

Memo

December 15, 2022

To:	Board Chair Kent Keel, SEC Chair Claudia Balducci, FAC Chair Nancy Backus
From:	Eric Beckman, Claire Khouri, Diana Holloway, Claire Chase - Portfolio Services Office
Copy:	Board members David Baker, Dow Constantine, Bruce Dammeier, Cassie Franklin, Christine Frizzell, Bruce Harrrell, Debora Juarez, Joe McDermott, Roger Millar, Ed Prince, Kim Roscoe, Dave Somers, Dave Upthegrove, Peter von Reichbauer, Kristina Walker; Julie Timm, CEO, Kimberly Farley, Deputy CEO, Dave Peters, Independent Consultant to the Board
Subject:	Board Independent Consultant Reporting Recommendations – Implementation and Next Steps

PURPOSE

This memo presents staff's review and proposed approach to implement the Board's Independent Consultant, Dave Peters' [recommendations](#) to modify regular reporting to the Board.

OVERVIEW

The Independent Consultant's recommendations fall into two categories:

- Agency administrative updates** – Agency staff can implement the proposed reporting changes noted as *administrative* in the table below as a part of regular business. Some administrative changes require more deliberation and internal coordination before implementation. We anticipate staff will need to begin work on an agency-wide policy or procedure on reporting changes. his policy work may also include language on how to address possible, future changes to Realignment reporting cadence, content, and delivery.
- Board action/s** – For changes to Board-mandated reporting requirements, staff will develop content for a new Board action (either a motion or resolution) that will memorialize the changes by adopting the Independent Consultant's recommendations.

STAFF REVIEW OF REPORTING RECOMMENDATIONS

This table provides a detailed assessment of the proposed reporting changes, highlighting the origins of the report, staff's position on the suggested modification, and what mechanism is needed to implement.

Reporting requirement	Frequency	Origin of requirement	Independent Consultant's recommendation	Staff's position	Mechanism for change	Implementation		
						Action	Responsibility	Effective date
Project Performance Tracker	Monthly	Independent Cost Estimate Assessment Consultant (Triunity) recommendations, Task 3 report (2021)	<ul style="list-style-type: none"> Enhance Tracker with "drill-down and historical data" 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are adding functionality to present more historic monthly data for each system expansion project as a part of enhancement work 	<ul style="list-style-type: none"> PSO Project Controls 	<ul style="list-style-type: none"> Q2 2023
			<ul style="list-style-type: none"> Add trend lines 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are including include trend lines in future enhancement work 	<ul style="list-style-type: none"> PSO Project Controls 	<ul style="list-style-type: none"> Q2 2023
			<ul style="list-style-type: none"> Regular presentation at each Board of Directors and/or System Expansion Committee (SEC) mtgs 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff will report out in CEO notes for each SEC meeting or as requested by SEC Chair Board Admin already includes link to report in SEC packet 	<ul style="list-style-type: none"> PSO Project Controls/PM&I & Board Admin 	<ul style="list-style-type: none"> Q2 2023
Agency Progress Report (APR)	Monthly	R2018-40 – 2.10.2, CEO reporting requirement 49 CFR 633 – Federal Transportation Authority (FTA) reporting requirement	<ul style="list-style-type: none"> Summarize more content 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are exploring opportunities to summarize content while still ensuring we meet FTA and ST Board reporting requirements 	<ul style="list-style-type: none"> PSO Project Controls 	<ul style="list-style-type: none"> Q2 2023
			<ul style="list-style-type: none"> Track contingency balances in a single table including unspent balances 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are evaluating options 	<ul style="list-style-type: none"> PSO Project Controls 	<ul style="list-style-type: none"> Q2 2023

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Cost Savings Work Plan	Quarterly	R2021-05 – Realignment	<ul style="list-style-type: none"> Eliminate quarterly reporting, shift to annual or ad hoc programmatic reporting 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Board action 	<ul style="list-style-type: none"> Staff are preparing a resolution to document change in reporting cadence 	<ul style="list-style-type: none"> PSO PM&I 	<ul style="list-style-type: none"> Q1 2023
			<ul style="list-style-type: none"> Project-specific savings should become a routine project management practice (like Value Engineering or Alternative Technical Concepts) and implemented by project teams 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are continuing to utilize project-specific savings strategies to identify potential cost savings at the project level 	<ul style="list-style-type: none"> PEPD & DECM Project teams 	<ul style="list-style-type: none"> Q1 2023
Cost Drivers	Biannual (semi)	R2021-05 – Realignment	<ul style="list-style-type: none"> Change frequency to ad hoc (but a least annually) 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff will continue biannual reporting of cost drivers in the long-range financial plan update in the fall and include as external pressures in the BAPR. 	<ul style="list-style-type: none"> PSO PM&I 	<ul style="list-style-type: none"> Q1 2023
			<ul style="list-style-type: none"> Merge into Board Annual Program Review (BAPR) 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 		<ul style="list-style-type: none"> PSO PM&I 	<ul style="list-style-type: none"> Q2 2023
			<ul style="list-style-type: none"> Merge Cost Drivers memo into report to address external pressures 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 		<ul style="list-style-type: none"> Staff are beginning work to develop an agency policy/procedure for BAPR content 	<ul style="list-style-type: none"> PSO PM&I

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Board Annual Program Review (BAPR)	Annual	R2021-05 – Realignment	<ul style="list-style-type: none"> Delete project write ups, use links to APR 	<ul style="list-style-type: none"> Disagree 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff recommend keeping project write-ups (or a selection of key projects) and leveraging APR information, while also condensing the level of information provided and updating formatting for easier consumption Staff are beginning work to develop an agency policy/procedure for BAPR content 	<ul style="list-style-type: none"> PSO PM&I 	<ul style="list-style-type: none"> Q2 2023
			<ul style="list-style-type: none"> Summarize project readiness across the portfolio in one section 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are consolidating project readiness information in the 2023 BAPR 	<ul style="list-style-type: none"> PSO PM&I 	<ul style="list-style-type: none"> Q2 2023
			<ul style="list-style-type: none"> Merge Cost Drivers memo into report to address external pressures 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are beginning work to develop an agency policy/procedure for BAPR content 	<ul style="list-style-type: none"> PSO PM&I 	<ul style="list-style-type: none"> Q3 2023
Sound Transit Progress Report (mailer)*	Annual	Agency leadership	<ul style="list-style-type: none"> Staff to streamline data compilation and status reporting consistent with other reporting. 	<ul style="list-style-type: none"> Support 	<ul style="list-style-type: none"> Administrative 	<ul style="list-style-type: none"> Staff are continuing to produce the annual mailer and aligning data with other agency reporting 	<ul style="list-style-type: none"> Comms 	<ul style="list-style-type: none"> N/A

*The annual mailer is intended for the public only; it is not a Realignment requirement or Board reporting tool.

NEXT STEPS

The next steps needed to advance implementation are as follows:

1. Portfolio Services Office (PSO) to receive confirmation from Board leadership on agreement to pursue actions.
2. Once received, PSO to work with Board Admin and Legal to draft board actions as appropriate.
3. PSO to develop Agency policy on BAPR as they develop the 2023 BAPR.