



Resolution No. R2024-11

System Expansion Project Scope and Betterments Policy

Meeting:	Date:	Type of action:	Staff contact:
Executive Committee	05/02/2024	Recommend to Board	Moises Gutierrez, Deputy CEO – Chief Program Management and Oversight Officer
Board	05/23/2024	Not considered	
Board	06/27/2024	Final action	Alex Krieg, Director – Access, Integration and Station Area Planning

Proposed action

Adopting a System Expansion Project Scope and Betterments Policy and superseding Resolution No. R2009-24 and Motions Nos. M2002-48 and M2002-22.

Key features summary

- In March 2023, an independent, outside panel of experts, known as the Technical Advisory Group (TAG), published a report on improving the speed of project delivery of Sound Transit’s system expansion program. The report included six recommendations, one of which was to strengthen and enforce an agency betterments policy.
- Sound Transit has adopted policies related to betterments, including two that were adopted in 2002 and another – the Scope Control Policy – that was adopted in 2009. These policies will be superseded by a consolidated System Expansion Project Scope and Betterments Policy that is intended to address the TAG’s recommendation.
- The scope of the System Expansion Project Scope and Betterments Policy is to guide project scope development and definition of Sound Transit’s system expansion projects and to provide direction to Sound Transit staff on the process for incorporating betterments into project scope.
- The policy establishes goals for Sound Transit’s projects, which include the implementation of regional land use and transportation policies and plans, the need to deliver voter-approved plans as efficiently and affordably as possible, and to partner with local jurisdictions and other parties to maximize transit benefits and to control total project cost.
- System expansion project scopes are developed in accordance with voter-approved plans and are defined using agency standards and guidelines to ensure consistent and equitable execution to meet operational needs and ensure passenger success.
- The Sound Transit Board of Directors formally defines a system expansion project scope at key milestones, including the scope identified in the voter-approved plans, during the environmental review process, when the Board formally identifies a project to be built, and when the Board establishes a project baseline, which formally identifies the project’s scope, schedule, and budget.
- To implement system expansion projects, Sound Transit project teams must seek regulatory approval from a variety of authorities having jurisdiction (AHJs). The System Expansion Project Scope and Betterments Policy requires Sound Transit to work collaboratively with AHJs to advance delivery of project scope; to employ various strategies to do so; to regularly provide information to

AHJs about project scope, schedule, and budget; and to work with AHJs to determine if a process to develop a streamlined permitting process is appropriate.

- While Sound Transit’s obligation is to deliver the baseline scope as defined by the Board, AHJs and other parties often make requests to enhance projects beyond the Board-defined scope. A project element beyond required scope to plan, build, and operate the regional transit system is known as a project betterment. Sound Transit requires parties requesting betterments to cover their costs and may decline incorporating them if they jeopardize a project schedule.
- In certain instances, Sound Transit and an AHJ may have different interpretations about whether a project element is part of the initial or baseline scope or is a project betterment. In circumstances where a party requesting a project betterment attempts to impose scope beyond what is required through permit conditions or other regulatory or process mechanisms that Sound Transit determines to be unreasonable, the System Expansion Project Scope and Betterments Policy requires staff to initiate a dispute resolution process.
- Promptly resolving disagreements about whether a project element is part of the initial or baseline scope or a project element can have a meaningful impact on a project schedule and potentially on project cost as well. The System Expansion Project Scope and Betterments Policy requires prompt resolution of these disputes to ensure projects stay on schedule and delegates to the CEO the establishment and maintenance of internal process guidance, including setting clear paths and timeframes for escalation.
- The policy also incorporates the Board’s reimbursement policy (Motion No. M2002-22), which establishes conditions for Sound Transit to fund out of scope work for AHJs when: (1) exclusion of the work will result in Sound Transit work to become obsolete or will severely disrupt Sound Transit operations after completion of the project; (2) the AHJ lacks funding to reimburse Sound Transit during planning and construction; and (3) the AHJ agrees to reimburse Sound Transit with equivalent year-of-expenditure dollars. These requirements are consistent with the Board’s existing reimbursement policy.

Background

The Board convened a Technical Advisory Group (TAG) to expedite delivery of Sound Transit’s system expansion program and to learn how other agencies across nation and the world have delivered transit systems of similar scale. The TAG released a report in March 2023 that included six recommendations intended to support to Sound Transit’s ability “to scale up the agency’s capabilities, revamp its internal processes, and take control of its capital program.”

One of the TAG’s recommendations was for Sound Transit to strengthen an enforce an agency betterment policy. Specifically, the TAG that Sound Transit adopt “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.”

There are three policies being superseded through the adoption of a System Expansion Project Scope and Betterments policy. The first is the Scope Control Policy (Resolution No. R2009-24), which was adopted with the intent of improving control of project costs through the control of project scope to implement remaining Sound Move and ST2 projects within the reduced level of revenues. The second is Policies to Guide Permitting Activities of Sound Transit Staff (Motion No. M2002-48), which established guidelines to guide Sound Transit staff in their interaction with partner agencies as permits are applied for, evaluated, and obtained to implement Sound Move. The third is the Reimbursement Policy (Motion

No. M2002-22), which specified the conditions under which Sound Transit would seek reimbursement from partner agencies for out-of-scope work.

