System Expansion Project Scope and Betterments Policy

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Why we are here

- Seek **final approval on Resolution No. R2024-11** to adopt a system expansion project scope and betterments policy.

- Review policy content and how it addresses the Technical Advisory Group recommendation to strengthen and enforce an agency betterments policy.

- Share next steps following policy adoption.

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TAG recommendation #5

Strengthen and enforce an agency betterments policy

From the TAG's report: *"The TAG recommends **creating a comprehensive betterment policy that outlines what the agency is responsible for providing as part of a capital project, including required mitigation measures, and how to address betterments requested by partner jurisdictions**. The policy should also address how to proceed when partner jurisdictions fail to work in good faith or break previously agreed-to agreements. This policy will provide staff and partner agencies with clarity on how ST will scope projects in the future."*

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Maximize regional transit – policy goals

Sound Transit will:

- Implement state/regional land use and transportation policies/plans with voter-approved projects and service as part of an integrated, regional, high-capacity transit system.

- Maximize regional transit benefits as efficiently and affordably as possible.

- Partner with jurisdictions and other parties to develop and deliver projects that maximize transit benefits and control project costs.
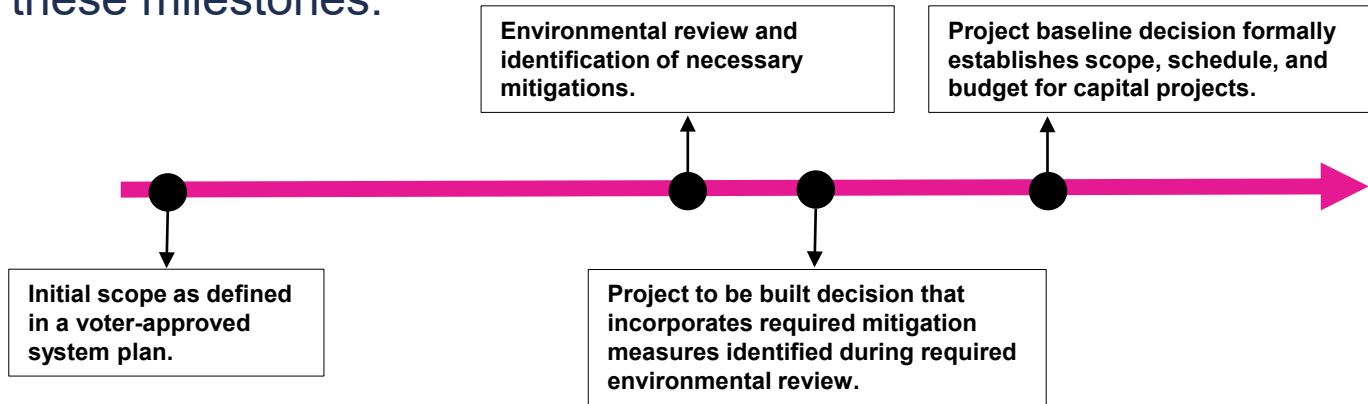
Consistent and equitable application

Defining the project scope

- Develop in accordance with voter-approved plans.

- Employ standards and guidelines to define project scope consistently and equitably across the system so that projects meet operational and maintenance needs and support passenger success.

- Document consistently using Sound Transit's procedures and standards for project development and delivery and are reflected in the annual Transit Improvement Plan.

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Clear definitions throughout the project life cycle

Project scope during project development

- Defined formally at various milestones to provide a basis for staff to assess features and elements necessary to deliver scope.

- Scope will be defined with increasing specificity to eliminate uncertainty at these milestones.

Environmental review and identification of necessary mitigations.

Project baseline decision formally establishes scope, schedule, and budget for capital projects.

Initial scope as defined in a voter-approved system plan.

Project to be built decision that incorporates required mitigation measures identified during required environmental review.

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Early collaboration for durable decision making

Interacting with local regulations

- Sound Transit needs regulatory approval from authorities having jurisdiction (AHJs) to deliver the baseline scope approved by the Board.

- Sound Transit will work collaboratively with AHJs to advance projects consistent with their associated schedules and budgets, including by regularly informing AHJs of scope assumptions and opportunities for coordination.

- Sound Transit may employ various strategies to proactively reach early and durable decisions and to resolve disputes.

- Project teams must engage AHJs to determine if a process to develop streamlined permit review is appropriate.
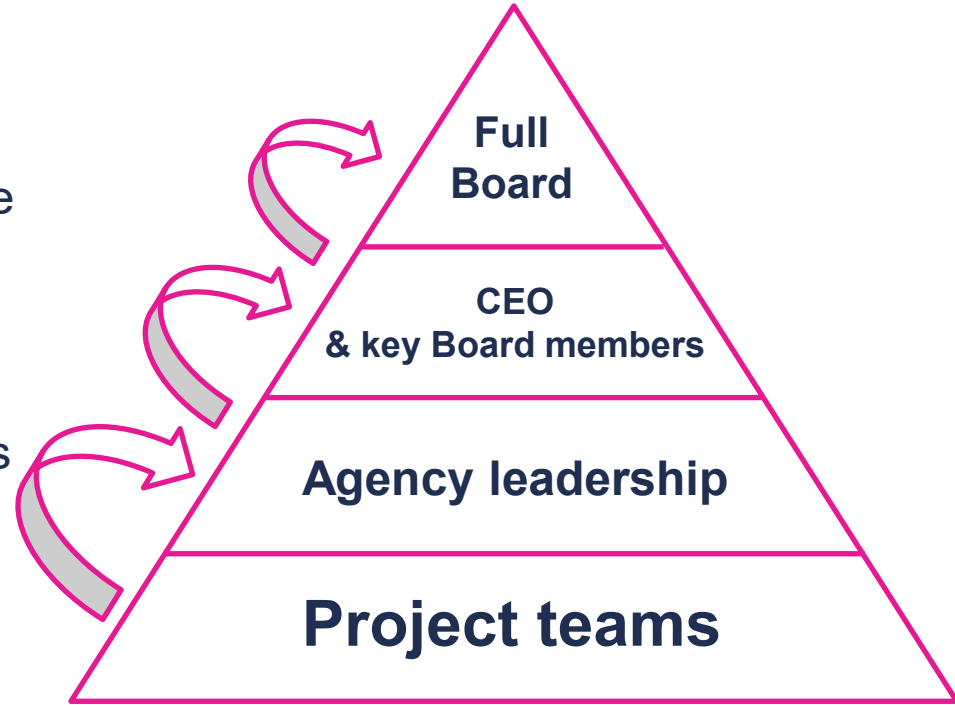
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Betterments

