San Francisco Peninsula Rail Program – The Portal Governance Blueprint

Citizen Advisory Committee
August 8, 2023

Background

- Peninsula Rail Program MOU executed in June 2020 among TJPA, Caltrain, CHSRA, CCSF, MTC, and SFCTA

- MOU established organizational structure and work program to develop The Portal to "ready for procurement" status

- MTC and SFCTA have led The Portal Governance Study, in cooperation with TJPA and the other MOU partners

Peninsula Rail Program MOU Task 18 (Co-Lead Agencies: MTC, SFCTA)

Explore the best institutional arrangement and governance for the delivery of the DTX Rail Program through construction and make recommendations to TJPA Board.

Approved Governance Recommendations

In September 2022, the TJPA Board approved a set of Governance Study recommendations, as recommended by the ESC:

1. Confirm TJPA as the lead agency for DTX procurement and construction and continue to build the capacity of TJPA and partner agencies for project delivery.
2. Develop a collaborative, integrated management approach and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.
3. Provide a transparent venue for the development and review of policy-level recommendations and reporting to the TJPA Board.
4. Utilize a stage-gate process to align decision-making at major milestones, ensure readiness for successive phases of work, and provide for periodic independent/expert review and advice.
5. Define/codify the governance and management structure through bi-lateral agreements between agencies, a successor to the existing Peninsula Rail Program MOU, and detailed program management plans.
6. Empower project leadership staff through delegated authorities, in conjunction with an integrated management approach and structured review/oversight processes.
7. Institute process/structure for management and oversight of configuration and change, including contractual changes.
8. Embed risk management and risk review at all levels, including policy oversight, technical management, and project execution.
9. Prepare "single-source" project reporting to provide timely and reliable information to management, partners, and decision-makers.
10. Develop an integrated project delivery team, including TJPA staff, consultants, and key partner agency resources/personnel, and pursue project partnering to strengthen collaboration.
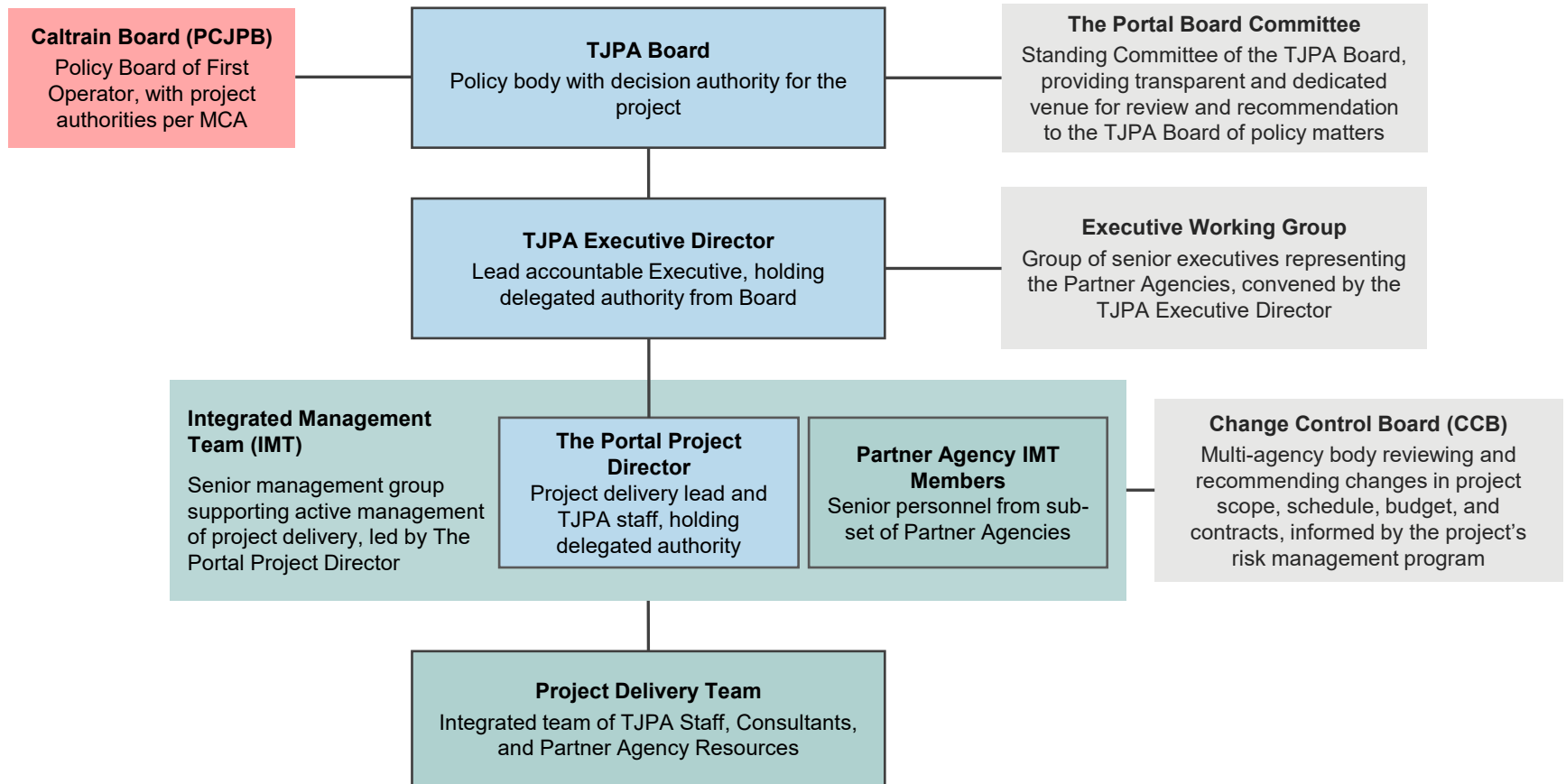
Purpose of the Governance Blueprint