Fiscal information

Although there is no direct fiscal impact associated with the action, the System Expansion Project Scope and Betterments Policy covers project betterments that will have fiscal impacts to the agency. Those impacts will be addressed during future actions as they are presented.

This action does not have an impact on the affordability of the agency's Finance Plan.

Small business participation and apprenticeship utilization

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not create a significant impact to the policy update schedule.

Prior Board/Committee actions

Resolution No. R2023-30: Adopted an updated Procurement, Agreements, and Delegated Authority Policy and superseded Resolution Nos. R2018-40, R2022-27, and R85.

Resolution No. R2020-24: Adopted a budget policy and superseded Resolution No. R2018-23.

Resolution No. R2009-24: Adopted a Scope Control Policy and superseded Motion No. M2002-121.

Motion No. M2002-48: Adopted Policies to Guide Permitting Activities of Sound Transit Staff.

Motion No. M2002-22: Adopted a Sound Transit Reimbursement Policy.

Environmental review – KH 4/15/24

Legal review – MT 4/26/24



Resolution No. R2024-11

System Expansion Project Scope and Betterments Policy

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting a System Expansion Project Scope and Betterments Policy and superseding Resolution No. R2009-24 and Motion Nos. M2002-22 and M2002-48.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit Board is committed to taking a regional approach in system planning, system expansion, service delivery, and decision-making; and

WHEREAS, Sound Transit constructs its projects to comply with all federal, state, and local regulations and standards and to ensure that partner agencies can continue to operate and maintain their property and infrastructure that interfaces with Sound Transit projects in a safe and efficient manner; and

WHEREAS, Sound Transit values the long-standing relationships with its jurisdictional partners and seeks to treat its current and future jurisdictional partners equitably; and

WHEREAS, Sound Transit is committed to prudent management of project scope, budget, schedule, and quality; and

WHEREAS, Sound Transit obtains permits from authorities having jurisdiction (AHJs) and project design details required for permitting cannot always be known at the time of the environmental review or even at the project baseline milestone; and

WHEREAS, throughout the lifecycle of a system expansion project, Sound Transit receives requests from other entities to enhance projects beyond their initial budgets, established scopes, and beyond what is required by adopted federal, state, and local regulations; and

WHEREAS, Sound Transit's facilities are essential public facilities as defined in RCW 36.70A.200 and support and implement regional land use and transportation policies and plans; and

WHEREAS, the Sound Transit Board adopted a Scope Control Policy by Motion No. M2002-121 on January 23, 2003; and

WHEREAS, the Sound Transit Board adopted an updated Scope Control Policy by Resolution No. R2009-24 on December 10, 2009; and

WHEREAS, the Sound Transit Board, through a program realignment process culminating in August 2021 with the adoption of Resolution No. R2021-05, sought to identify opportunities to reduce cost and planning delays and created a technical advisory group to identify potential strategies to accelerate system expansion, highlight schedule risk including current project delivery timelines, and identify opportunities to mitigate risk, streamline third party negotiations, reduce permitting delays, and expedite project delivery; and

WHEREAS, the technical advisory group recommended the Board's scope control policy be updated to ensure uniformity across all projects; and

WHEREAS, the Sound Transit Board seeks to update its policy to emphasize its commitment to deliver a regional transit system in close collaboration with its jurisdictional partners in a manner that meets all federal, state, and local regulations and standards.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Resolution No. R2009-24 and Motion Nos. M2002-22 and M2002-48 are hereby superseded with a System Expansion Project Scope and Betterments Policy, which is hereby adopted as follows:

1.0 Scope

- 1.1 This policy guides scope development and definition of Sound Transit system expansion projects and provides direction to Sound Transit staff on the process for incorporating betterments, as defined in section 2.5.1, into project scope.

2.0 Policy

2.1 Regional goals

- 2.1.1 Sound Transit's projects and services enable the successful implementation of the Growth Management Act and regional land use and transportation plans to ensure effective regional transit system implementation and to create compact, livable communities and regional centers that are connected by high-capacity transit.
- 2.1.2 Sound Transit plans and builds its voter-approved system expansion projects, which are essential public facilities and are part of an integrated regional high-capacity transit system, as efficiently and affordably as possible to maximize regional transit benefits, with cost control, ridership, and operational efficiency as the primary objectives.
- 2.1.3 Sound Transit partners with local jurisdictions and other parties when developing system expansion projects to maximize transit benefits and control total project costs, including lifecycle operations and maintenance costs.

2.2 Project scope definition

- 2.2.1 System expansion project scopes are developed in accordance with voter-approved plans and in accordance with federal, state, and local regulations.
- 2.2.2 Sound Transit maintains and applies standards and guidelines to define project scope throughout project development and delivery to ensure that system expansion projects are executed consistently and equitably, meet adopted federal, state, and local regulations, meet operational and maintenance needs, and support passenger success.
- 2.2.3 Decisions on scope, schedule, and budget are documented consistent with Sound Transit's procedures and standards for project development and delivery and are reflected in the annual Transit Improvement Plan.

