STAFF REPORT FOR CALENDAR ITEM NO.: 13
FOR THE MEETING OF: January 30, 2025

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:
Consider authorizing the Board Chair to execute The Portal Project Implementation Memorandum of Understanding (Implementation MOU) with Partnering Agencies to support implementation of The Portal, also known as Downtown Rail Extension (DTX).

EXPLANATION:
Background

On April 9, 2020, TJPA adopted the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU) describing, in part, an organizational structure to support the efforts of the TJPA to develop the DTX project (also known as The Portal). This organizational structure included the Executive Steering Committee (ESC) and the Integrated Program Management Team (IPMT). The MOU was a six-party agreement among the TJPA, the Metropolitan Transportation Commission (MTC), the San Francisco County Transportation Authority (SFCTA), the Peninsula Corridor Joint Powers Board (Caltrain), the California High-Speed Rail Authority (CHSRA), and the City and County of San Francisco Mayor's Office (CCSF). The MOU defined a work program intended to bring the project to ready-for-procurement status.

The term of the MOU was scheduled to expire on June 5, 2023. On May 11, 2023, the Board authorized the Board Chair to execute a first amendment to the MOU to extend the term of the agreement to December 31, 2023. On August 10, 2023, the Board approved a Governance Blueprint for The Portal which recommended a governance structure for the delivery of The Portal, encompassing the procurement and construction of the project. The Blueprint called for the preparation of a new six-party memorandum of understanding to succeed the MOU to serve a framework for coordination and engagement of the partner agencies in the implementation of the project through construction and commissioning. On December 14, 2023, the Board authorized the Board Chair to execute a second amendment to the MOU to extend the term of the agreement to May 10, 2024.

Since the expiration of the MOU, and while the Implementation MOU was developed, the agencies have continued to coordinate efforts in the manner described in the Governance Blueprint. Additionally, the TJPA Executive Director entered into The Portal Project Administrative Management Agreement (Management Agreement), whereby they created the administrative structure, consistent with the policy recommendations in the Governance Blueprint, to support the management and administrative actions necessary for the development of The Portal.

Implementation MOU

Since the completion of the Governance Blueprint, the SFCTA and MTC have led work with the IPMT to prepare the Implementation MOU, which will be among the same six partner agencies, to support TJPA's delivery of the project. The Implementation MOU will have a term through substantial completion of the major construction contracts and completion of a project evaluation report.

The Implementation MOU contemplates that the TJPA Board will establish The Portal

Committee as a standing committee of the TJPA Board to provide review and recommendation to the TJPA Board on certain policy matters related to The Portal. The Implementation MOU contemplates that the Board will form the Committee prior to the start of Phase 2 of implementation of the Governance Blueprint (generally, by the date of the first award of any construction contract for the project, including the pre-construction phase of the 40-CT civil and tunnel contract). The Implementation MOU contemplates that The Portal Committee will consist of three voting members appointed by the TJPA Board. The Implementation MOU also contemplates that the TJPA Board will invite MTC to designate a non-voting representative to the Board's committee.

The Implementation MOU also acknowledges the administrative organizational structure established by the TJPA Executive Director under the Management Agreement. Pursuant to that Agreement, the Executive Director established the bodies as described below:

- Executive Working Group, with senior executive representation from the six partner agencies, supporting the TJPA Executive Director's executive management of the project and provide advice and recommendations to the Executive Director about delivery of The Portal.
- Integrated Program Management Team, with responsibility to support the TJPA Project Director in the development and delivery of The Portal during Phase 1 of the implementation period for the Governance Blueprint.
- Configuration Management Working Group, with responsibility to review significant modifications to The Portal project configuration during Phase 1 of the implementation period for the Governance Blueprint.
- Change Control Board, with responsibility for reviewing and recommending certain policy changes and significant changes to The Portal during Phase 2 of the implementation period for the Governance Blueprint. This body will replace the Configuration Management Working Group.
- Integrated Management Team, with responsibility to provide advice and support to the TJPA Project Director in the management of The Portal during Phase 2 of the implementation period of the Governance Blueprint. This body will replace the Integrated Project Management Team.
- Integrated Program Delivery Team, with responsibility for delivery of The Portal consistent with the approved scope, budget, and schedule.

The Management Agreement includes a multi-agency work program (WP) and describes the process for annually updating the WP reflecting activities over approximately the next three years to advance The Portal, including those activities necessary to secure the Full Funding Grant Agreement with Federal Transit Administration. Under the Implementation MOU, TJPA will work with the partner agencies to update this work program on an annual basis, in support of agencies' annual budgeting processes.

The Implementation MOU has been adopted by all other partner agencies.

RECOMMENDATION:
Consider authorizing the Board Chair to execute Implementation MOU with Partnering Agencies to support implementation of The Portal.

ENCLOSURES:
1. Resolution
2. Implementation Memorandum of Understanding

TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

Resolution No. _____

RESOLVED, That the TJPA Board of Directors authorizes the Board Chair to execute The Portal Project Implementation Memorandum of Understanding with the Metropolitan Transportation Commission, the San Francisco County Transportation Authority, the Peninsula Corridor Joint Powers Board (Caltrain), the California High Speed Rail Authority, and the City and County of San Francisco in the form presented to the TJPA Board and on file with the Secretary of the Board.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of January 30, 2025.

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Secretary, Transbay Joint Powers Authority

The Portal Project Implementation Memorandum of Understanding

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The Portal Project Implementation Memorandum of Understanding (MOU), effective _____, is between the Transbay Joint Powers Authority (TJPA); the Metropolitan Transportation Commission (MTC); the San Francisco County Transportation Authority (SFCTA); the Peninsula Corridor Joint Powers Board (Caltrain); the California High-Speed Rail Authority (CHSRA); and the City and County of San Francisco (CCSF) (each a "Partner" and collectively the "Partners").

1. Definitions:

Blueprint: The Portal Governance Blueprint, a policy document approved by the TJPA Board in August 2023, which identifies policy recommendations for the coordination and engagement of the Partners in the implementation of the Project.

Change Control Board (CCB): multi-agency body convened by the TJPA Executive Director, with representation from all six Partners, with responsibility during Phase 2 of Blueprint Implementation to review and recommend Significant Changes and Policy Changes.

Configuration Management Working Group (CMWG): multi-agency body convened by the TJPA Executive Director, with representation from all six Partners, with responsibility during Phase 1 of Blueprint Implementation to review and recommend Significant Modifications to Project Configuration.

Executive Working Group (EWG): multi-agency body convened and led by the TJPA Executive Director, with representation from all six Partners, with responsibility during Phase 1 and Phase 2 of Blueprint Implementation to provide advice and recommendations to the TJPA Executive Director and to support the TJPA Executive Director's reporting to The Portal Committee and TJPA Board, including review of policy items advancing to the Board level.