Since approval of governance recommendations, MTC/SFCTA have prepared the Governance Blueprint, in cooperation with TJPA and the other MOU partners.

- Blueprint intended to guide preparation of a new, multi-party Successor MOU among the partners, to serve the project through construction and commissioning

- Blueprint focuses on structure for multi-agency collaboration across The Portal partner agencies

- Blueprint does <u>not</u> address individual agencies' commitments, responsibilities, and decision rights

    - Multiple bi-lateral agreements between TJPA and individual partner agencies will enable project implementation

What's covered in Blueprint recommendations?

Blueprint Section	Recommended in Blueprint	Follow-up Work
1. **Governance Structure and Bodies**	• Overall governance structure • Representation on Board Committee, Executive Working Group, and Change Control Board • Approach to documentation at each body	• Detailed procedures for decision-making, including voting procedures for Change Control Board • Formation/establishment of new governance bodies
2. **Policy Baseline and Stage Gate Framework**	• Purpose of Policy Baseline; identification of specific Policy Baseline documents • Draft framework for Stage Gates including decision points and identification of expected precedent activities for each Gate	• Preparation and approval of initial set of Policy Baseline documents • Review/decision process for Stage Gates 2-4 (to proceed under future governance structure), including Partner Agency considerations
3. **Change Decision Framework**	• Framework for Change Types • Review and decision processes for each Change Type • Principles for Delegated Authorities	• Preparation of Delegated Authorities Framework, including specific thresholds for each Change Type
4. **Project Reporting Approach**	• Intended flow of regular project status reporting through governance structure	• Reporting Plan and timelines • Reporting templates and governance body information needs/requests
5. **Decision Procedures**	• General procedures for decision-making, to depict relationships between governance bodies • Escalation paths for decisions / disagreements • Special considerations/cases	• More detailed decision procedures to align with Delegated Authorities Framework and relevant Management Plans • Decision process timelines

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Recommended Governance Structure

Caltrain Board (PCJPB)
Policy Board of First Operator, with project authorities per MCA

TJPA Board
Policy body with decision authority for the project

The Portal Board Committee
Standing Committee of the TJPA Board, providing transparent and dedicated venue for review and recommendation to the TJPA Board of policy matters

TJPA Executive Director
Lead accountable Executive, holding delegated authority from Board

Executive Working Group
Group of senior executives representing the Partner Agencies, convened by the TJPA Executive Director

