

Transbay Program Downtown Rail Extension

Update on the Governance Study:
Initial Assessment of Options

Citizens Advisory Committee

June 7, 2022



Recap: Governance Study Elements

- ESC guidance to develop project governance approach as strategy to de-risk project delivery
- Governance Study developing analysis and recommendations in the following areas:

Institutional Arrangement

- Lead agency for procurement and construction
- Roles of involved agencies/parties by phase
 - Framework for agency-to-agency relationships/agreements
- Asset and risk ownership frameworks

Project Governance Model

- Project oversight structure
- Decision-making and stage gates
- Outcomes management (sponsorship)
- Change control and configuration management
- Risk and issue management
- Quality assurance

Management Framework

- Delegated authorities
- Owner's team capabilities and requirements
- Project delivery organization organizational design
- Contractor management framework
- Project controls and reporting
- Stakeholder management

Content for Today's Discussion

Study Context & Approach

- DTX Governance Goals & Objectives (Draft)

Institutional Arrangement

Project Governance Model

Management Framework

- Summary of Institutional Options Assessment (Draft)



- Stage Gate Framework (Draft)



DTX Governance Goals & Objectives (Draft)

Governance Goals (the desired outcomes)

| | |
|----------------------------|---|
| Deliver DTX on time. | Realize planned benefits; avoid, minimize, and mitigate anticipated impacts. |
| Deliver DTX within budget. | Strengthen the region’s ability to effectively deliver transit mega-projects. |

Governance Objectives (how to achieve these goals)

Clarity of Purpose – Establish and maintain a clear focus on delivering the project.

Representation & Voice – Provide project partners with voice and say, consistent with their project interests and risk ownership.

Responsiveness & Oversight – Enable timely decision-making, and ensure proper direction and oversight of the project delivery team.

Capacity & Capabilities – Deliver the project with expert resources with the required skills and capacity.

Accountability & Authority – Provide decision-making authority in alignment with delegated accountabilities for project outcomes.

Transparency – Give the public, stakeholders, and partners visibility into the project’s progress and opportunities for meaningful engagement.

DTX Stage Gates (Preliminary Draft)

Stage Gate Key Inputs:

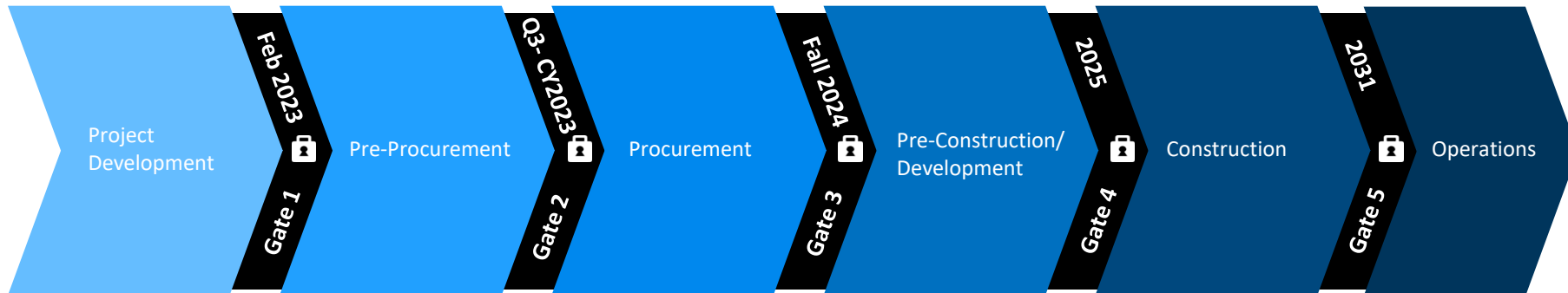
- Project Definition, Cost/Budget, Schedule
- Funding Plan
- Procurement Model
- RAMP
- Delivery Phase Governance Framework agreed

- CIG funding request submitted
- Interagency agreements & third-party agreements in place
- Delivery Phase governance structure in place

- Inclusion in President's budget recommendation to Congress
- Procurement process completion & recommendations to award

- FFGA execution
- Negotiation of Construction Phase contracts
- Completion of ROW acquisition & Enabling Program

- Testing & commissioning documentation
- Acceptance by owner and operator



Stage Gate Enables:

- ROW acquisition
- Enabling Works procurement
- Request to enter FTA Engineering

- Procurement of primary contracts
- Award of Enabling Works contracts

- Award of Pre-Construction Phase contracts

- Award of Construction Phase contracts

- Revenue service



Institutional Options Analysis: Assessment Criteria

Screening Criteria

- **Timeframe** – Alternative must be capable of implementation within the timeframe required by the project.
- **Legal Authority** – Alternative must be capable of being implemented within existing legal authorities (newly legislated authorities are not anticipated to be feasible in schedule for DTX delivery).