Federal Transit Administration (FTA): the FTA is the planned grantor of federal Capital Investment Grant funds.

Integrated Management Team (IMT): a senior management group, convened by the TJPA Executive Director and led by the TJPA Project Director, with representation from the Partners or from a sub-set of the Partners as mutually agreed, with responsibility during Phase 2 of Blueprint Implementation to integrate/coordinate management-level activities across the agencies, remove roadblocks and marshal resources, and provide early/ongoing visibility into Project status, issues, and risks.

Integrated Program Management Team (IPMT): a senior management group, convened by the TJPA Executive Director and led by the TJPA Project Director, with representation from all six Partners, supporting the Project during Phase 1 of Blueprint Implementation.

Integrated Program Delivery Team (IPDT): the integrated team convened by the TJPA Executive Director and led by the TJPA Project Director consisting of representatives from TJPA, Caltrain, and CHSRA, their consultants and contractors, and other resources/personnel as required, with responsibility to deliver the Project.

IPDT Framework: a management document describing the parameters of the IPDT.

Major Contracts: The primary construction contracts through which the Project will largely be delivered, which are the Civil-Tunnel Progressive Design-Build (PDB/40-CT), Track and Systems Construction Manager-General Contractor (CMGC), Salesforce Transit Center Station Fit-Out CMGC, and Fourth and King Yard (4KY) Package B as this list may be amended by mutual agreement of the Partners.

Minor Change: A Project Change that does not conflict with the Policy Baseline and is less than a threshold defined in the CCB Charter.

Partners: the six agencies party to this MOU: the Transbay Joint Powers Authority (TJPA); the Metropolitan Transportation Commission (MTC); the San Francisco County Transportation Authority (SFCTA); the Peninsula Corridor Joint Powers Board (Caltrain); the California High-Speed Rail Authority (CHSRA); and the City and County of San Francisco (CCSF). Collectively the Partners and each individually a Partner.

Peninsula Rail Program MOU: The San Francisco Peninsula Rail Program Memorandum of Understanding, executed among the Partners in 2020 and having expired on May 10, 2024.

Phase 1 of Blueprint Implementation: The first period governed by this MOU, from date of completion of this MOU's execution by all six Partners until the start of Phase 2 of Blueprint Implementation as defined herein, during which time The Portal Board Committee will be established. Also, during this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CMWG, IPMT, and IPDT will be held, as described in Section 7 of this MOU.

Phase 2 of Blueprint Implementation: The final period governed by this MOU, to take effect no later than the Start of Project Delivery, as defined herein, and continuing through the term of this MOU. During this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CCB, IMT, and IPDT will be held, as described in Section 7 of this MOU.

Policy Change: A Project Change that significantly alters or threatens the planned outcomes of the Project, or otherwise exceeds a threshold defined in the CCB Charter for a Policy Change, including all changes that are materially inconsistent with the Policy Baseline.

Policy Baseline: a collection of formal documents, to be brought forward for consideration by the TJPA Board, that will collectively describe the Project's scope, schedule, budget, funding plan, and risk approach.

Project: The Portal, also known as the Downtown Rail Extension, as described in Section 5 of this MOU.

Project Change: A modification to the Project's configuration, schedule, budget, and/or contracts (including changes to contract scope, schedule, and/or cost).

Project Configuration: The combined physical, functional, and operational characteristics of structures, systems, and components of the Project.

Revenue Service: Regular rail operations on the Project that serve fare-paying passengers.

Significant Change: A Project Change that does not conflict with the Policy Baseline and that exceeds a threshold defined in the CCB Charter.

Significant Modification to Project Configuration: A modification to Project Configuration with a material impact on the planned outcomes of the Project.

Start of Project Delivery: The date of the first award of any construction contract for the Project, specifically the earliest date of either: the award of the pre-construction phase of the Civil-Tunnel Progressive Design-Build (PDB/40-CT) contract; or the award of the first enabling construction contract package, including packages for the Fourth and King Railyard.

Status Report: a report prepared monthly by the Integrated Program Delivery Team.

Stage Gates: a sequence of formal review points during the Project to assess the Project's readiness to advance and to make recommendations to the TJPA Board.

Summary Work Program: A document describing the Project's activities and Partner roles and responsibilities in these activities over at least the coming two years, to be updated annually and presented to the TJPA Board.

The Portal Committee: a standing committee of the TJPA Board, providing transparent and dedicated venue for review and recommendation to the TJPA Board of policy matters to be established during Phase 1 of Blueprint Implementation and to continue during Phase 2 of Blueprint Implementation.

2. Purpose:

The Partners recognize that The Portal is a critical rail link in the Bay Area, Northern California mega-region, and statewide transportation system and that it will be most efficiently and

effectively delivered through a multi-agency partnership among local, regional, and state stakeholder agencies with expertise in developing, funding, and implementing major infrastructure projects.

This MOU describes the multi-agency coordination, administrative organizational structure, and processes that will support the efforts of the TJPA in the delivery of The Project. This MOU is intended to be consistent with the policy recommendations of The Portal Governance Blueprint, which is attached to this MOU and incorporated by reference herein. In the event of inconsistency between the MOU and the Blueprint, the MOU shall take precedence.

This MOU describes the currently contemplated primary roles and responsibilities of each of the Partners. This MOU does not establish funding contributions or payment between the parties.

3. Partner Agency Primary Roles and Responsibilities:

The Partners recognize that – and nothing in this MOU is intended to imply otherwise – state law and the TJPA's 2001 Joint Powers Agreement (as amended) provide that the TJPA has primary jurisdiction over and will implement The Portal that will connect the Salesforce Transit Center to the regional rail system and to the statewide high-speed rail system.

The Partners also recognize that each Partner has roles and responsibilities associated with the development and delivery of the Project. The Partners also recognize that each Partner bears certain risks associated with the Project and that the cooperation and engagement of all Partners is necessary to effectively manage Project risks. In addition to the Partners' participation in the management and organizational processes described in this MOU, each Partner's currently contemplated primary roles and responsibilities associated with delivery of the Project are summarized as follows:

TJPA is the lead agency and FTA grantee. TJPA is responsible for: managing the development, environmental clearance, design, procurement, construction, and commissioning of the Project; leading integration of all elements of the Project; ensuring the Project is compliant with FTA requirements; and managing and administering the governance, management, Partner engagement, and organizational processes and structures required to deliver the Project. TJPA will hold the Project's construction contracts, with the exception of any contract separately agreed by TJPA and any other Partner to be held by that Partner. TJPA is the FTA grantee and will lead and manage the Project's relationship with FTA.