Integrated Management Team (IMT)
Senior management group supporting active management of project delivery, led by The Portal Project Director

The Portal Project Director
Project delivery lead and TJPA staff, holding delegated authority

Partner Agency IMT Members
Senior personnel from sub-set of Partner Agencies

Change Control Board (CCB)
Multi-agency body reviewing and recommending changes in project scope, schedule, budget, and contracts, informed by the project's risk management program

Project Delivery Team
Integrated team of TJPA Staff, Consultants, and Partner Agency Resources
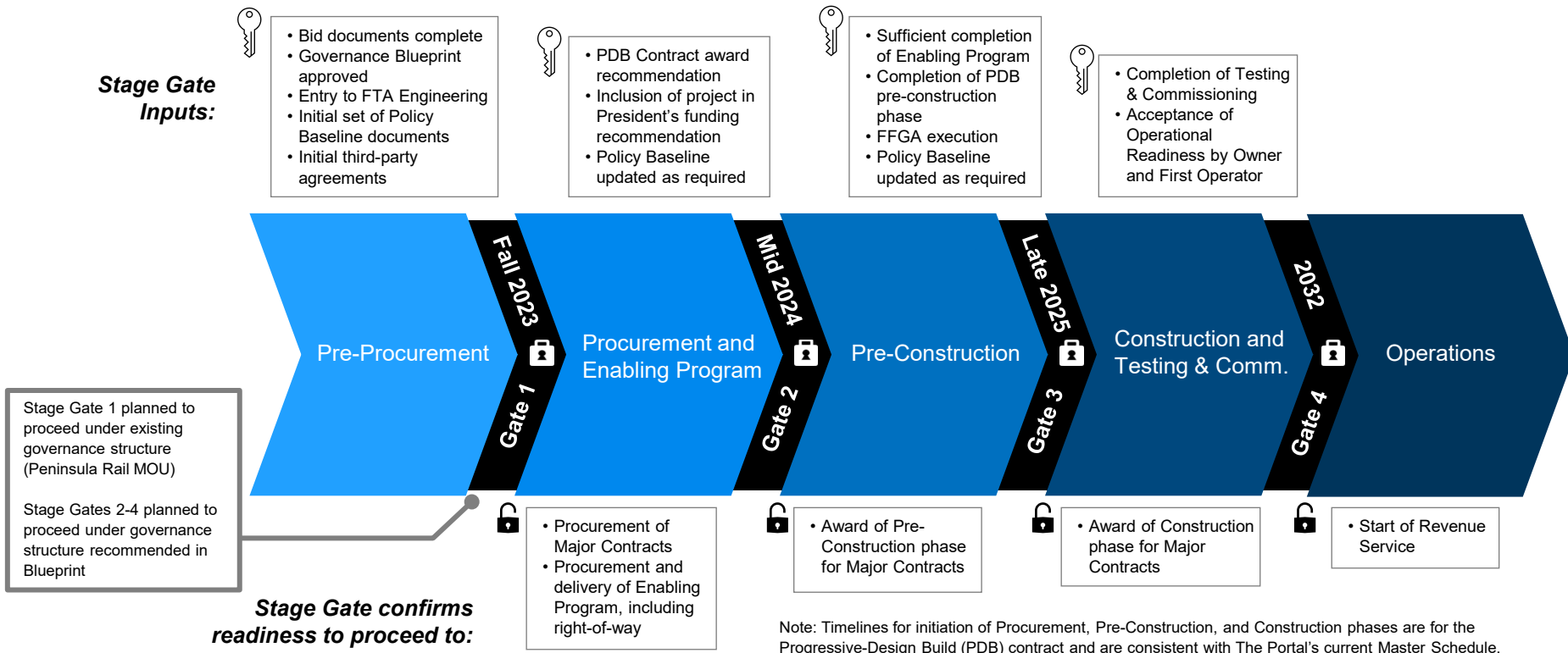
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Policy Baseline Documents

- Blueprint recommends structure for Policy Baseline as part of overall approach to control scope, budget, and schedule

- Policy Baseline documents to be controlled at Board level:

Document	Description	Basis
Policy Baseline Project Definition	Summary description of the project scope, including project objectives, major design requirements, overall configuration, and service plan for revenue service	- Existing documentation, including approved environmental documents and material prepared for the Federal Transit Administration (FTA) - Design criteria/requirements - Service plan
Policy Baseline Schedule	Milestone schedule indicating target dates of major milestones, consistent with the Master Schedule	Master Schedule
Policy Baseline Budget	Project budget describing expenditures at the level of major cost categories, consistent with the more detailed budget developed at an individual cost category level	Detailed Project Budget
Policy Baseline Funding Plan	The capital funding plan and operations and maintenance (O&M) funding plan	20-Year Financial Plan
Policy Baseline Risk Matrix	Matrix describing major risks and risk categories, with planned risk ownership/allocation and mitigation approach	- Approved Project Delivery Strategy - Project Risk Register

Stage Gate Framework

- Blueprint recommends Stage Gate Framework to support alignment of decision-making at project milestones
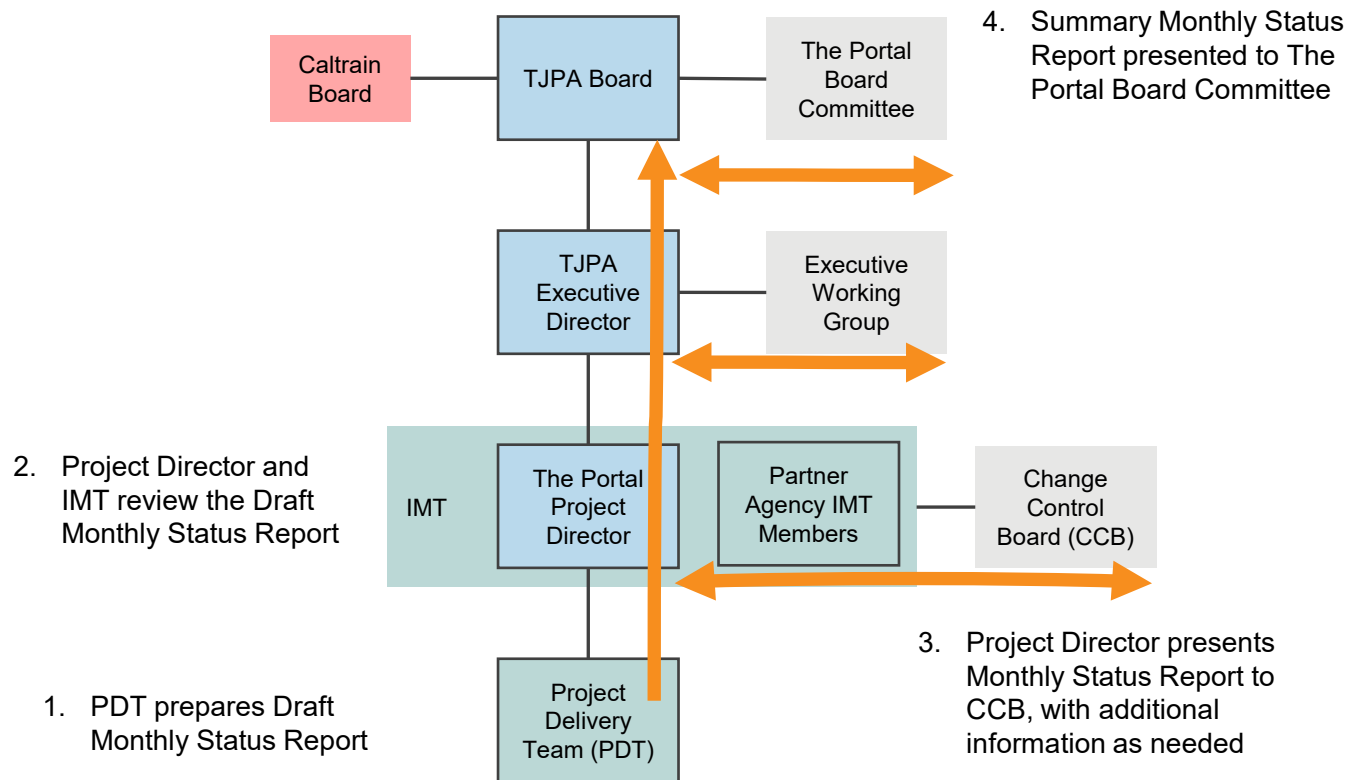
Stage Gate Inputs:

Gate 1 inputs:
- Bid documents complete
- Governance Blueprint approved
- Entry to FTA Engineering
- Initial set of Policy Baseline documents
- Initial third-party agreements

Gate 2 inputs:
- PDB Contract award recommendation
- Inclusion of project in President's funding recommendation
- Policy Baseline updated as required

Gate 3 inputs:
- Sufficient completion of Enabling Program
- Completion of PDB pre-construction phase
- FFGA execution
- Policy Baseline updated as required

Gate 4 inputs:
- Completion of Testing & Commissioning
- Acceptance of Operational Readiness by Owner and First Operator

Stage Gate 1 planned to proceed under existing governance structure (Peninsula Rail MOU)

Stage Gates 2-4 planned to proceed under governance structure recommended in Blueprint

Pre-Procurement — Fall 2023 — Gate 1 — Procurement and Enabling Program — Mid 2024 — Gate 2 — Pre-Construction — Late 2025 — Gate 3 — Construction and Testing & Comm. — 2032 — Gate 4 — Operations

Stage Gate confirms readiness to proceed to:

Gate 1:
- Procurement of Major Contracts
- Procurement and delivery of Enabling Program, including right-of-way

Gate 2:
- Award of Pre-Construction phase for Major Contracts

Gate 3:
- Award of Construction phase for Major Contracts

Gate 4:
- Start of Revenue Service

Note: Timelines for initiation of Procurement, Pre-Construction, and Construction phases are for the Progressive-Design Build (PDB) contract and are consistent with The Portal's current Master Schedule.

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8

Change Control: Change Types

- Blueprint recommends framework for change types and associated decision-making:

Change Type	Definition	Decision Process
1. **Minor Change**	A change that does not conflict with the Policy Baseline and is less than a defined threshold.	▪ TJPA Board delegates (through the TJPA Executive Director) to Project Delivery Team, with all changes reported to CCB (through TJPA Project Director and IMT)
2. **Significant Change**	A change that does not conflict with the Policy Baseline and is more than a defined threshold.	▪ CCB reviews and recommends whether to approve changes ▪ TJPA Board delegates to TJPA Executive Director (and TJPA Project Director); Delegated Authorities Framework should consider thresholds for TJPA Board delegation to TJPA Executive Director or retention of authority by TJPA Board for very large Significant Changes.
3. **Policy Change**	A change that significantly alters or threatens the planned outcomes of the project, including all changes that are materially inconsistent with the Policy Baseline.	▪ TJPA Board approves, with recommendation by CCB (through TJPA Executive Director) ▪ Where required: approval by other agency with decision authority, per governing agreements (e.g., MCA)

Project Status Reporting

- Blueprint recommends single flow of project information up from the PDT to management, executive, and policy levels

4. Summary Monthly Status Report presented to The Portal Board Committee

2. Project Director and IMT review the Draft Monthly Status Report

3. Project Director presents Monthly Status Report to CCB, with additional information as needed

1. PDT prepares Draft Monthly Status Report

Diagram boxes:
- Caltrain Board
- TJPA Board
- The Portal Board Committee
- TJPA Executive Director
- Executive Working Group
- IMT
- The Portal Project Director
- Partner Agency IMT Members
- Change Control Board (CCB)
- Project Delivery Team (PDT)

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10

Governance Blueprint Implementation

Blueprint identifies major areas of follow-up work to implement the Blueprint:

- **Delegated Authorities Framework** to establish thresholds for each Change Type and align with decision procedures across the governance structure – to be reflected in Successor MOU

- **Successor MOU** to replace the existing Peninsula Rail Program MOU, which expires on 12/31/2023

- **Formation of Governance Bodies**

  - Establishment of The Portal Board Committee by TJPA Board

  - Formation of CCB, to be in place as a body no later than start of Enabling Program construction (mid-2024)

ESC Recommendation

Approve the DTX/The Portal Governance Blueprint, as recommended by the ESC.

Questions?