Evaluation Criteria

- **Clarity of Purpose** – the Alternative should provide alignment between the lead agency's mandate and the objectives of the project.
- **Representation & Voice** – the Alternative should support each project partner in having a voice and say during project delivery reflecting with their project interests and risk ownership.
- **Capability & Capacity** – the Alternative should be capable of delivering the project with skilled resources and an appropriate management and oversight structure.



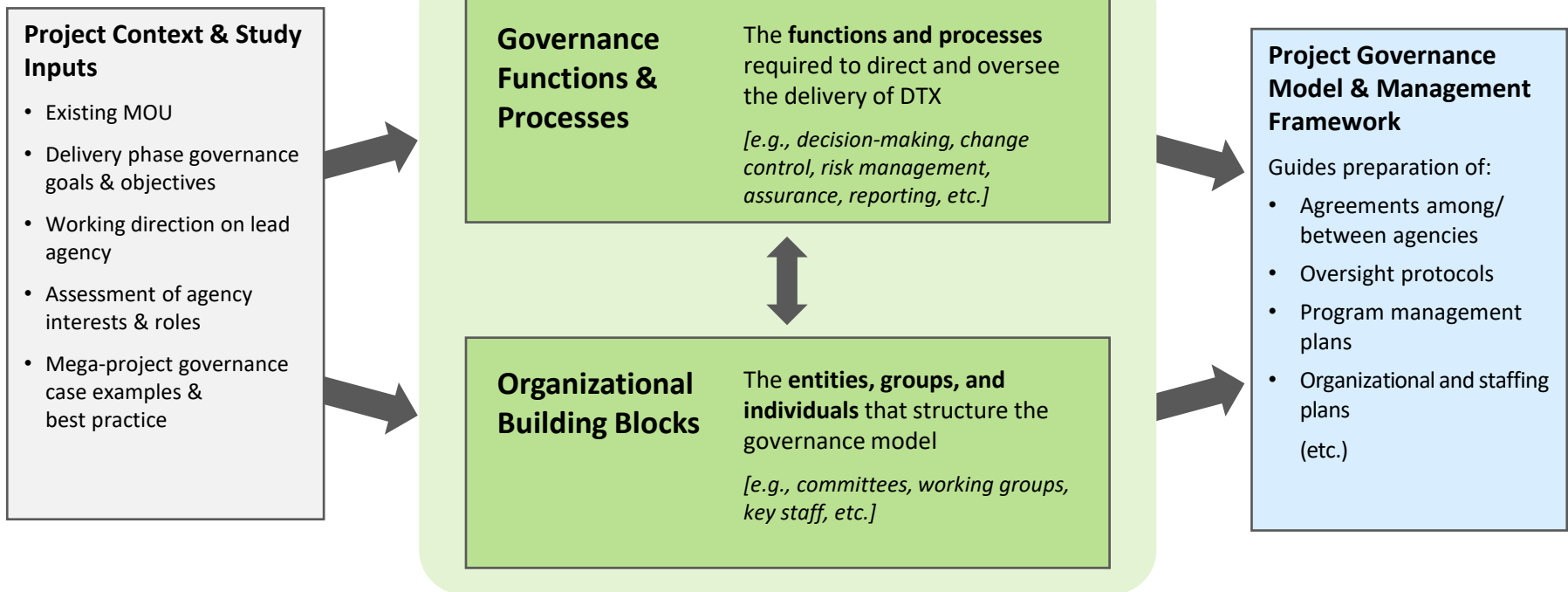
Institutional Options Analysis: Alternatives

| Alternative Family | Alternative | Structure Overview |
|--|---|--|
| 1. TJPA Delivery | 1.1 Baseline/Conventional | <ul style="list-style-type: none"> TJPA accountable and responsible for project delivery using staff and consultants, and cooperation of partners Oversight provided by TJPA Board, staff, and funder oversight protocols Current Peninsula Rail MOU sunsets; bi-lateral intergovernmental agreements (IGAs) developed between TJPA and partner agencies |
| | 1.2 Integrated Management | <ul style="list-style-type: none"> TJPA accountable and responsible for project delivery using staff and consultants, and involvement of partners Organizational structure further developed to provide management oversight, alignment of multi-agency actions, and project coordination Multi-lateral and/or bi-lateral agreements among/between DTX partner agencies |
| 2. TJPA Accountable but assigns Project Delivery Responsibility | 2.1 Assignment to TJPA member agency | <ul style="list-style-type: none"> TJPA takes high-level oversight role and retains accountability Project delivery responsibility assigned to TJPA member agency |
| | 2.2 Assignment to non-member agency | <ul style="list-style-type: none"> TJPA takes high level oversight role and retains accountability Project delivery responsibility assigned to agency other than TJPA member |
| | 2.3 Assignment to special purpose entity | <ul style="list-style-type: none"> TJPA takes high level oversight role and retains accountability Project delivery responsibility assigned to a newly-created special purpose entity (not currently in existence) |
| 3. Transfer Accountability | 3.1 Upload to newly-created regional agency | <ul style="list-style-type: none"> Project delivery accountability and responsibility is transferred to a regional project delivery agency (not currently in existence) |