Caltrain is expected to be the initial rail service operator providing regional rail service for The Portal. Caltrain owns and operates the corridor leading to The Portal.

CHSRA is expected to be a subsequent rail service operator providing statewide high-speed rail service for The Portal.

Both **Caltrain and CHSRA** will participate in a technical working group established as part of the Integrated Program Delivery Team (IPDT) to address and finalize technical requirements of infrastructure including tunnel, systems performance, safety and security in order to meet or exceed federal and state laws and regulations for both Caltrain and CHSRA operations and protect public health and safety. Responsibilities shall be as described in the IPDT Framework agreed upon between TJPA and the operators. The escalation path described in the IPDT Framework will be used to resolve any disagreement between Caltrain and CHSRA.

CCSF is the combined City and County host jurisdiction, planner and operator of CCSF infrastructure and services, a transportation planning agency, a transit agency, and a local funding entity. CCSF is responsible for: oversight and permitting related to streets, the Muni transit system, public realm, CCSF utilities, and other existing and future CCSF infrastructure and services; requiring that Project impacts to CCSF infrastructure and services are adequately mitigated; oversight and approval of CCSF infrastructure to be built or modified by the Project; coordinating input from CCSF departments, agencies, boards, and commissions; and participating in the planning, design, and implementation of the Project as requested or required by law.

SFCTA is the congestion management agency for San Francisco under state law and serves as sub-regional transportation planning agency and administrator of multiple local transportation funding sources. SFCTA is responsible for: conducting project management oversight of Project development and Project delivery, on behalf of the SFCTA Board and as a complement to oversight conducted by FTA and the FTA Project Management Oversight Consultant; serving as co-lead agency (with TJPA) for the Project's funding strategy and supporting funding advocacy; serving as lead agency for the preparation of ridership forecasts, working in collaboration with TJPA and the other Partners; supporting planning and funding coordination among local, regional, state, and federal agencies; and participating in the planning, design, and other activities of the Project as requested or required by law.

MTC is the regional transportation planning, financing, and coordinating agency. MTC is a direct investor through regional bridge tolls and is the responsible agency for prioritizing regional projects for major sources of funding. MTC is responsible for: providing a regional perspective in risk management and change management to ensure the responsible use of funds, consistency with policy commitments, and delivery of the Project as a sustainable and seamless component of the wider regional transportation network; and participating in the planning, design, and other activities of the Project as requested or required by law.

The Partners' specific roles and responsibilities will be periodically refined and elaborated in the Summary Work Program, as described in Section 13 of this MOU.

4. Term and Procedure for Amendment:

4.1 The term of this MOU shall be through the date of completion of the latest of the following milestones: substantial completion of the Major Contracts (as defined in those contracts); and the completion of a project evaluation report, to be presented to the TJPA Board within 12 months after the start of Revenue Service.

4.2 The Partners may amend, conclude or extend this MOU by mutual agreement; such agreement shall be evidenced in writing. Notwithstanding the foregoing, the TJPA may terminate this MOU in its discretion by action of the TJPA Board; prior to any such proposed termination, the TJPA shall meet and confer with the other Partners in a good faith effort to resolve any concerns and avoid the need for termination. Any other Partner may withdraw from this MOU in its discretion, following a meet-and-confer with the other Partners in a good faith effort to resolve any concerns and avoid the need for withdrawal. In the event that a Partner withdraws from this MOU, the remaining Partners will continue to cooperate as described herein.

5. Project Description:

The Portal, also known as the Downtown Rail Extension or DTX, will connect Caltrain's regional rail system and CHSRA's future statewide system to the Salesforce Transit Center in downtown San Francisco. The Project is an essential part of a long-term strategy to create seamless connections among local, regional, and statewide transportation systems and connect rail to important locations throughout the Northern California mega-region. The rail alignment will be constructed principally below grade to provide a critical link for Peninsula commuters and travelers on the state's future high-speed rail system.

6. Blueprint Implementation:

The Partners recognize that the Project will proceed into procurement and construction over time, and, as such, the Partners agree to a phased approach for engagement in the Project consistent with the Blueprint. Under this approach, the Blueprint's policy recommendations will proceed in two phases, as follows:

> **Phase 1 of Blueprint Implementation (Transition Phase):** an initial transition period, whereby the Blueprint's policy recommendations will be partially achieved. The term of Phase 1 will be from the date of execution of this MOU by all Partners until the date of start of Phase 2 of Blueprint Implementation, as described herein. During Phase 1, the TJPA Board will establish The Portal Committee. During this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CMWG, IPMT, and IPDT will be held, in the manner described in Section 7 of this MOU.

Phase 2 of Blueprint Implementation (Blueprint Fully Implemented): all policy recommendations codified in the Blueprint will be in place no later than the Start of Project Delivery, as defined herein. Phase 2 will be through the term of this MOU, as defined herein. The Portal Committee will be continued during Phase 2. During this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CCB, IMT, and IPDT will be held, in the manner described in Section 7 of this MOU.

7. Multi-Agency Coordination and Engagement:

The processes for multi-agency coordination and engagement amongst the Partners are described by this MOU as summarized below.

7.1 The Portal Committee of the TJPA Board

The TJPA Board holds decision authority on all matters related to the Project, including policy matters. The TJPA Board shall establish The Portal Committee, as a standing committee of the TJPA Board. The TJPA Board shall establish The Portal Committee prior to the start of Phase 2 of Blueprint Implementation.

The TJPA Board will appoint the membership of The Portal Committee. The Portal Committee shall consist of three voting members and shall be appointed by the TJPA Board according to its bylaws. The TJPA Board shall invite MTC to designate a non-voting representative to The Portal Committee.

The Portal Committee will provide a transparent and dedicated venue for review and recommendation of policy matters and decisions pertaining to the Project. The Committee will also conduct oversight of Project management and Project performance. The Committee shall report regularly to the TJPA Board and shall make recommendations for consideration by the full TJPA Board. The Committee shall convene at least quarterly and may convene more frequently as the Project may require.

7.2 Executive Working Group

The TJPA Executive Director, of their own authority, has convened an Executive Working Group (EWG) for the Project, to provide the Executive Director with advice and recommendations about the delivery of the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the EWG will convene on an ongoing basis throughout Phase 1 and Phase 2 of Blueprint Implementation.

The TJPA Executive Director confirmed, and the Partners concurred, that the EWG consists of the chief executives (or their designee) of TJPA, MTC, SFCTA, Caltrain, CHSRA, and CCSF (for CCSF, the EWG member will be the Mayor's designee).

