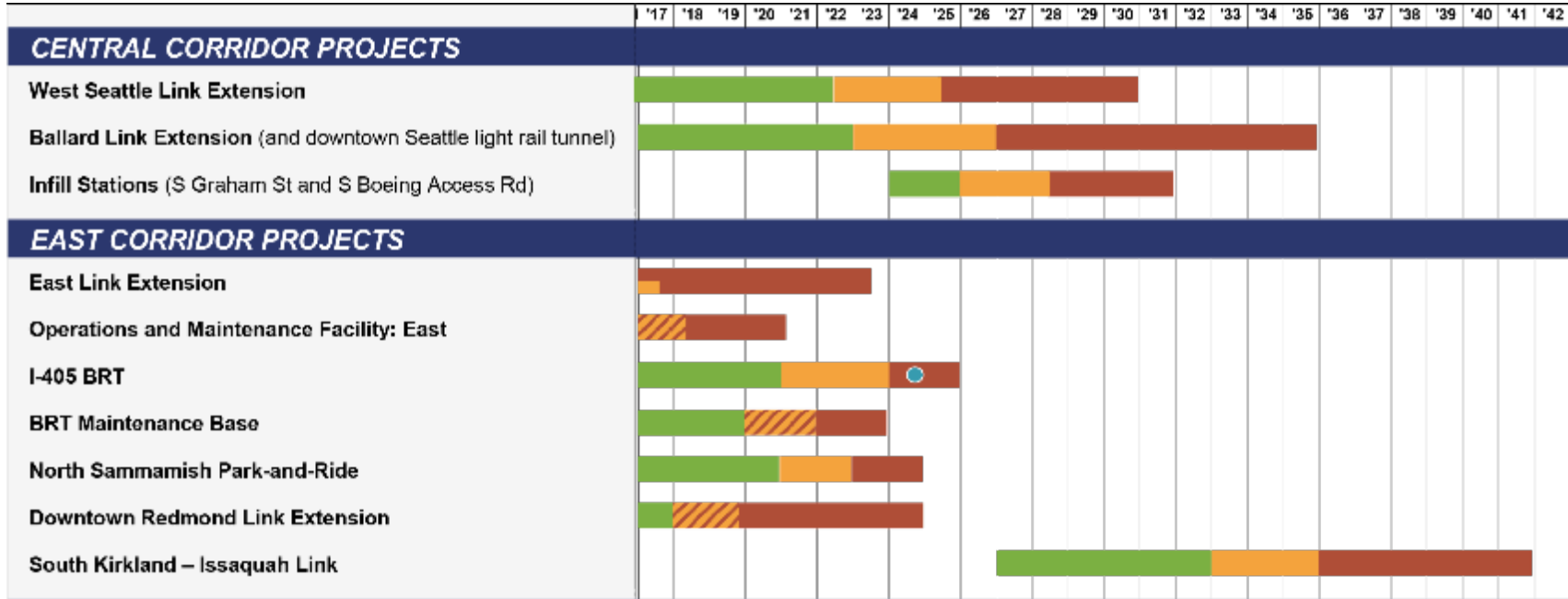
February 1, 2018

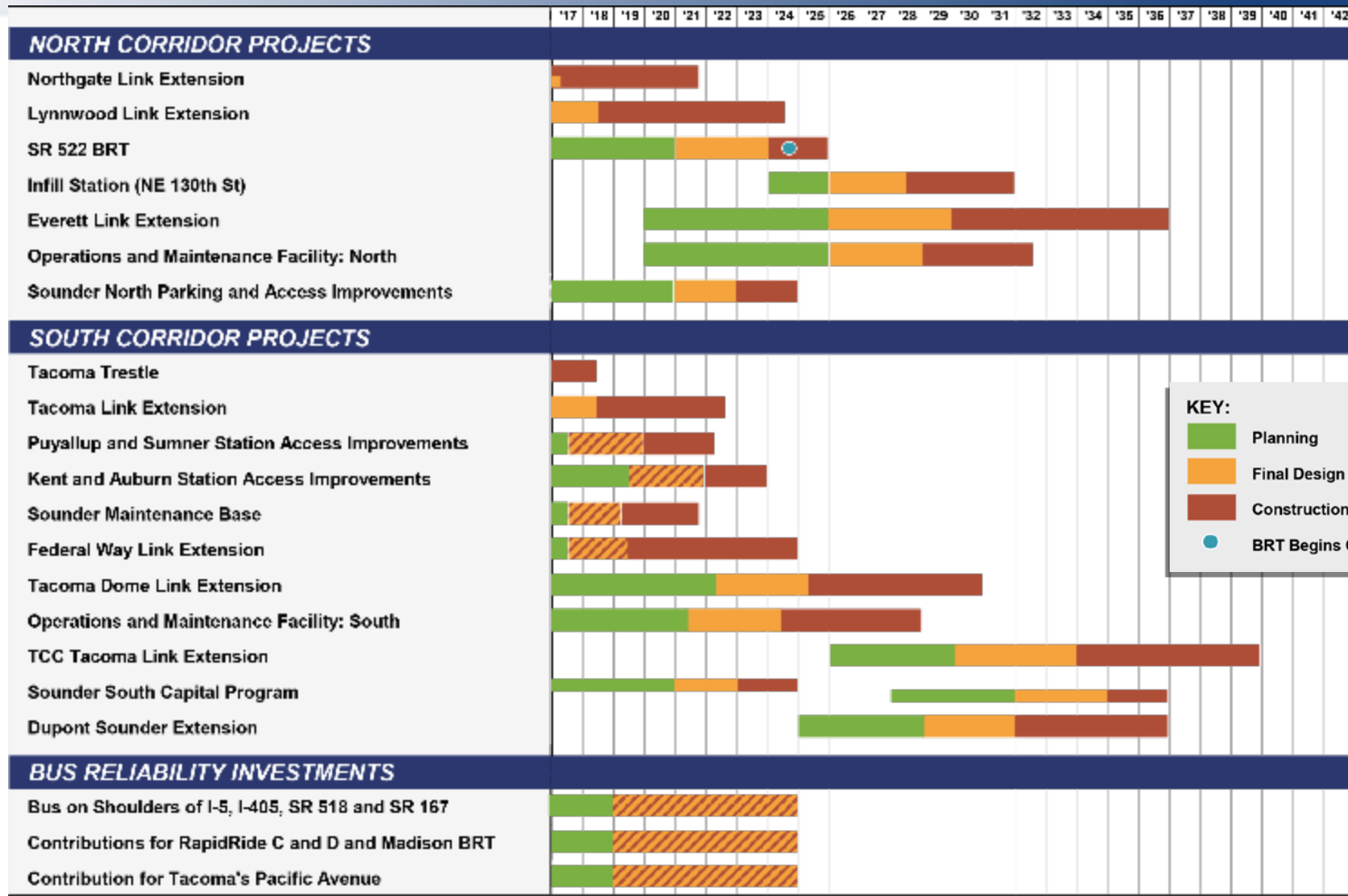
 **SOUND TRANSIT**

ST3 ushers in a dramatically new phase for Sound Transit and Board responsibilities

- Immediate and dramatic expansion of capital program scope – ST3 projects beginning planning while ST2 projects are still underway.
- More Board Member involvement needed to deploy projects in all subareas.
- New requirements to update policies on TOD, affordable housing, system access, etc.

Expanding in every corridor simultaneously





KEY:

- Planning
- Final Design (hatched lines indicates Design-Build)
- Construction
- BRT Begins Operation

Strategies to meet the challenges ahead

- Modernize the Board's processes to reflect the work ahead.
- Optimize the Board's time on the key issues and challenges facing the agency.
- Seek process improvements and reset outdated processes to ensure that the Board's oversight remains effective as the agency embarks on an expanded capital program and expanded service delivery.
- Set policies, processes and direction that enhance project delivery and monitor service quality.
- Enhance transparency and understanding of the agency's work.