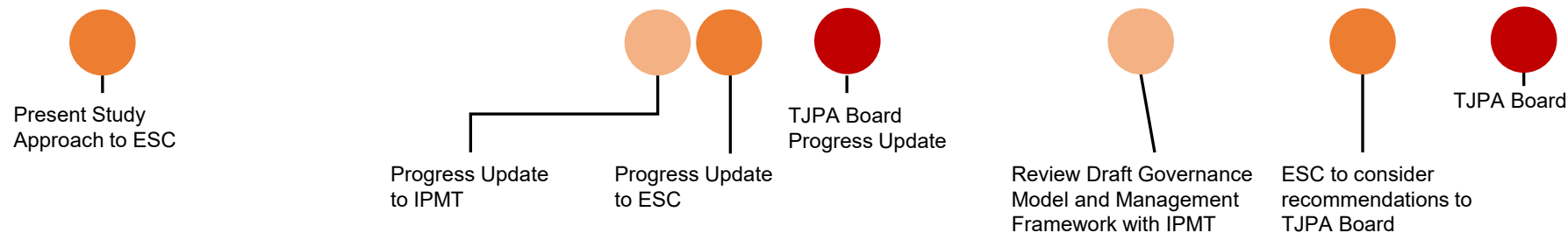
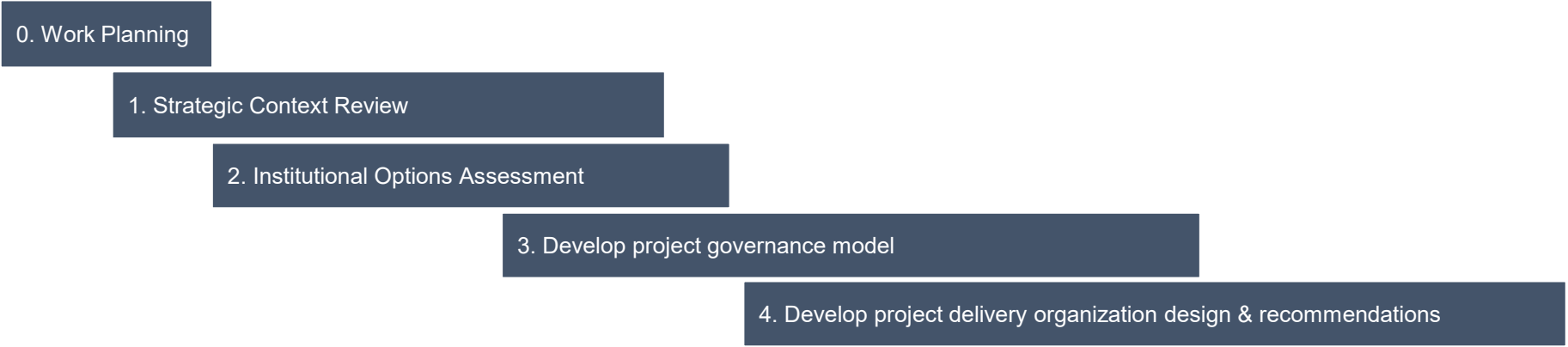
Institutional Options Assessment: Summary of Screening & Evaluation (Draft)

| | Screening | Evaluation | Purpose | Voice | Capability | |
|--|-----------|--|---------|--------|------------|---|
| 1.1 Baseline/Conventional | | | Green | Yellow | Yellow | <ul style="list-style-type: none"> Requires development of capacity/capability of TJPA to lead project delivery, and of partners to support delivery. |
| 1.2 Integrated Management | | | Green | Green | Yellow | <ul style="list-style-type: none"> Requires integrated development TJPA and partner agency capacity/capability; supports alignment, focus, and voice among project partners. |
| 2.1 Assignment to TJPA member agency | | Red X | Green | Red | Yellow | <ul style="list-style-type: none"> Assignment to a single agency would diminish the voice of other project partners; member agency capacity is constrained. |
| 2.2 Assignment to Agency outside of TJPA | | Red X | Red | Red | Yellow | <ul style="list-style-type: none"> An agency outside the TJPA is unlikely to have a core mandate to deliver the project. |
| 2.3 Assign to Special Purpose Entity | ? | | Green | ? | ? | <ul style="list-style-type: none"> Not anticipated to be applicable to DTX in current context; model presents lessons even if not pursued. |
| 3.1 Upload to a regional project delivery agency | Red X | Entity does not exist and could not be established in time | | | | |

Next Steps: Developing the Governance Model



Study Timeline



Thank you