- 2.3 **Project development.** The Board informs and formally defines system expansion project scope throughout project development and delivery. Key project milestones include:
- 2.3.1 **Initial scope.** The initial project scope is defined in voter-approved plans and any associated representative project templates, including standard agency design and project elements.
 - 2.3.2 **Environmental review.** Sound Transit clearly defines the project's purpose and need and responsibly and reasonably mitigates impacts to the built and natural environment consistent with the National and/or State Environmental Policy Acts (NEPA/SEPA) and other applicable federal, state, and local regulations. Mitigation for project impacts responds to specific, significant, adverse, and disproportionate impacts identified and committed to during environmental review.
 - 2.3.3 **Project to be built.** This Board decision defines the project location and elements that will be constructed and is used as the basis for land use and environmental permitting.
 - 2.3.4 **Baseline.** This Board decision finalizes the project scope and establishes the budget and revenue service date (quarter and year) for the project.
- 2.4 **Engagement in local regulatory processes**
- 2.4.1 Sound Transit must obtain regulatory approval from various authorities having jurisdiction (AHJs) to deliver the baseline scope authorized by the Board and to comply with applicable federal, state, and local regulations.
 - 2.4.2 Through the course of project development and delivery, Sound Transit project teams must work collaboratively with AHJs to advance projects consistent with the schedule and budget associated with the initial or baseline scope; consistent with the mitigation listed in the final environmental documentation and required by AHJ permits for Sound Transit to comply with applicable local codes, regulations, and policies; and consistent with the requirements in Resolution No. R2021-05.
 - 2.4.3 Sound Transit may employ various strategies and tactics to engage AHJs proactively and productively to reach early and durable decisions and resolve disputes.
 - 2.4.4 Sound Transit project teams regularly provide AHJs with information related to project scope, schedule, and budget to support collaborative opportunities for coordination with AHJ-led projects and identification of potential project betterments.
 - 2.4.5 Sound Transit project teams engage AHJs to determine if a process to develop streamlined permit review and processing, including land use entitlements, within agreed upon timeframes to support timely project delivery is appropriate.
- 2.5 **Project betterments**
- 2.5.1 A project element beyond the project scope as defined in section 2.2 is known as a project betterment.
 - 2.5.2 Sound Transit's taxing authority does not extend beyond the project scope and area of impact and therefore prioritizes development of the regional transit system within budget and schedule over individual requests to expand the project scope.
 - 2.5.3 Throughout the lifecycle of a project, Sound Transit receives requests from other parties and AHJs to enhance projects beyond the project scope as defined in section 2.2 and at the key milestones defined in section 2.3.
 - 2.5.4 Sound Transit requires the requesting party to pay for project betterments. Sound Transit will not accept financial responsibility for a project betterment simply because project costs may be trending below the baseline budget.

- 2.5.5 Sound Transit makes every attempt to integrate requested project betterments, especially when they promote efficient use of public funds, and may decline to incorporate a project betterment if it determines there is a potential risk to the project schedule and/or budget associated with the project betterment request.
 - 2.5.6 Both capital and ongoing operating costs must be considered in the assessment of project betterment requests, and all betterment funding agreements must include a commitment from the requesting party to assume operation and maintenance costs of the betterment and an obligation to reimburse Sound Transit for any increases to operations and maintenance costs resulting from the betterment scope.
 - 2.5.7 The requesting party will reimburse Sound Transit for any increase in administrative costs resulting from the incorporation of a project betterment, and Sound Transit requires that an appropriate proportionate share of prior project development costs, such as environmental review and design, be reimbursed.
 - 2.5.8 In circumstances where a requesting party attempts to impose scope beyond that required through permit conditions or other regulatory or process mechanisms that Sound Transit determines to be unreasonable, staff must initiate the relevant dispute resolution process identified in section 2.7.
- 2.6 **Reimbursement for out-of-scope work.** Sound Transit seeks reimbursement for costs expended if an AHJ or other party requests out of scope work. When the timing of work requested and the requesting party's budget do not allow it to pay, Sound Transit may include the work under the following conditions:
- 2.6.1 The additional work is based on substantially changed conditions and/or new assumptions not specified by the AHJ or other party at the time of the most recent project development milestone, which causes or could cause Sound Transit's work to be obsolete or irrelevant or will significantly disrupt future operations if not completed before completion of Sound Transit's project.
 - 2.6.2 The parties agree that the additional work should be funded by the requesting party, but they do not have sufficient current budget capacity.
 - 2.6.3 Sound Transit must develop agreements whereby the timing of reimbursement is specified and where Sound Transit's upfront costs are reimbursed by the requesting party in equivalent year-of-expenditure dollars to the year Sound Transit expended the funds.
- 2.7 **Delegation of authority and dispute resolution requirements**
- 2.7.1 The chief executive officer (CEO) must implement this policy in accordance with all statutory and regulatory requirements and must determine what disputes require Board involvement for resolution.
 - 2.7.2 If there is a dispute between Sound Transit and an AHJ or other party regarding whether a request is within scope or is a project betterment, Sound Transit project teams must promptly initiate a dispute resolution process to minimize possible risks to schedule or budget.
 - 2.7.3 The CEO must establish and maintain internal process guidance for project development dispute resolution, including setting clear escalation paths and timelines. These paths should consider the severity of the risk to scope, schedule, budget, or system operability and the project phase when the dispute takes place.
- 2.8 **Reporting.** The CEO must report to the Board on the progress and status of system expansion projects, including possible changes or risks to scope, schedule, and budget, in accordance with the requirements of the Board's procurement, agreements, and delegated authority policy. The CEO must report back no later than December 2024 on the status of policy implementation and must report on performance against the policy on an annual basis thereafter.