Current Board Delegation to the Committees and CEO

- The full Board approves transactions at or above \$5,000,000.
- The Capital Committee and Operations and Administration Committee may approve transactions (within their areas of delegated responsibility) between \$200,000-\$5,000,000.
- The Executive Committee and Audit and Reporting Committee do not take monetary actions.
- The CEO may approve transactions up to \$200,000 when the amount is included in the adopted budget or other Board authorization.
- The CEO may approve sole-source transactions up to \$100,000 subject to a rigorous process managed by Procurement & Contracts.

Ongoing Board Controls

- Board reviews and approves annual budgets to authorize project and program dollars.
- The Board and the public receive quarterly reports at the Audit and Reporting Committee on budget and financial performance, all open contracts above \$100K, and contract awards within the CEO's authority above \$100K. The committee also receives a report of any sole-source contract awards within the CEO's authority above \$10,000.

CEO authority at other transit agencies and jurisdictions

Transit Agencies (national)

- Range from a high of unlimited dollar delegation of authority to the GM/CEO (WMATA and King County Metro) to a low of \$100,000 (BART). Most others are either \$500,000 or \$250,000.

Local (Puget Sound) Jurisdictions

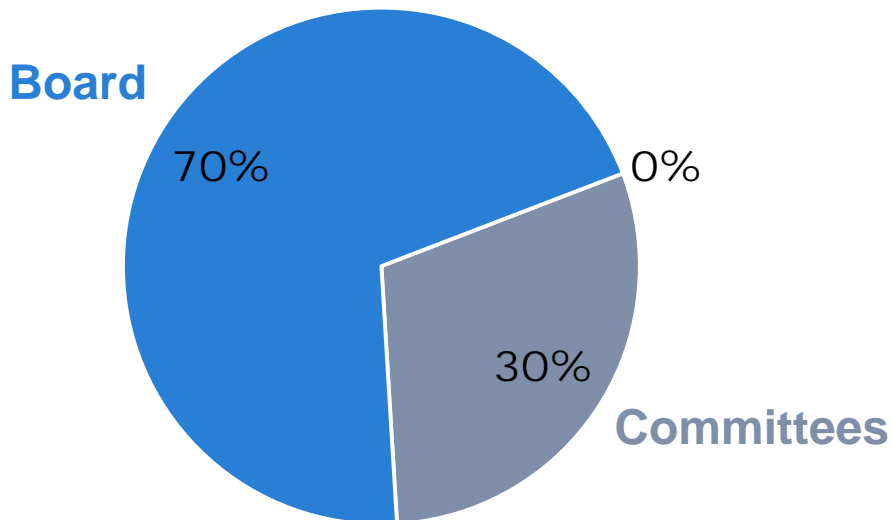
- Range from a high of unlimited dollar delegation of authority to the County/City Executive (subject to annual budget authority) (King County and City of Seattle) to a low of \$250,000 (Pierce and Snohomish Counties). The Ports of Seattle and Everett are \$300,000.

Considerations

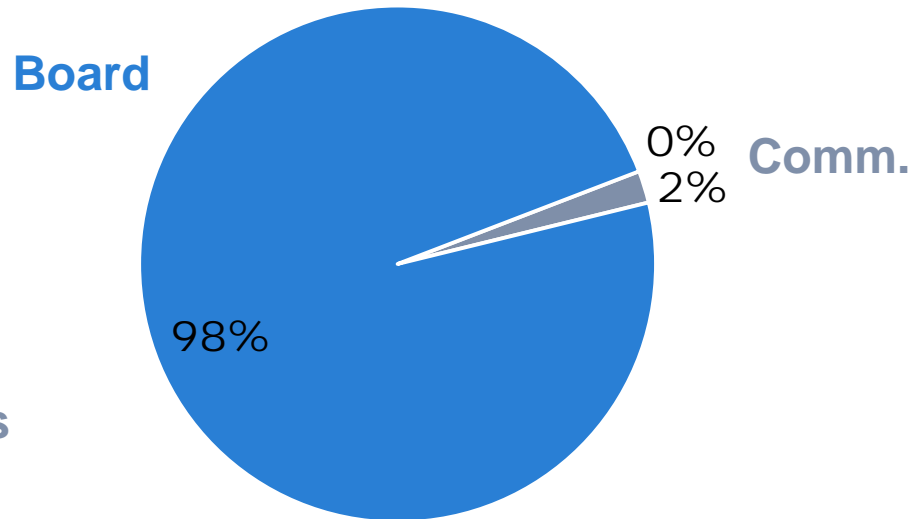
- Does the Board want to reduce or increase the number of actions that need approval by the full Board?
- Does the Board want to reduce or increase the number of actions at the Committees?
- Does the Board want to increase the number of actions the CEO is authorized to approve?
- Does the Board want to increase the frequency of contract reports of CEO actions from quarterly to monthly?

