

Report to the Sound Transit Board of Directors

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to the Board
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Agenda

- 2023 Board Annual Program Review
- Independent Consultant Final Report
- Best Practices Report
- Proposed Legislation/Regulations
- Recommendations

2023 Board Annual Program Review

- Resolution No. R2021-05: An annual program review (“BAPR”) for the Board to review shifts in projected financial capacity resulting from updated cost, revenue, and debt capacity projections and the readiness of projects to benefit from such shifts.
- The BAPR is thorough and addresses well R2021-05.
- Agency staff have incorporated recommendations to strengthen the Executive Summary and streamline content.
- The 2023 BAPR format and content are much improved.

Independent Consultant Final Report

- Reviewed 2022 & 2023 Board Annual Program Review.
- Reviewed Cost Drivers Report, Cost Savings Work Plan, other capital program reports, and PSO's proposed Reporting Efficiencies.
- With Board feedback, recommended revisions to capital program reports which were then incorporated by agency staff.
- Reviewed specific concerns such as CID station alternatives, SODO station right-of-way impacts, construction contingencies, and construction quality issues.
- Supported agency staff for establishment of a Quality Management Independent Assessment Panel.

Best Practices Report

- Scope: Draw comparisons with similar public agencies with a focus on best practices and lessons-learned.
- Web links & summaries of source documents provided.
- Organized by topic:
 - Organizational
 - Planning
 - Project Delivery
 - Stakeholders
 - Cost Control
 - Scope Control
 - Execution
 - Operations

Agency/Project	Best/Worst Practice Type <input type="button" value="v"/>	Best/Worst Practice Summary
Marron Institute: The Boston Case - The Story of the Green Line Extension (MBTA)		https://transitcosts.com/city/boston-case-the-story-of-the-green-line-extension/
	Organizational	Establish a focused agency capital construction team.
	Cost Control	Discipline the budget and stick to the core goal:
		<ul style="list-style-type: none"> • Do not routinely “push the yes button” for stakeholder requests to add an element. • With so much emphasis on outreach, scope was added every time someone complained, rather than someone with power saying no and explaining why scope couldn't be added. • Eliminate iconic headhouses, personnel rooms, fare vending, escalators, and redundant elevators (less ornate and less bespoke stations).
	Stakeholders	Push back on politically driven restrictions on construction operations: lane closures, construction windows, and haul routes.

Organizational Best Practices

- Establish a ***focused agency capital construction team***. (Marron)
- For large, complex projects use a ***High-Performance Project Office***. (Mass Legislature)
- Avoid an ***organizational weakness where the megaproject director sits four or five levels down*** from top leadership. (McKinsey)
- Build ***megaproject capacity and expertise***. (UC Berkeley)
- Have ***early involvement of operations staff*** during planning, design, and construction. (Ottawa LRT Commission)
- Create temporary, independent, ***special purpose delivery vehicles*** (SPDV) with the authorizations and abilities to manage complex projects. (Eno)

Building on the Technical Advisory Group's Recommendations

TAG recommendation No. 2: Introduce an experienced megaproject capital program *executive* team.

*“When possible, hire the Masterbuilder.
And the Masterbuilder’s team.”*

📖 Bent Flyvbjerg



Pros

- Sound Transit has evolved from being primarily a project delivery organization (+1,300 employees).
- Provides “special” identity and culture (“esprit de corps”).
- Attracts talent with requisite megaproject expertise.
- Readily embraces mission and its urgency.
- Provides focus (i.e., clear-cut responsibility and accountability).
- Empowers team outside of the bureaucracy.
- Provides agility and potential for innovation.
- Allows for mission-based incentives and recognition.
- Attuned to megaproject life-cycle (i.e., rapid scale-up, accelerated delivery, rapid scale-down).

Cons

- Start-up time and learning curve.
- Availability of expertise in marketplace.
- Organizational competition for resources from concurrent missions.
- Human behaviors within the larger organization (perceived lack of recognition, career concerns, resentment, obstruction, and even sabotage).

Proposed Legislation/Regulations

- Scope: Recommend where there could be changes to existing laws, requirements, or guidelines to improve system expansion delivery.
- Best Practice: Ontario Legislature, Building Transit Faster Act, 2020
<https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-171>
 - Corridor control
 - Utility company cooperation
 - Municipal service and right-of-way access

Recommendations

- Change the project delivery method for parking facilities.
- Pre-purchase long lead-time equipment and materials.
- Implement Station Experience Design Guidelines for standardization.
- Seek legislation to facilitate permitting, ROW, and utility relocations.
- Establish an independent megaproject delivery team.
- Embrace a culture of urgency – for the agency, Board, and stakeholders.



Questions & Answers