The TJPA Executive Director requested, and the Partners concurred, that the EWG support the Executive Director's executive-level management of the Project, including consideration of the Partners' best practices and lessons learned. The Executive Director requested, and the Partners concurred, that the EWG provide policy review support to the TJPA Executive Director and support the TJPA Executive Director's reporting to The Portal Committee and TJPA Board, including review of policy items advancing to the Board level. The Executive Director requested, and the Partners concurred, that the EWG also receive and provide input on issues escalated, through the TJPA Executive Director, by the TJPA Project Director, the Integrated Program Management Team, and the Integrated Management Team. The TJPA Executive Director requested, and the Partners concurred, that the EWG provide the Executive Director with recommendations for their consideration.

7.3 Integrated Program Management Team

The TJPA Executive Director, of their own authority, has convened the Integrated Program Management Team (IPMT) to support development and delivery of the Project during Phase 1 of Blueprint Implementation. The TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will regularly meet until such time as the IMT and the CCB begin regularly meeting. The TJPA Executive Director confirmed, and the Partners concurred, that the TJPA Project Director will continue to lead the IPMT.

The TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will continue to consist of representatives from each of the Partners with relevant experience in large complex projects, as designated by their corresponding EWG member. The TJPA Executive Director requested, and the Partners concurred, that each EWG member designate a lead IPMT member and an alternate IPMT member for the respective Partner, and that the IPMT will continue to be supported by additional relevant qualified personnel from the Partners and their consultants.

The TJPA Executive Director confirmed, and the Partners concurred, that, during Phase 1 of Blueprint Implementation, the IPMT will: provide technical review support, input, and coordination to the Project's work program of project development, procurement preparation, procurement, and other activities; recommend Policy Baseline documents and Stage Gate milestones; review Status Reports; and provide input on the development of the Summary Work Program. The TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will review items advancing to the EWG through the TJPA Executive Director, and IPMT members will provide staff support to respective EWG members.

The TJPA Executive Director confirmed, and the Partners concurred, that they will continue to convene the IPMT, that the TJPA Project Director will continue to lead the IPMT, and that TJPA

will be responsible for managing IPMT proceedings, including agenda management, advance provision of materials, and documentation of meetings.

7.4 Configuration Management Working Group

The TJPA Executive Director, of their own authority, has convened the Configuration Management Working Group (CMWG). The TJPA Executive Director confirmed, and the Partners concurred, that the CMWG will meet when required during Phase 1 of Blueprint Implementation, until such time as the Integrated Management Team and the Change Control Board begin meeting regularly.

The TJPA Executive Director confirmed, and the Partners concurred, that the CMWG will continue to consist of each Partner's lead representative on IPMT.

The TJPA Executive Director confirmed, and the Partners concurred, that the CMWG will continue to be responsible for reviewing proposed Significant Modifications to Project Configuration and for making recommendations regarding the adoption of such changes to the TJPA Executive Director for discussion at the EWG and/or The Portal Committee. The TJPA Executive Director confirmed, and the Partners concurred, that the TJPA Project Director will continue to be responsible for managing CMWG process and proceedings, including agenda management, advance provision of materials, documentation of meetings, and preparation of additional analysis to support decision-making.

7.5 Change Control Board

The TJPA Executive Director, of their own authority, has convened a Change Control Board (CCB) for the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the CCB will meet regularly starting during Phase 2 of Blueprint Implementation, as defined herein.

The TJPA Executive Director confirmed, and the Partners concurred, that the CCB includes representation from each of the Partners.

The TJPA Executive Director confirmed, and the Partners concurred, that the CCB will: consider and recommend Policy Changes and Significant Changes, as described in Section 10 of this MOU; and regularly review Project Change reports documenting Project Changes approved beneath thresholds defined in the CCB Charter for Significant Changes. The TJPA Executive Director confirmed, and the Partners concurred, that the CCB will also: support risk management activities; support identification of policy matters requiring review and decision-making; and perform other duties to the extent specified in the CCB Charter.

During Phase 1 of Blueprint Implementation, the TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will prepare a recommended CCB Charter and that the CCB Charter will codify: the CCB's standard meeting frequency and standing agenda structure;

approach to term and rotation of the CCB Chair and Vice Chair; procedures for CCB review and recommendation of Significant Changes and Policy Changes; CCB voting composition; detailed definition of Minor Changes, Significant Changes, and Policy Changes; and respective thresholds for these types of Project Change types. The TJPA Executive Director confirmed, and the Partners concurred, that: the IPMT will recommend the CCB Charter; the TJPA Executive Director will review the recommended CCB Charter with the EWG; and the final CCB Charter will be brought forward for approval by the Partners at an executive staff level. The Integrated Program Delivery Team shall prepare and/or update relevant project management plans and procedures to be consistent with the CCB Charter.

7.6 Integrated Management Team

The TJPA Executive Director, of their own authority, has convened an Integrated Management Team (IMT) for the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will be led by the TJPA Project Director and that the IMT will meet regularly stating during Phase 2 of Blueprint Implementation, concurrent with the sunset of the IPMT and the start of regular meetings of the CCB.

The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will provide advice to the TJPA Project Director and support the TJPA Project Director in the management of the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will: integrate and coordinate project activities and commitments across IMT Partners; solve problems, remove roadblocks, and marshal resources; align direction to the Integrated Project Delivery Team; support risk management; and provide input to Project reporting.

The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will be led by the TJPA Project Director and the IMT will include senior management representation from those Partners with the basis and capacity for participation.

7.7 Integrated Program Delivery Team

The TJPA Executive Director, of their own authority, has convened an Integrated Program Delivery Team (IPDT) for the Project, consisting of representatives from TJPA, Caltrain, and CHSRA, their consultants and contractors, and other resources/personnel as required. The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will meet regularly during Phase 1 and Phase 2 of Blueprint Implementation.

The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will be the primary staff-level body with the responsibility to deliver the Project so that it can be implemented within the approved scope, budget, and schedule. The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will include team members that provide day-to-day management and delivery of the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will be comprised of dedicated staff residing in a co-located office with the support of remote teams and specialty technical experts and that each

party's IPDT team members will be directly supported by their own Project organizational structures.

The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will be led by the TJPA Project Director. The TJPA Executive Director confirmed, and the Partners concurred, that the TJPA Project Director and the operators and their representatives will work cooperatively to resolve open issues regarding the Project and will be responsible for informing executive management at their respective agency of critical issues.

8. Policy Baseline:

The Partners recognize the need to structure and focus policy-level decision-making for the Project and to delegate management-level decision-making. The Partners expect that the TJPA Board will establish a Policy Baseline for the Project, with subsequent changes to the Policy Baseline controlled by the TJPA Board.