3.0 References

- 3.1 Resolution No. R2023-30 Procurement, Agreements, and Delegated Authority Policy
- 3.2 Resolution No. R2020-24 Budget Policy
- 3.3 Resolution No. R2021-05 and R2023-04 ST3 Plan Realignment

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 27, 2024.



Dow Constantine
Board Chair

Attest:



Kathryn Flores
Board Administrator



Resolution No. R2024-11

Policy Crosswalk: Proposed Revisions to the Board Policy on System Expansion Project Scope and Betterments (Resolution No. R2024-11)

Current Policy (Resolution No. R2009-24)	Proposed Policy (Resolution No. R2024-11)	Justification
<p>A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting a Scope Control Policy and superseding Motion No. M2002-121.</p>	<p>A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting a System Expansion Project Scope and Betterments Policy and superseding Resolution No. R2009-24 and Motion Nos. M2002-22 and M2002-48.</p>	<p>Supersedes Resolution No. R2009-24, the past Board Scope Control Policy.</p>
<p>WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and</p> <p>WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and</p> <p>WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district voters approved local funding for Sound Move on November 5, 1996 and for Sound Transit 2 on November 4, 2008 to implement a regional high-capacity transportation system for the Central Puget Sound region,</p> <p>WHEREAS, it is the policy of the Sound Transit Board to develop cost-effective transportation</p>	<p>WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and</p> <p>WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and</p> <p>WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and</p> <p>WHEREAS, the Sound Transit Board is committed to taking a regional approach in</p>	<p>This section updates the Whereas recitals and strengthens the scope and goals for the policy.</p>

<p>projects by maximizing transit benefits and minimizing project costs; and</p> <p>WHEREAS, Sound Transit is committed to prudent management of project scope, budget, schedule and quality; and</p> <p>WHEREAS, throughout the life cycle of a project, Sound Transit receives requests from other units of government to enhance projects beyond their initial budget and established scope with betterments; and</p> <p>WHEREAS, the Sound Transit Board adopted a Scope Control Policy by Motion No. M2002-121 on January 23, 2003; and</p> <p>WHEREAS, the Sound Transit Board recognizes a stronger Scope Control Policy is needed in order to implement the remaining Sound Move projects and the Sound Transit 2 System Plan.</p> <p>NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Sound Transit's Scope Control Policy (Attachment A of this Resolution) is adopted and Motion No. M2002-121 is superseded.</p> <p>Sound Transit's mission is to plan, build, and operate regional transit systems and services to improve mobility for central Puget Sound. Sound Transit is committed to wisely managing public funds while fulfilling the mission. It is the policy of the Sound Transit Board to develop cost-effective transportation projects by maximizing transit benefits, minimizing total project costs, including life-cycle operations and maintenance (O&M) costs, and partnering with local jurisdictions and other parties.</p>	<p>system planning, system expansion, service delivery, and decision-making; and</p> <p>WHEREAS, Sound Transit values the long-standing relationships with its jurisdictional partners; and</p> <p>WHEREAS, Sound Transit is committed to prudent management of project scope, budget, schedule, and quality; and</p> <p>WHEREAS, throughout the lifecycle of a system expansion project, Sound Transit receives requests from other entities to enhance projects beyond their initial budgets and established scopes; and</p> <p>WHEREAS, Sound Transit's facilities are essential public facilities as defined in RCW 36.70A.200 and support and implement regional land use and transportation policies and plans; and</p> <p>WHEREAS, the Sound Transit Board adopted a Scope Control Policy by Motion No. M2002-121 on January 23, 2003; and</p> <p>WHEREAS, the Sound Transit Board adopted an updated Scope Control Policy by Resolution No. R2009-24 on December 10, 2009; and</p> <p>WHEREAS, the Sound Transit Board, through a program realignment process culminating in August 2021 with the adoption of Resolution No. R2021-05, sought to identify opportunities to reduce cost and planning delays and created a technical advisory group to identify potential strategies to accelerate system expansion, highlight schedule risk including current project delivery timelines, and identify opportunities to mitigate risk, streamline third</p>	
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<p>It is the Board’s intent that the remaining Sound Move projects and the Sound Transit 2 System Plan are developed with cost control, ridership, and operational efficiency as the primary objectives. Additionally, it is the policy of the Board to require and encourage prudent management of project scope, budget, schedule, and quality; and to deliver the regional high-capacity transit system as authorized by the Sound Transit district voters.</p> <p>Throughout the life cycle of a project, Sound Transit receives requests from other parties to enhance projects beyond the initial scope. Board approval is required to expand or enhance project scope once Sound Transit project scopes, schedules and budgets are adopted or otherwise established. Nothing in this policy is to be construed as sanctioning the expansion of project scope or the addition of betterments simply because funding is available within project or subarea budgets.</p> <p>This policy guides Sound Transit’s approach to projects at all stages of the project development life cycle. It enables Sound Transit to respond in a consistent and appropriate manner to scope enhancement requests by prioritizing development of the regional high-capacity transit program within and below budget over those requests. Application and adherence to this policy is not limited to projects for which a scope conflict or budget challenge has been identified.</p>	<p>party negotiations, reduce permitting delays, and expedite project delivery; and</p> <p>WHEREAS, the technical advisory group recommended the Board’s scope control policy be updated to ensure uniformity across all projects; and</p> <p>WHEREAS, the Sound Transit Board seeks to update its policy to emphasize its commitment to deliver a regional transit system in close collaboration with its jurisdictional partners.</p> <p>NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Resolution No. R2009-24 and Motion Nos. M2002-22 and M2002-48 are hereby superseded with a System Expansion Project Scope and Betterments Policy, which is hereby adopted as follows:</p> <p>1.0 Scope</p> <p>1.1 This policy guides scope development and definition of Sound Transit system expansion projects and provides direction to Sound Transit staff on the process for incorporating betterments into project scope.</p> <p>2.0 Policy</p> <p>2.1 Regional goals</p> <p>2.1.2 Sound Transit plans and builds its voter-approved system expansion projects, which are essential public facilities and are part of an integrated regional high-capacity</p>	
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	<p>transit system, as efficiently and affordably as possible to maximize regional transit benefits, with cost control, ridership, and operational efficiency as the primary objectives.</p> <p>2.1.3 Sound Transit partners with local jurisdictions and other parties when developing system expansion projects to maximize transit benefits and control total project costs, including lifecycle operations and maintenance costs.</p>	
<p>1. Initial Scope</p> <p>The initial project scope is defined by:</p> <ol style="list-style-type: none"> a. The “project templates” that supported the ST2 planning process. b. The project purpose, intent, and budget as described in Sound Move and ST2. <p>2. Project Development</p> <p>The project development phase begins by:</p> <ol style="list-style-type: none"> a. writing a Purpose and Need Statement that describes in specific terms the reasons for and objectives of a project, b. identifying project alternatives that respond to the initial scope or Purpose and Need Statement and that are within the project lifetime budget as most recently adopted by Board action, c. assessing environmental impacts and potential mitigation measures for the alternatives, and 	<p>2.3 Project development. The Board informs and formally defines system expansion project scope throughout project development and delivery. Key project milestones include:</p> <p>2.3.1 Initial scope. The initial project scope is defined in voter-approved plans and any associated representative project templates, including standard agency design and project elements.</p> <p>2.3.2 Environmental review. Sound Transit clearly defines the project’s purpose and need and responsibly and reasonably mitigates impacts to the built and natural environment consistent with the National and/or State Environmental Policy Acts (NEPA/SEPA) and other applicable federal, state, and local regulations. Mitigation for project impacts responds to specific, significant, adverse, and disproportionate</p>	<p>This section solidifies the definition of project scope throughout project development and has been updated to strengthen and clarify the key project milestones through which project scope is defined.</p>

