

Consultant Scope of Work – Streetcar Review

The City of Seattle is seeking an independent, third-party review of the operating plan for the consolidated Seattle Streetcar System and the capital costs for the Center City Streetcar Project.

Tasks:

A) Evaluate SDOT's operating plan for the Seattle Streetcar System

- A.1 Perform sensitivity analysis of SDOT's project performance assumptions and traffic analysis:
 - i. Headways
 - ii. Reliability
 - iii. Ridership (STOPS model)
- A.2 Validate cost assumptions and clearly identify assumptions for Metro costs, including:
 - i. platform hours
 - ii. maintenance costs
 - iii. staffing levels
- A.3 Provide comparisons of cost assumptions with other publicly- and privately-operated US streetcar systems.
- A.4 Validate revenue assumptions:
 - i. Farebox recovery, including impact of transfers
 - ii. Sponsorship of vehicles and stations
 - iii. Partnership funding
 - iv. FTA operations funding
 - v. Other sources of revenue
- A.5 Based on validated cost and revenue assumptions, provide a financial plan for annual operations of the Streetcar System. Provide multiple projections as necessary to account for risk and variance in potential outcomes. The projections should clearly indicate the projected operating subsidy and the cost per boarding. The financial projections should cover:
 - i. Current (2017) South Lake Union and First Hill Streetcar operations for comparison
 - ii. First full year of operations for the consolidated Streetcar System
 - iii. Fifth full year of operations for the consolidated Streetcar System
 - iv. An estimate of the cost to operate the First Hill streetcar and South Lake Union streetcars separately (i.e., the cost if the Center City connector is not built) for what would have been the fifth full year of operations for the consolidated Streetcar System

B) Evaluate the capital delivery costs and risks for the Center City Streetcar Project

- B.1 Review project scope and confirm whether the scope is sufficient to achieve the desired service levels.

- B.2 Review changes to project scope and whether these changes have been captured in the project budget.
- B.3 Review and assess cost assumptions in the entire capital project budget, including the related utility work.
- B.4 Validate project contingency needs. Identify potential risk factors and cost exposure. Determine whether the current project budget includes the full scope of the project and accounts for risk and contingency needs.
- B.5 Develop an estimate of the cost to cancel or delay the project, including the related utility work.

C) Deliverables

- C.1 After an initial round of interviews with stakeholders the consultants will report back to the contract manager on their initial assessment of the scope to provide their feedback on how to best accomplish the review within the given timeframe
- C.2 Participate in biweekly check-ins with CBO and other relevant City staff
- C.3 At the end of the engagement, provide a white paper summarizing the analysis and key findings
- C.4 Presentations to the Mayor's Office, City Council, CBO, SDOT, and others as needed

D) Timeline

The consultant review is expected to take approximately 25 calendar days.

E) Protocol

- The consultants will report to CBO.
- The consultants will work with SDOT's Finance and Administration division to obtain information on streetcar financials and contract information.
- The consultants will work with CPRS, the project manager, and the Transit and Mobility Division (mainly the Streetcar manager) to obtain information about the streetcar contracts, milestones, operating cost assumptions, and to connect with the right individuals at Metro.

List of Potential Independent Consultants

1. **Transport Resource Associates** - Philadelphia, PA
2. **KPMG** - San Francisco, CA
3. **AECOM** - Los Angeles, CA

Date: 4/2/2018
To: Seattle City Council
From: Ben Noble, Central Budget Office, and Goran Sparrman, Seattle Department of Transportation
RE: Next Steps on the Seattle Streetcar

Brief Background

On March 19, Mayor Durkan called for an independent review of the streetcar project, including both the two existing lines, as well as the central line now under construction and the fully completed system. SDOT fully supports this direction and has offered any available resources to CBO and the mayor's office, who are directing the review. We anticipate that an unbiased third party entity will be brought aboard shortly to begin the analysis.

Initial Capital Cost Analysis

Based on our initial and preliminary survey of all the capital cost components, the project has a notable capital cost shortfall that could be better understood and addressed as part of an independent review and project pause.

Capital Costs		
Planning and Design	\$17,200,000	
Construction	\$67,667,105	
Vehicles	\$63,936,365	
Administrative	\$9,723,462	
Subtotal		\$158,526,932
C3 Project Integration and Startup Costs		\$7,237,000
Total		\$165,763,932
<u>Committed Sources</u>		
Federal	\$83,200,000	
Local	\$59,400,000	
Total		\$142,600,000
Deficit		\$23,163,932

Potential Revised Schedule

- Advertise for track 8/11 2018
- Award Track: 11/11 NTP Jan 2018
- Construction Start: Jan 2, 2019
- Substantial Completion: Sept 2020 - South end work will take 8 months in 2020 after AWW demo is complete
- Revenue Service Date: Mar 2021

Estimated Cost Impacts of Delay

Contract		Escalation	Low	Escalation	High
Rail	\$ 1,600,000	20%	\$ 320,000	20%	\$ 320,000
Track	\$ 54,000,000	15%	\$ 8,100,000	20%	\$ 10,800,000
CAF Cars			\$1,000,000		\$2,000,000
Staff/Consultant			\$ 500,000		\$ 500,000
Total			\$ 9,920,000		\$ 13,620,000