Current level of Oversight

% of Annual Actions over \$200K

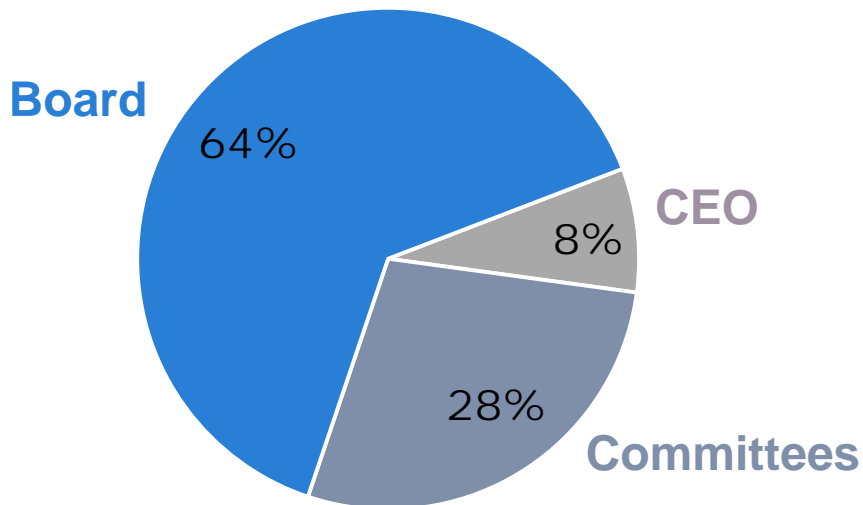


% of Annual Dollars over \$200K

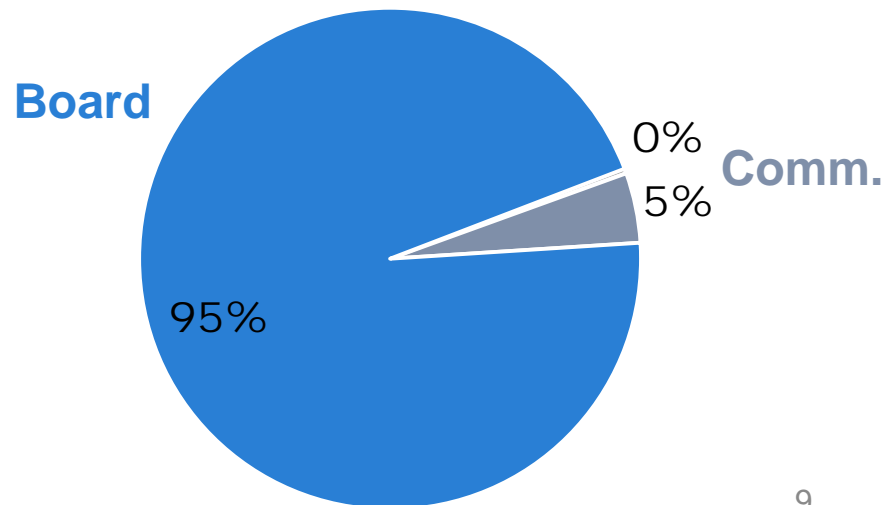


Scenario 1: Increase CEO delegation to \$500K and Committee delegation to \$10M

% of Annual Actions over \$200K

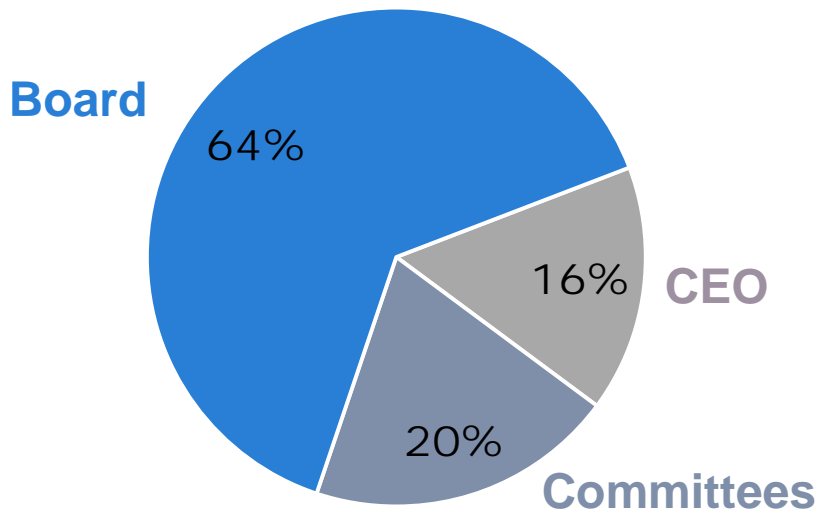


% of Annual Dollars over \$200K

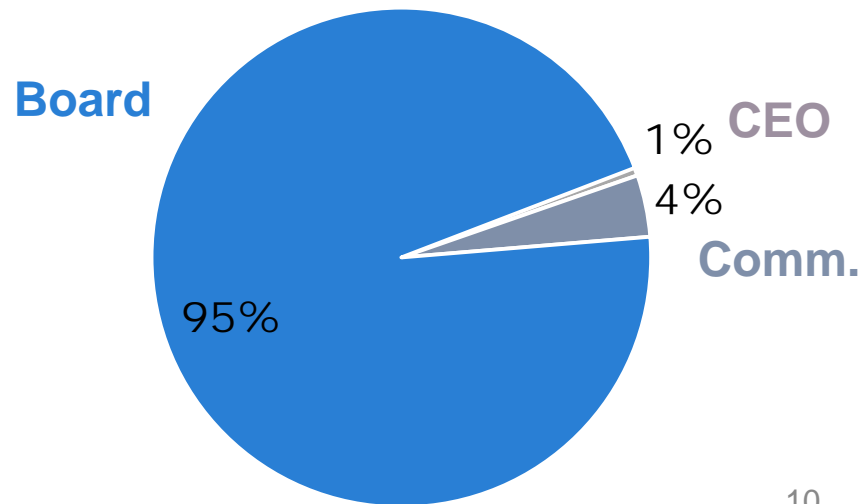


Scenario 2: Increase CEO delegation to \$1 M and Committee delegation to \$10 M