<p>d. beginning engineering and design.</p> <p>The assumptions and measurement methods for analyzing project benefits and impacts will be shared with Sound Transit's partners to foster the broadest understanding and agreement possible on project impacts.</p> <p>3. Mitigation</p> <p>a. Sound Transit will responsibly and reasonably mitigate significant, adverse environmental project impacts consistent with the National and State Environmental Policy Acts (NEPA/SEPA) and other applicable federal, state, and local regulations. Mitigation must respond to specific, significant adverse environmental impacts clearly identified in the NEPA/SEPA document for the project and will be attributable to such impacts.</p> <p>b. The analysis of project impacts and associated mitigating measures are summarized in a final environmental document, the primary instrument in informing Sound Transit's decisions about mitigation.</p> <p>c. Once the project environmental process is complete, requests for mitigation beyond what is listed in the final environmental documentation, will only be considered if they meet the following criteria:</p> <ol style="list-style-type: none"> 1. must be based on policies, plans, rules or regulations formally designated under NEPA/SEPA and in 	<p>impacts identified and committed to during environmental review.</p> <p>2.3.3 Project to be built. This Board decision defines the project location and elements that will be constructed and is used as the basis for land use and environmental permitting.</p> <p>2.3.4 Baseline. This Board decision finalizes the project scope and establishes the budget and revenue service date (quarter and year) for the project.</p>	
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<p>effect at the time when the environmental determination was issued,</p> <ol style="list-style-type: none"> 2. must be capable of being accomplished and within Sound Transit's authority to implement, 3. must be directly related to and proportionate to the impacts directly caused by the project, 4. must not delay the implementation of the project, 5. must be cost-effective in light of the project budget, the severity of the impact, and the anticipated reduction in impact due to the mitigation, 6. must be reasonable, and 7. must be consistent with federal, state, and local regulations. <p>d. Board approval is required to mitigate measures beyond those included in the project's final environmental documentation.</p>		
<p>4. Concurrency</p> <p>The Growth Management Act and Sound Transit's enabling legislation encourage compact, livable communities and urban centers, to be connected with high-capacity transportation services.</p> <p>It is the policy of Sound Transit that:</p> <ol style="list-style-type: none"> a. high-capacity transit facilities be regarded and treated as a needed response and 	<p>2.1 Regional goals</p> <ol style="list-style-type: none"> 2.1.1 Sound Transit's projects and services enable the successful implementation of the Growth Management Act and regional land use and transportation plans to ensure effective regional transit system implementation and to create compact, livable communities and regional centers 	<p>This section emphasizes Sound Transit's role in the implementation of the Growth Management Act.</p>