The Policy Baseline will describe the Project's scope, schedule, budget, funding plan, and risk approach. From time to time, the IPDT may prepare more detailed Baseline documents, which will be consistent with the Policy Baseline. The Policy Baseline shall consist of five documents, as follows: Project Definition; Schedule; Budget; Funding Plan; and a Policy Baseline Risk Document. Section 3 of The Portal Governance Blueprint, which is provided as Attachment #1 to this MOU, summarizes the anticipated basis and anticipated content of the Policy Baseline documents.

The Policy Baseline documents shall be presented to the TJPA Board for its consideration. The Partners expect that the TJPA Board will adopt first versions of all five Policy Baseline documents during Phase 1 of Blueprint Implementation. During Phase 2 of Blueprint Implementation, review and recommendation of Policy Baseline documents shall follow the process for a Policy Change as described in Section 10 of this MOU. During Phase 1 of Blueprint Implementation, the TJPA Project Director confirmed they will seek the recommendation of the IPMT for proposed Policy Baseline documents, and the TJPA Executive Director confirmed they will seek the review of the EWG for proposed Policy Baseline documents.

9. Stage Gates:

The Partners recognize the need to assess the Project's readiness to advance to subsequent major phases of delivery. The Project shall utilize a Stage Gate process to align decision-making at major milestones, ensure the completion of preceding tasks, consider the Project's readiness for successive phases of work, and provide for periodic review and advice.

At each Stage Gate milestone, the Partners expect that the TJPA Board will consider granting approval to proceed to the next phase of the Project and will consider authorizing any specific associated actions. In preparation for a Stage Gate, the IPDT will prepare an assessment of Project readiness. In preparing Stage Gate recommendations, the TJPA Project Director confirmed they will seek the review and recommendation of the IPMT or CCB, and the TJPA Executive Director confirmed they will seek the review of the EWG.

The Stage Gate process will be invoked at the following project milestones:

Stage Gate #1 – Procurement and Enabling Program: Initiation of procurement of the project's Major Contracts, beginning with PDB/40-CT Request for Proposals. Procurement and delivery of the enabling program will also proceed.

Stage Gate #2 – Pre-Construction: Initiation of the pre-construction phase for the project's Major Contracts, beginning with PDB/40-CT.

Stage Gate #3 – Construction: Initiation of the construction phase of the Major Contracts, beginning with PDB/40-CT.

Stage Gate #4 – Testing and Commissioning: Initiation of testing and commissioning activities, including trial running of rail vehicles.

Stage Gate #5 – Entry into Service: Start of Revenue Service.

Section 3 of The Portal Governance Blueprint, provided as Attachment #1 to this MOU, presented the draft Stage Gate Framework for the Project, including anticipated precedent deliverables and milestones for each Stage Gate (with the exception of the separate Stage Gate for Testing and Commissioning, which has been added herein). Progression through the Project's Stage Gates 1, 2, and 3 may proceed in partial/progressive form at an individual Major Contract level, to reflect the differential schedules of individual Major Contracts.

10. Change Decision Framework:

The Partners recognize that the need for changes will occur throughout the delivery of the Project, including during procurement, construction, and testing and commissioning. The Partners also recognize that Project Changes should be controlled to ensure that the Project's planned outcomes are achieved and that the impacts of Project Change decisions are understood by the Partners.

Project Changes include modifications to configuration, schedule, budget, and/or contracts (including changes to contract scope, schedule, and cost). The following framework, as described in Section 4 of the Blueprint, will be used to categorize Project Change types:

Minor Change: A Project Change that does not conflict with the Policy Baseline and is less than a defined threshold.

Significant Change: A Project Change that does not conflict with the Policy Baseline and that exceeds a defined threshold.

Policy Change: A Project Change that significantly alters or threatens the planned outcomes of the Project, or otherwise exceeds the defined threshold for a Policy Change, including all changes that are materially inconsistent with the Policy Baseline.

Specific thresholds for each level of Project Change shown above will be defined in the CCB Charter, as described in Section 7.5 of this MOU. The Partners anticipate that under the CCB Charter, Project Changes will generally follow the following processes for review, recommendation, and decision-making:

Minor Changes: Authority delegated by the TJPA Board to the TJPA Executive Director and from the Executive Director to the TJPA Project Director, or as otherwise delegated within the IPDT, with record of Minor Changes reported to the CCB.

Significant Changes: Reviewed and recommended by the CCB, with consideration of impact or compliance with the Policy Baseline. Authority delegated from the TJPA Board to TJPA Executive Director, with potential retention of authority by the TJPA Board for very large Significant Changes.

Policy Changes: TJPA Board retains approval authority. The TJPA Executive Director shall seek the review and recommendation of the CCB, and the TJPA Executive Director shall bring forward final recommendations to the TJPA Board. The TJPA Executive Director shall concurrently bring forward to the TJPA Board any recommended amendment or amendments to the Policy Baseline associated with a Policy Change.

11. Project Status Reporting:

The Partners recognize that timely, accurate, and accessible project information is essential to effective decision-making at all levels.

The IPDT will prepare a detailed Project Status Report monthly. The TJPA shall lead preparation of the Status Report. The TJPA Project Director will be responsible for the Report. The TJPA Project Director will present (or otherwise furnish) the Status Report to the IPMT or CCB. The TJPA Executive Director shall present (or otherwise furnish) a summary version of the Status Report to The Portal Committee, with the Report also made available to the full TJPA Board. During Phase 2 of Blueprint Implementation, the Project Director confirmed they will engage the IMT during the period of preparation of the Report. A draft of the Status Report will be provided to IMT members to support briefing of their originating organizations.

12. Procedures for Decision Review, Recommendation, and Escalation:

Section 6 of the Blueprint describes General Procedures for multi-agency coordination and engagement in decision review, recommendation, and escalation, as fully in place during Phase 2 of Blueprint Implementation. These General Procedures are incorporated by reference herein. In the event of inconsistency between the MOU and the Blueprint's General Procedures, the MOU shall take precedence.

13. Summary Work Program:

The Partners recognize the need for documentation of the Project's work program, to facilitate mutual understanding of Project activities and support each Partner's own forward planning and resource allocation.

The Partners agree to prepare a Summary Work Program to describe the Project's activities and Partner roles and responsibilities in these activities over a reasonable period (at least two years). The Summary Work Program shall be consistent with the Project work plan prepared and maintained by the IPDT. TJPA shall lead preparation and periodic update of the Summary Work Program; the TJPA Project Director confirmed they will request the input and cooperation of the IPMT or IMT. The TJPA Project Director confirmed they will seek the recommendation of the IPMT or IMT for the proposed Summary Work Program; the TJPA Executive Director confirmed they will seek the review of the EWG of the proposed Summary Work Program; and the Summary Work Program shall be presented to the TJPA Board.