% of Annual Actions over \$200K

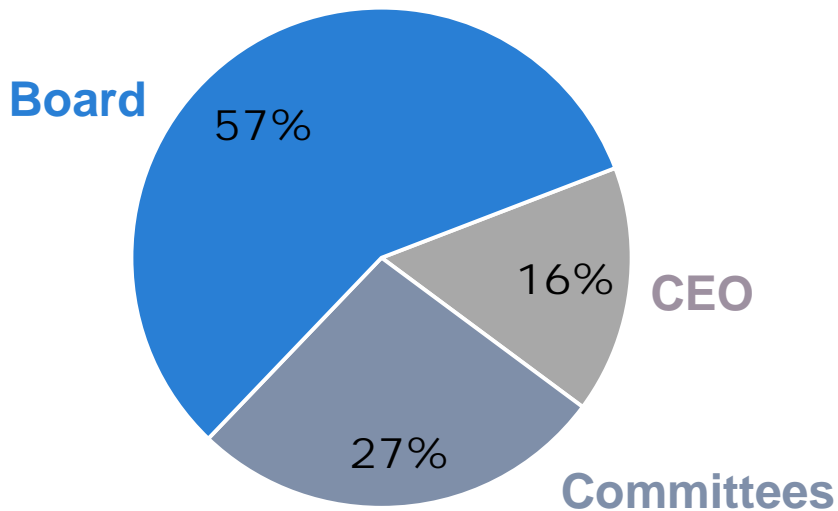


% of Annual Dollars over \$200K

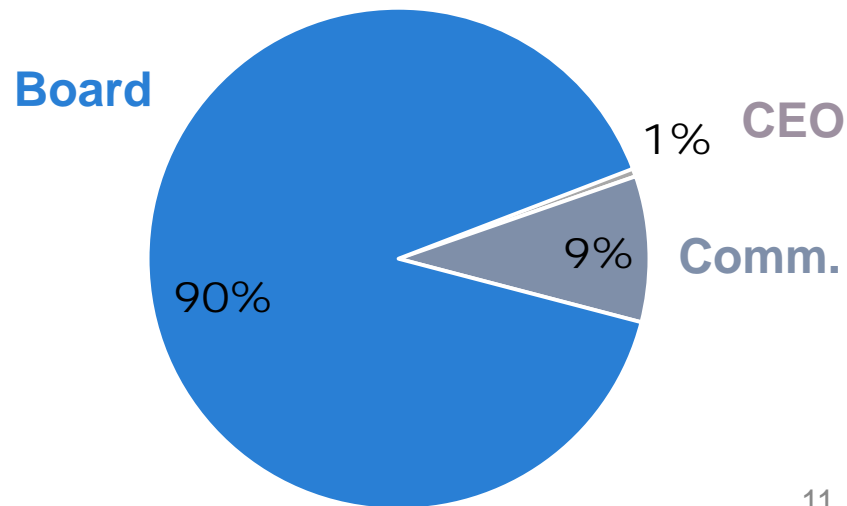


Scenario 3: Increase CEO delegation to \$1 M and Committee delegation to \$20 M

% of Annual Actions over \$200K

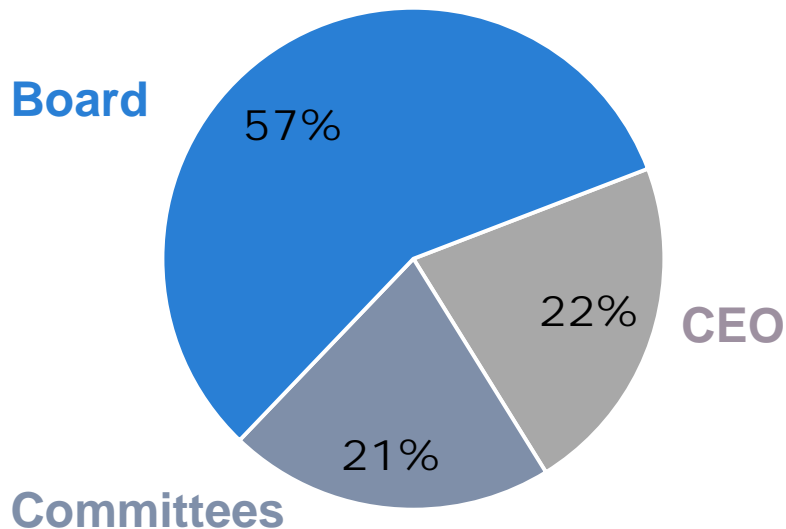


% of Annual Dollars over \$200K

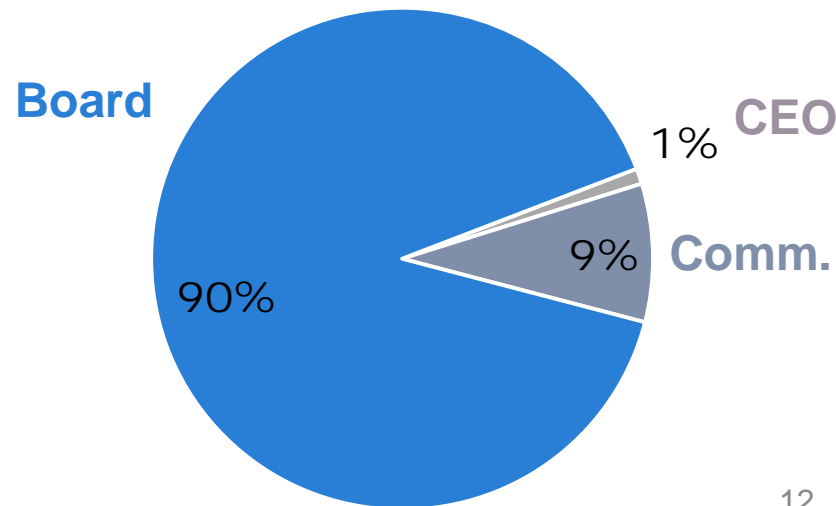


Scenario 4: Increase CEO delegation to \$2 M and Committee delegation to \$20 M