<p>solution to growth management concurrency regulations and</p> <p>b. high-capacity transit facilities are not typical development subject to additional concurrency requirements.</p>	<p>that are connected by high-capacity transit.</p>	
<p>5. Baseline Scope</p> <p>a. Baseline scope is defined by Sound Transit’s project decision after the completion of environmental review.</p> <p>b. The baseline scope will form the basis for project scope and mitigating measures from that point forward.</p> <p>c. Decisions on scope, mitigating measures, and budget throughout the project life cycle will be documented, consistent with Sound Transit’s Phase Gate practices, and will be reflected in the annually adopted Transit Improvement Plan.</p> <p>d. Board approval of a project’s baseline scope, schedule, and budget is required to be consistent with Sound Transit’s Phase Gate practices. All subsequent engineering design, permitting activity, and implementation will take the baseline scope, schedule, and budget as a frame of reference.</p>	<p>See sections 2.2.3 and 2.3.</p>	
<p>6. Responding to Requests for Project Betterments</p> <p>a. Betterments are defined as project elements that were not clearly:</p> <ol style="list-style-type: none"> 1. included in the initial project scope, 	<p>2.5 Project betterments</p> <p>2.5.1 Sound Transit’s taxing authority does not extend beyond the project scope and area of impact and therefore prioritizes development of the regional transit system within budget and schedule over individual</p>	<p>This section defines betterments as outside of core scope, Sound Transit standards and requirements, and required mitigation. This section provides improved clarity on Sound Transit’s approach to requests for betterments.</p>

<p>2. necessary in the normal course of completing the initial project scope,</p> <p>3. included in the project definition, or</p> <p>4. among the mitigation measures indicated in the final environmental documentation for a project.</p> <p>b. Throughout the project implementation process, Sound Transit’s partners may identify opportunities for enhancements to project scope that have benefit to them, and they may express a willingness to fund such betterments. Motion No. M2004-111 outlines a process for amending contract expenditures, by up to \$500,000, in order to accomplish betterments funded by other public agencies. Sound Transit will make every attempt to integrate such enhancements into the project’s design if, in doing so, there is not a negative impact to the project’s scope, schedule, and budget, and if the betterment leads to higher transit ridership and greater project-level cost effectiveness.</p> <p>c. Both capital and on-going operating costs will be considered in the assessment of proposals. Before Sound Transit implements any partner-identified scope enhancements that will increase the O&M costs of a project or facility, the parties must enter into a formal agreement that commits the partner to pay the increased O&M costs for a period equal to the useful life of the facility.</p>	<p>requests to expand the project scope.</p> <p>2.5.2 Throughout the lifecycle of a project, Sound Transit receives requests from other parties and AHJs to enhance projects beyond the Board defined scope at the key milestones defined in section 2.3. A project element beyond required scope to plan, build, and operate the regional transit system is known as a project betterment.</p> <p>2.5.3 Sound Transit requires the requesting party to pay for project betterments. Sound Transit will not accept financial responsibility for a project betterment simply because project costs may be trending below the baseline budget.</p> <p>2.5.4 Sound Transit makes every attempt to integrate requested project betterments, especially when they promote efficient use of public funds, and may decline to incorporate a project betterment if it determines there is a potential risk to the project schedule and/or budget associated with the project betterment request.</p> <p>2.5.5 Both capital and ongoing operating costs must be considered in the assessment of project betterment requests, and all betterment funding agreements must include a commitment from the requesting party to assume operation and maintenance costs of the betterment and an obligation to reimburse Sound Transit for any increases to operations and maintenance costs</p>	
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<p>d. The requesting partner will reimburse Sound Transit for any increase in administrative costs resulting from the incorporation of betterments. Sound Transit requires that an appropriate proportionate share of prior project development costs, such as environmental review and design, be reimbursed</p> <p>e. If Sound Transit determines there is a potential risk to the project schedule and/or budget associated with the partner's request for a betterment, the parties must enter into a written agreement identifying the risks. Sound Transit's partner will be financially liable for any increased costs to mitigate the risks and for any impact to the schedule or budget resulting from the inclusion of the betterments. This written agreement must be executed prior to the initiation of project construction.</p> <p>f. Sound Transit's Reimbursement Policy, adopted by separate Resolution, will apply if a partner is currently unable to fund costs of betterment requests.</p> <p>g. If Sound Transit's partner requests betterments, but declines financial responsibility, Sound Transit will examine the proposal and determine whether Sound Transit has any legal or other obligation to provide the betterment at Sound Transit expense. Sound Transit will then recommend whether to commence a mediation process, or</p>	<p>resulting from the betterment scope.</p> <p>2.5.6 The requesting party will reimburse Sound Transit for any increase in administrative costs resulting from the incorporation of a project betterment, and Sound Transit requires that an appropriate proportionate share of prior project development costs, such as environmental review and design, be reimbursed.</p> <p>2.5.7 In circumstances where a requesting party imposes scope beyond that required through permit conditions or other regulatory or process mechanisms that Sound Transit determines to be unreasonable, staff must initiate the relevant dispute resolution process identified in section 2.7.</p>	
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<p>whether to take all necessary steps to have the matter resolved by third parties.</p> <ul style="list-style-type: none">h. With the authority delegated by the Board, the chief executive officer may determine whether revisions to project scope are necessary and appropriate.i. Sound Transit will not accept financial responsibility for a betterment requested by other parties simply because project costs may be trending below the baseline budget.j. Approval by a two-thirds affirmative vote of the Board is required to use project savings, defined as any difference between the projected final costs and the project budget, to fund any portion of project betterments that are for the benefit of any other party, public or private.k. If, as a result of the process in (g) above, Sound Transit is directed by a third party to incorporate betterments into the baseline scope and such incorporation results in projected costs exceeding the baseline budget, Sound Transit must undertake an analysis to demonstrate to the Board that Sound Transit is authorized to finance the enhancement and that sufficient financial capacity is available within the appropriate subarea to cover the increased costs. Approval by a two-thirds affirmative vote of the Board is required to add enhanced scope to the project's budget.		
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<p>I. Sound Transit-obtained federal funds cannot be used to finance betterments.</p>		
	<p>2.2 Project scope definition</p> <p>2.2.1 System expansion project scopes are developed in accordance with voter-approved plans.</p> <p>2.2.2 Sound Transit maintains and applies standards and guidelines to define project scope throughout project development and delivery to ensure that system expansion projects are executed consistently and equitably, meet operational and maintenance needs, and support passenger success.</p> <p>2.2.3 Decisions on scope, schedule, and budget are documented consistent with Sound Transit’s procedures and standards for project development and delivery and are reflected in the annual Transit Improvement Plan.</p>	<p>This section has been added to the policy to provide better clarify about project definition to give staff the ability to address and respond to betterment requests.</p> <p>This section also formalizes incorporation of Sound Transit standards and requirements.</p>
	<p>2.7 Delegation of authority and dispute resolution requirements</p> <p>2.7.1 The chief executive officer (CEO) must implement this policy in accordance with all statutory and regulatory requirements and must determine what disputes require Board involvement for resolution.</p> <p>2.7.2 If there is a dispute between Sound Transit and an AHJ or other party regarding whether a request is within scope or is a project betterment, Sound Transit project</p>	<p>These sections have been added to the policy to improve enforcement and accountability to the updated policy, as well as add a requirement that the CEO create pathways to promptly resolve disputes at the right levels and escalate when needed.</p>