The Summary Work Program shall be updated on an annual basis, in parallel with the Partners' own processes to prepare and approve annual budgets, and presented to the TJPA Board. The TJPA Project Director confirmed they will present the draft Summary Work Program to the IPMT or IMT by March of each year, and the TJPA Executive Director confirmed they will present the draft Summary Work Program to the EWG by April of each year.

14. Resourcing and Other Agencies:

The Partners will work together to identify the necessary resources to support their respective responsibilities associated with delivery of the Project and participation in the activities of the bodies described in this MOU. This MOU does not commit any Partner to provide any resources beyond those that any individual Partner may have already committed to the Project and/or to their own associated activities. This MOU commits the Partners to participation in the processes described herein but does not constitute a commitment of financial resources.

The Partners recognize that other state, regional and local government agencies, such as BART, Capitol Corridor Joint Powers Authority, California State Transportation Agency, and Caltrans, have an interest in and/or expertise regarding the Project. Accordingly, the Partners agree to work collaboratively to engage those agencies as appropriate during implementation of the Project.

15. Other Agreements:

The Partners acknowledge that there are other agreements already entered into by some or all of the Partners or which may be entered into in the future related to the Project or other related or unrelated matters, including but not limited to: bilateral agreements between TJPA and CCSF, between TJPA and Caltrain, and between TJPA and CHSRA; agreement(s) between Caltrain and CHSRA; and the Railyards MOU. This MOU is separate from and does not modify or replace any other MOU or other agreement to which one or more of the Partners is party.

Future agreements between or among two or more of the Partners concerning the Project cannot impair the rights and obligations of the parties as articulated in this MOU without the prior written consent of all parties to this MOU.

16. No Adjudication of Rights:

The MOU does not adjudicate legal rights with respect to the development of the Project or provide the Partners with any rights with respect to the revenues derived therefrom.

17. General Conditions:

17.1 Each Partner will conduct its activities under this MOU in accordance with applicable federal, state, and local laws, regulations, and standards.

17.2 Each Partner will ensure that personnel assigned by it to conduct activities under this MOU are appropriately qualified or licensed to perform the tasks assigned to them.

17.3 Each Partner will hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for the activities under this MOU in confidence to the extent permitted by law. Where applicable, the provisions of California Government Code section 7921.505(c)(5) shall protect the confidentiality of such documents if said documents are shared between the Partners. The Partners will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete the activities under this MOU without the written consent of the Partner authorized to release them, unless required and authorized to do so by law. If a Partner receives a public records request pertaining to activities under this MOU, that Partner will notify

the other Partners within five (5) working days of receipt and make the other Partners aware of any intent to disclose public documents. The Partners will consult with each other prior to the release of any public documents or statements related to the activities under this MOU. Nothing herein shall require any Partner to waive any attorney-client privileges or other protections it otherwise has a right to assert.

17.4 The Partners do not intend this MOU to create a third-party beneficiary or define duties, obligations, or rights of parties not signatory to this MOU.

17.5 The Partners will not assign or attempt to assign their rights or obligations under this MOU to parties not signatory to this MOU without an amendment to this MOU.

17.6 The following document is an Attachment hereto:

1. Policy Document: The Portal Governance Blueprint

IN WITNESS WHEREOF, the Partners have executed this MOU as of the date first written above.

Transbay Joint Powers Authority

By: _____
Jeff Gee, TJPA Board Chair

Date: _____

Address: 425 Mission Street, Suite 250
San Francisco, CA 94105

Metropolitan Transportation Commission

By: DocuSigned by: Andrew Fremier 8584B49D6DE64E9...
Andrew Fremier, Executive Director

Date: 12/19/2024

Address: 375 Beale Street, Suite 800
San Francisco, CA 94105

San Francisco County Transportation Authority

By: DocuSigned by: FFD2528AB8BE49B...
Tilly Chang, Executive Director

Date: 1/14/2025

Address: 1455 Market Street, Floor 22
San Francisco, CA 94103

Peninsula Corridor Joint Powers Board

By: DocuSigned by: Michelle Bouchard 9F8CA274DD1F4B4...
Michelle Bouchard, Executive Director

Date: 1/14/2025

Address: 1250 San Carlos Avenue
San Carlos, CA 94070

California High-Speed Rail Authority

By: _____
Ian Choudri, Chief Executive Officer

Date: _____

Address: 770 L Street, Suite 620
Sacramento, CA 95814

City and County of San Francisco

By: _____
Mayor London N. Breed

Date: _____

Address: 1 Dr Carlton B Goodlett Pl
San Francisco, CA 94102

IN WITNESS WHEREOF, the Partners have executed this MOU as of the date first written above.

Transbay Joint Powers Authority

By: _____

_____, TJPA Board Chair

Date: _____

Address: 425 Mission Street, Suite 250
San Francisco, CA 94105

Metropolitan Transportation Commission

By: _____

_____, Executive Director

Date: _____

Address: 375 Beale Street, Suite 800
San Francisco, CA 94105

San Francisco County Transportation Authority

By: _____

_____, Executive Director

Date: _____

Address: 1455 Market Street, Floor 22
San Francisco, CA 94103

Peninsula Corridor Joint Powers Board

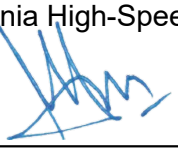
By: _____

_____, Executive Director

Date: _____

Address: 1250 San Carlos Avenue
San Carlos, CA 94070

California High-Speed Rail Authority

By: 

Ian Choudri, Chief Executive Officer

Date: November 19, 2024

Address: 770 L Street, Suite 620
Sacramento, CA 95814

City and County of San Francisco

By: _____

Mayor _____

Date: _____

Address: 1 Dr Carlton B Goodlett Pl
San Francisco, CA 94102

IN WITNESS WHEREOF, the Partners have executed this MOU as of the date first written above.