Addressing elements beyond scope and mitigation

- A project betterment is an element beyond the initial or baseline scope required to plan, build, and operate the regional transit system.

- Sound Transit requires a requesting party to pay for a project betterment.

- Sound Transit will make every effort to incorporate a project betterment but may decline to do so if it jeopardizes delivery of the baseline scope.

- When a requesting party attempts to impose scope beyond the baseline scope through permit conditions or other mechanisms, project staff must initiate a dispute resolution process.

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Dispute resolution

Timely actions to resolve conflicts with partners

- The CEO is authorized to determine what disputes require Board involvement.

- The CEO must create internal process guidance and requirements regarding dispute resolution to ensure disputes are promptly and clearly resolved so projects can stay on schedule.

Full Board

CEO & key Board members

Agency leadership

Project teams

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Next steps

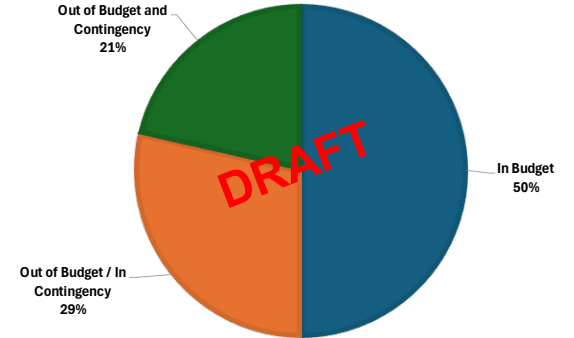## Action plan summary following policy adoption

- Perform a betterment root cause analysis on a cohort of ongoing and past projects and gather lessons learned.

- Incorporate lessons learned into a betterment standard operating procedure and conduct project team training.

- Create a dashboard to capture accurate betterment project data going forward and provide transparency.

- Set key performance indicators to monitor project team performance to include timely resolution of issues.

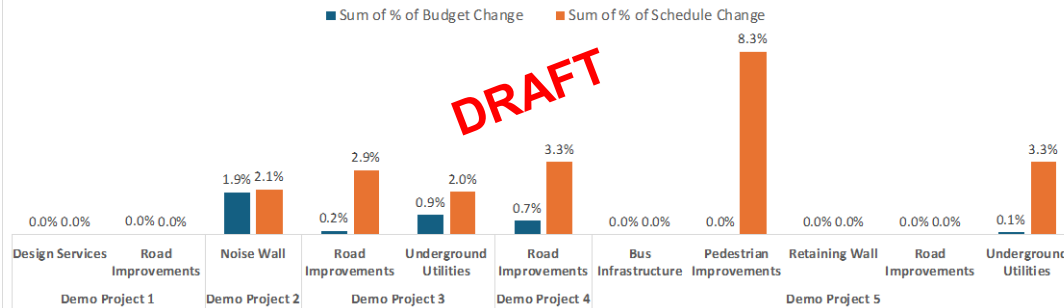SOUNDTRANSIT

Betterments dashboard (in progress)

Creating trust through transparency by providing information such as:

- Betterment type.

- Average time to resolve from betterment identification.

- Sum % of budget change and sum % of schedule change due to betterments.

- Mitigations that reduce impact of unanticipated owner scope increase or third-party requests.

BETTERMENT PROJECT COST IMPACT

Pie chart: In Budget 50%, Out of Budget / In Contingency 29%, Out of Budget and Contingency 21%. DRAFT

Betterment Dashboard - Project Impact Metrics (notional data)

Bar chart legend: Sum of % of Budget Change, Sum of % of Schedule Change. DRAFT

	Sum of % of Budget Change	Sum of % of Schedule Change
⊟ Demo Project 1	0.0%	0.0%
Design Services	0.0%	0.0%
Road Improvements	0.0%	0.0%
⊟ Demo Project 2	1.9%	2.1%
Noise Wall	1.9%	2.1%
⊟ Demo Project 3	1.1%	4.9%
Road Improvements	0.2%	2.9%
Underground Utilities	0.9%	2.0%
⊟ Demo Project 4	0.7%	3.3%
Road Improvements	0.7%	3.3%
⊟ Demo Project 5	0.2%	11.7%
Bus Infrastructure	0.0%	0.0%
Pedestrian Improvements	0.0%	8.3%
Retaining Wall	0.0%	0.0%
Road Improvements	0.0%	0.0%
Underground Utilities	0.1%	3.3%
Grand Total	**3.9%**	**22.0%**

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Thank you.

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