% of Annual Actions over \$200K

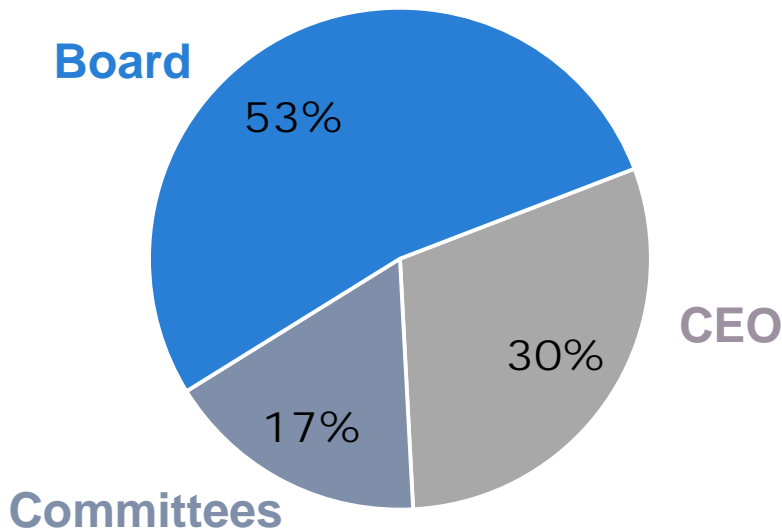


% of Annual Dollars over \$200K

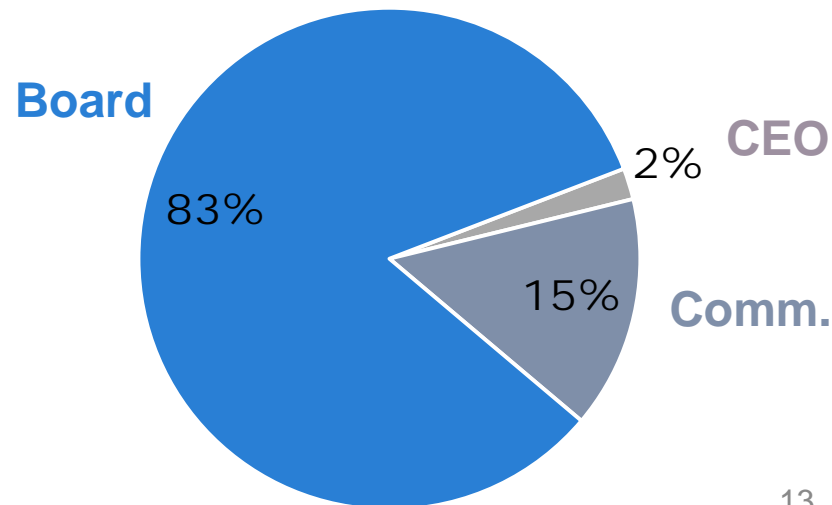


Scenario 5: Increase CEO delegation to \$5 M and Committee delegation to \$50 M

% of Annual Actions over \$200K



% of Annual Dollars over \$200K



Discussion on Next Steps

- Workshop in March or April to review improvements to the Board's processes:
 - Consider Approval Thresholds
 - Consider updates to Board Rules, Board Committee Structure and other Board Governance matters

A close-up, low-angle shot of a white and blue Sound Transit bus. The bus features a large, stylized wave graphic in shades of blue and teal. The top half of the bus is white with several dark, rectangular windows. The bottom half is blue with more windows. A dark horizontal band is overlaid across the middle of the image, containing the Sound Transit logo and the slogan "RIDE THE WAVE".

 **SOUNDTRANSIT**
RIDE THE WAVE