Transbay Joint Powers Authority

By: _____
Jeff Gee, TJPA Board Chair

Date: _____
Address: 425 Mission Street, Suite 250
San Francisco, CA 94105

Metropolitan Transportation Commission

By: _____
Andrew Fremier, Executive Director

Date: _____
Address: 375 Beale Street, Suite 800
San Francisco, CA 94105

San Francisco County Transportation Authority

By: _____
Tilly Chang, Executive Director

Date: _____
Address: 1455 Market Street, Floor 22
San Francisco, CA 94103

Peninsula Corridor Joint Powers Board

By: _____
Michelle Bouchard, Executive Director

Date: _____
Address: 1250 San Carlos Avenue
San Carlos, CA 94070

California High-Speed Rail Authority

By: _____
Ian Choudri, Chief Executive Officer

Date: _____
Address: 770 L Street, Suite 620
Sacramento, CA 95814

City and County of San Francisco

By: London Breed
Mayor London N. Breed

Date: 12/19/24
Address: 1 Dr Carlton B Goodlett Pl
San Francisco, CA 94102

ATTACHMENT #1

San Francisco Peninsula Rail Program

The Portal: Downtown Rail Extension

Governance Blueprint

August 2023

1. Background and Context

The Downtown Rail Extension (DTX or The Portal) is Phase 2 of the Transbay Program, which is led by the Transbay Joint Powers Authority (TJPA). The Metropolitan Transportation Commission (MTC) and the San Francisco County Transportation Authority (SFCTA) have co-led The Portal Governance Study, in order to recommend the institutional arrangement and governance structure[1] through construction of the project, as described in Task 18 of the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU). The MOU is a six-party agreement among the TJPA, the Peninsula Corridor Joint Powers Board (Caltrain), the California High-Speed Rail Authority (CHSRA), the City and County of San Francisco (CCSF), MTC, and SFCTA (collectively, Partner Agencies and individually, Partner Agency). The MOU defines a project development work program for The Portal and establishes the Integrated Program Management Team (IPMT) and the Executive Steering Committee (ESC), to undertake and guide this work program on behalf of the TJPA Board.

Governance Study Approved Recommendations

In September 2022, the TJPA Board approved a set of governance recommendations for The Portal, 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.

[1] **Project Governance** means the organizational, oversight, and decision-making framework to direct and manage the project’s scope, schedule, budget, risks, and change.

The Governance Study recommendations were accompanied by a set of Governance Objectives for The Portal, as follows:

- *Clarity of Purpose* – Establish and maintain a clear focus on delivering the project.
- *Representation and Voice* – Provide project partners with voice and say, consistent with their project interests and risk ownership.
- *Responsiveness and Oversight* – Enable timely decision-making, and ensure proper direction and oversight of the project delivery team.
- *Capacity and Capabilities* – Deliver the project with expert resources with the required skills and capacity.
- *Accountability and 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.

The Portal Governance Blueprint

The Portal Governance Blueprint (Blueprint) builds on the Governance Study recommendations approved in September 2022. The Blueprint further describes the recommended governance approach for the project through procurement, enabling program, pre-construction, construction, and commissioning (with these phases collectively referred to as "project delivery"). This Blueprint is intended to guide the preparation of a new MOU among The Portal Partner Agencies, to succeed the existing Peninsula Rail MOU that has governed the project during the procurement-readiness work program.

This Blueprint focuses on the broad structure for multi-agency collaboration across The Portal Partner Agencies and does not address individual agencies' commitments, responsibilities, and decision rights. Multiple bi-lateral agreements between TJPA and Partner Agencies will be developed to enable implementation of The Portal. These include the Caltrain Master Cooperative Agreement (MCA) and the CCSF Interagency Cooperation Agreement (ICA). Caltrain's role in the project, as first operator, will be described in the MCA.

The Blueprint was prepared by MTC and SFCTA, in cooperation with the IPMT and with guidance from the ESC.

Organization of this Document

The Blueprint provides recommendations in the following five areas:

- Governance Structure and Bodies
- Policy Baseline and Stage Gate Framework
- Change Decision Framework
- Project Reporting Approach
- General Procedures for Decision-Making and Recommendations

This Blueprint addresses each of these topics and closes with a discussion of follow-up activities to implement the recommended governance model.

2. Governance Structure and Bodies

Section 2 of the Blueprint presents the overall recommended governance structure for project delivery and describes recommended parameters for each of the new governance bodies.

This Section provides the structure underpinning subsequent sections of the Blueprint. Section 3 and Section 4 describe, respectively, the recommended frameworks for policy decision-making and change decision-making, which the governance bodies are intended to facilitate and fulfill. Section 5 presents the recommended approach to the flow of project reporting across the bodies. Finally, Section 6 of the Blueprint describes recommended procedures for decision-making at each level of project governance.

Governance Structure

The September 2022 governance recommendations reflected an indicative structure with multiple governance bodies. The Blueprint recommends a refined governance structure for project delivery, as shown in Figure 1, below.

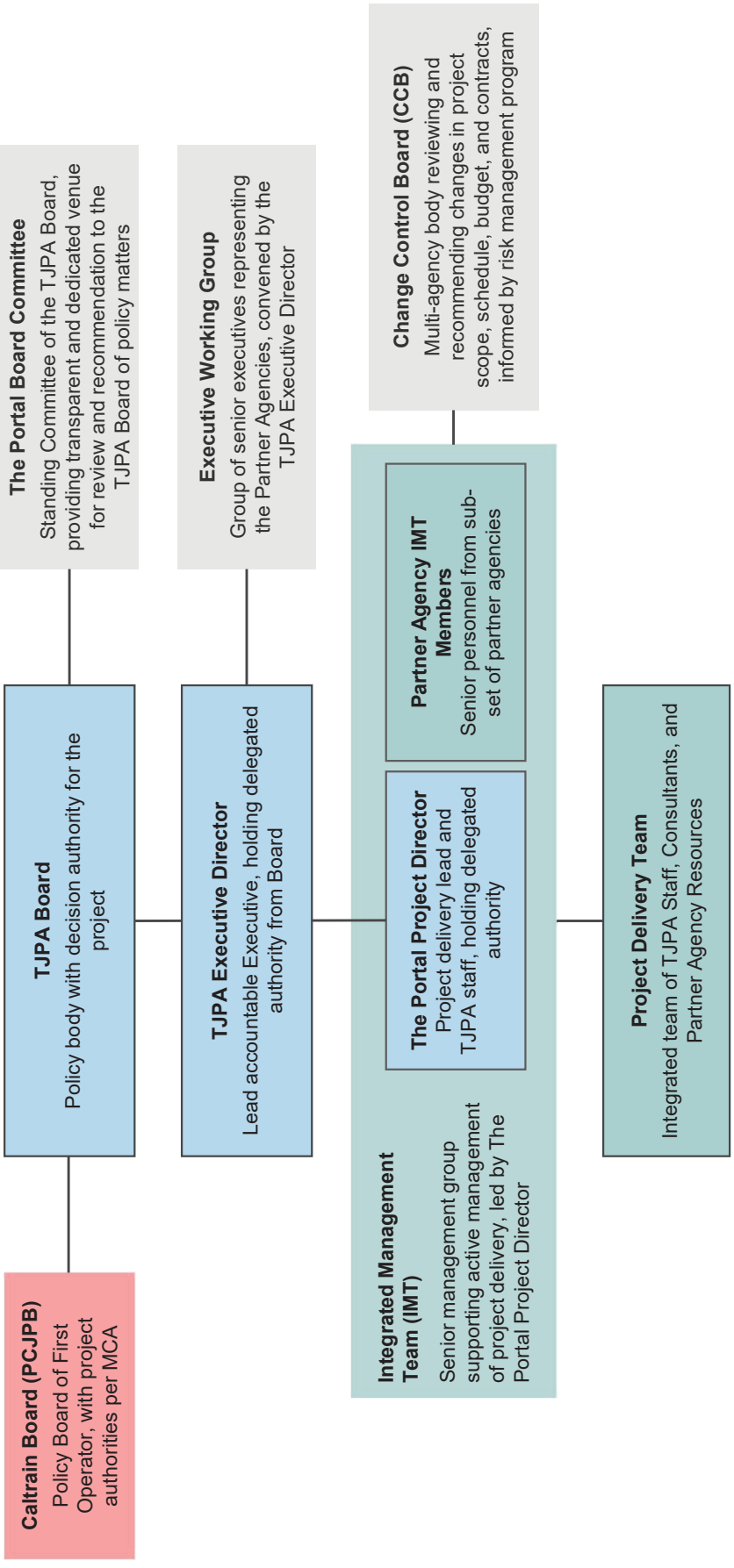
Table 1, below, provides an overview of each of the governance bodies.