	<p>teams must promptly initiate a dispute resolution process to minimize possible risks to schedule or budget.</p> <p>2.7.3 The CEO must establish and maintain internal process guidance for project development dispute resolution, including setting clear escalation paths and timelines. These paths should consider the severity of the risk to scope, schedule, budget, or system operability and the project phase when the dispute takes place.</p> <p>2.8 Reporting. The CEO must report to the Board on the progress and status of system expansion projects, including possible changes or risks to scope, schedule, and budget, in accordance with the requirements of the Board's procurement, agreements, and delegated authority policy.</p>	
	<p>3.0 References</p> <p>3.1 Resolution No. R2023-30 Procurement, Agreements, and Delegated Authority Policy</p> <p>3.2 Resolution No. R2020-24 Budget Policy</p> <p>3.3 Resolution No. R2021-05 and R2023-04 ST3 Plan Realignment</p>	
ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 10, 2009.	ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.	

Current Policy (Motion No. M2002-22)	Proposed Policy (Resolution No. R2024-XX)	Justification
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<p>A motion of the Board of the Central Puget Sound Regional Transit Authority to seek policy direction for reimbursement to Sound Transit by partner agencies under specific circumstances.</p>		<p>Supersedes Motion No. M2002-22, the past Policy on Reimbursement to Sound Transit by Partner Agencies for Out-of-Scope Work.</p>
<p>Motion:</p> <p>It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that it shall be the policy of Sound Transit to seek reimbursement for costs expended by Sound Transit if a jurisdiction/agency imposes or requests out of scope work of Sound Transit. When the timing of work requested and the requesting agency's budget do not allow it to pay, Sound Transit staff shall develop a Memorandum of Agreement, under the following conditions:</p> <ul style="list-style-type: none"> • The additional work is based on substantially changed conditions and/or new assumptions not specified by our partner agency at the time of the original scope which causes Sound Transit's work done to date to be obsolete or irrelevant. • The parties agree that the additional work should be funded by the requesting jurisdiction/agency, but that jurisdiction/agency does not have sufficient current budget capacity. • Sound Transit shall develop agreements whereby the timing of reimbursement is specified and where Sound Transit's upfront costs are reimbursed by the requesting jurisdiction/agency in equivalent year-of-expenditure dollars to the year Sound Transit expended the funds. 	<p>2.6 Reimbursement for out-of-scope work. Sound Transit seeks reimbursement for costs expended if an AHJ or other party attempts to impose or requests out of scope work. When the timing of work requested and the requesting party's budget do not allow it to pay, Sound Transit may include the work under the following conditions:</p> <p>2.6.1 The additional work is based on substantially changed conditions and/or new assumptions not specified by the AHJ or other party at the time of the most recent project development milestone, which causes or could cause Sound Transit's work to be obsolete or irrelevant or will significantly disrupt future operations if not completed before completion of Sound Transit's project.</p> <p>2.6.2 The parties agree that the additional work should be funded by the requesting party, but they do not have sufficient current budget capacity.</p> <p>2.6.3 Sound Transit must develop agreements whereby the timing of reimbursement is specified and where Sound Transit's upfront costs are reimbursed by the requesting party in equivalent year-of-expenditure dollars to the year Sound Transit expended the funds.</p>	<p>This section consolidates an existing Board policy into the updated policy to strengthen it and provide clearer visibility to project teams for consistent application.</p>

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 9, 2002.		
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Current Policy (Motion No. M2002-48)	Proposed Policy (Resolution No. R2024-XX)	Justification
A motion of the Board of the Central Puget Sound Regional Transit Authority adopting the policy guidelines for interactions with Sound Transit’s partner agencies as permits are applied for, evaluated, and obtained in order to implement Sound Move.		Supersedes Motion No. M2002-48, the Policy Guidelines for Sound Move Permitting Activities.
<p>Permit Policy Guidelines:</p> <p>The principal processes for interaction with partner jurisdictions are generally described below. Specific projects may pose unique circumstances which will necessitate departures from this general description, but the essential elements remain -- that of clear, early, consistent, and timely communication delivered between individuals who are empowered to speak for their agencies.</p> <ol style="list-style-type: none"> 1. The Sound Transit project manager should seek the early involvement of staff from the permitting jurisdiction. If a Memorandum of Agreement (MOA) is developed to outline the roles and responsibilities of the parties, the permitting and design review guidelines contained herein as appropriately tailored, should be included. 2. Sound Transit staff coordination: Sound Transit’s Department directors and project managers are responsible for the implementation of their capital projects, however, the responsibility to obtain permits 	<p>2.4 Engagement in local regulatory processes</p> <p>2.4.1 Sound Transit must seek regulatory approval from various authorities having jurisdiction (AHJs) to deliver the baseline scope authorized by the Board.</p> <p>2.4.2 Through the course of project development and delivery, Sound Transit project teams must work collaboratively with AHJs to advance projects consistent with the schedule associated with the initial or baseline scope and consistent with the requirements in Resolution No. R2021-05.</p> <p>2.4.3 Sound Transit may deploy various strategies and tactics to engage AHJs proactively and productively to reach early and durable decisions and resolve disputes.</p> <p>2.4.4 Sound Transit project teams must regularly provide AHJs with information related to project scope, schedule, and budget to support</p>	This section consolidates an existing Board policy into the updated policy to strengthen it and provide clearer visibility to project teams for consistent application. The updated policy language also delegates the implementation details to the CEO for execution, pursuant to section 2.7 of the updated policy.

<p>may rest with other staff who assist the project managers:</p> <ul style="list-style-type: none"> • A Designated Representative (DR) shall be named by the Sound Transit Department Director for each permit needed; the DR may be the Project Manager, Sound Transit staff, or a consultant. • If there are numerous permits, in a multitude of subject areas, to be obtained resulting in many DRs, the Sound Transit Department Director may appoint a lead DR for the purposes of coordinating all permit work on a particular project and delegating work appropriately. • With respect to permitting activities and the interface with the permitting agencies, the DR shall coordinate all relevant staff work, shall have a clear line of authority to speak for the agency, shall cause internal conflicts to be resolved, and shall function as the point of contact with the permitting agencies. • The DR shall work at the direction of and in close consultation with the Project Manager. <p>3. Sound Transit's DR will initiate a pre-application conference with the permitting agencies to share each agency's rules, expectations, objectives, and the like at the outset of the permitting process. The overall objective of this first meeting should be to align the two agencies' organizations to efficiently and effectively conduct the necessary work in a way that reflects each</p>	<p>collaborative opportunities for coordination with AHJ-led projects and identification of potential project betterments.</p> <p>2.4.5 Sound Transit project teams must engage AHJs to determine if a process to develop streamlined permit review and processing, including land use entitlements, within agreed upon timeframes to support timely project delivery is appropriate.</p>	
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<p>agency's unique role. At the pre-application conference, Sound Transit shall seek:</p> <ul style="list-style-type: none">• To obtain a DR to represent the permitting agency to obtain agreement on the roles and responsibilities of the DR of the permitting agency; and to gain an understanding of how the permitting agency is organized to review Sound Transit's work and provide feedback.• To obtain an understanding of the relevant project milestones at which design review is desirable.• To obtain an understanding of the time, performance, and financial expectations of each parties' work.• To obtain an understanding of the difference between permits affecting the public right-of-way and those on privately owned property. <p>4. The agencies agree to review project design at relevant milestones of project development (typically at 30%, 60%, 95%, and 100% design levels).</p> <p>5. The agencies agree on appropriate performance expectations for reviews of project design, such as:</p> <ul style="list-style-type: none">• Number of days to notify Sound Transit that submittals are incomplete or complete.• Number of days to complete the reviews of the project design.		
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<ul style="list-style-type: none"> • Estimated amount of permit fees, as applicable, at each milestone. • Sound Transit shall seek agreement that the partner agency shall submit unified, consistent comments to Sound Transit. <p>6. At strategic points in the process, Sound Transit staff will elevate schedule and permitting problems to their department director and/or the executive director, and at times, may request that Board members intervene to assist in keeping the project on schedule and budget.</p>		
<p>It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the permitting policy guidelines are adopted for interactions with Sound Transit partner agencies as permits are applied for, evaluated, and obtained in order to implement Sound Move.</p>		
<p>APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 13, 2002.</p>		