Table 1. Summary Description of Governance Bodies

Body	Description
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
Executive Working Group	Group of senior executives representing the Partner Agencies, convened by the TJPA Executive Director, providing advice and recommendations to the TJPA Executive Director and, through the TJPA Executive Director, to The Portal Board Committee
Change Control Board	Multi-agency body reviewing and recommending changes in project scope, schedule, budget, and contracts, informed by the project's risk management program
Integrated Management Team	Senior management group supporting active management of project delivery, led by The Portal Project Director
Project Delivery Team	Integrated team of TJPA Staff, Consultants, and Partner Agency Resources

The immediately following sub-sections present recommended parameters for The Portal Board Committee, the Executive Working Group, the Change Control Board, and the Integrated Management Team. Subsequent sections of the Blueprint elaborate the functions, decision frameworks, and relationships of these bodies.

Figure 1. Recommended Governance Structure for Project Delivery



The Portal Board Committee

The TJPA Board holds decision authority on all matters related to The Portal project, including policy matters. The September 2022 governance recommendations called for the provision of "a transparent venue for the development and review of policy-level recommendations and reporting to the TJPA Board."

The Blueprint recommends the establishment of a standing committee of the TJPA Board, referred to as The Portal Board Committee. The Committee would be responsible for reviewing, considering, and recommending Board-level policy matters. As a standing committee of the TJPA Board, The Portal Board Committee would hold meetings governed by the Brown Act.

Table 2, below, presents recommended parameters for The Portal Board Committee.

Table 2. The Portal Board Committee

Primary Role/Function	• Focused policy review, making recommendations to the full TJPA Board for final action
Supporting Role/ Function	• Conduct oversight of project management and project performance
Membership	• To include three voting members • To include representation from Caltrain and San Francisco • To include MTC as a non-voting member
Provides Reports/ Recommendations to:	• TJPA Board
Receives Reports/ Recommendations From:	• TJPA Executive Director and Project Director (through TJPA Executive Director) • Executive Working Group (through TJPA Executive Director) • Change Control Board (through TJPA Executive Director)
Meetings	• Meetings governed by the Brown Act
Documentation	• Brown Act requirements • Formal meeting minutes

Executive Working Group

The Blueprint recommends the formation of an Executive Working Group, to facilitate multi-agency collaboration and project support at the executive level. The Group would consist of the Executive Director (or their designee) from each of the Partner Agencies.

The Executive Working Group would be convened by the TJPA Executive Director and would support the executive-level management of the project. The Group would also be responsible for providing policy

review support to The Portal Board Committee (through the TJPA Executive Director). The Executive Working Group meetings would not be governed by the Brown Act.

Table 3, below, presents recommended parameters for the Executive Working Group.

Table 3. Executive Working Group

Primary Role/Function	• Support the executive-level management of the project; solicit, discuss, and apply best practices and lessons learned • Provide policy review/oversight support to the TJPA Executive Director, and support the TJPA Executive Director's reporting to the Board Committee, including review of action items advancing to the Committee
Supporting Role/ Function	• Review/resolve issues escalated from the Project Director / IMT
Membership	• Executive Director (or designee) from the six Partner Agencies • Convened by, and under the authority of, the TJPA Executive Director; all members may agendize items for the Working Group's consideration
Provides Reports/ Recommendations to:	• TJPA Executive Director and the Board Committee (through the TJPA Executive Director)
Receives Reports/ Recommendations From:	• Project Director / IMT (through the TJPA Executive Director) • Change Control Board (through the TJPA Executive Director)
Meetings	• Typical quarterly meeting frequency, with additional meetings as necessary • Meetings not governed by the Brown Act
Documentation	• Record of deliberations and recommendations, including representation of minority views when applicable

Change Control Board

The Blueprint recommends the formation of a Change Control Board (CCB), with this body reviewing and recommending changes in project scope, schedule, budget, and contracts, including contractual and configuration changes, informed by the project's risk management program.

Risk management and contingency management are functions closely related to the management of project changes. Certain change decisions reflect the materialization of project risks, and change decisions will often draw on contingency funds. As such, the Blueprint recommends that the CCB receive and review project risk reporting on a regular basis. The CCB should also receive timely reporting on budget and contingency.

The CCB would have representation from The Portal's Partner Agencies. The Blueprint does not make detailed recommendations regarding voting procedures for the CCB; such detailed procedures should be codified in the Successor MOU. At the level of principles, the Blueprint recommends the following:

- The CCB should strive for consensus decision-making on whether to recommend a proposed change.
- Decision procedures on whether to recommend a proposed change should provide for clear escalation pathways to resolve conflict. TJPA Executive Director should not approve changes that are not recommended by the CCB; TJPA Board reserves authority to approve changes that are not recommended by the CCB, subject to transparency at the Board level regarding CCB position and Partner Agencies reservation of rights to impose consequences related to Board-approved changes that are not recommended by CCB.
- CCB decision-making on whether to recommend a proposed change should respect the differential risk profile and risk ownership of individual agencies (e.g., TJPA as lead agency and FTA grantee; Caltrain as first operator; CHSRA as future operator; funding agencies holding financial risk; and CCSF as host jurisdiction and as owner/operator of certain existing assets and future/project assets such as streets and utilities; etc.).

Table 4, below, presents recommended parameters for the CCB.

Table 4. Change Control Board

Primary Role/Function	• Review and recommend changes in project scope, schedule, budget, and contracts, including changes to configuration and contracts, informed by the project's risk management program • Monitor changes implemented below CCB approval thresholds
Supporting Role/ Function	• Provide external input and advice to Risk Management Team: regularly review risk reporting, including project risk register; participate in quarterly risk workshops • Support identification of policy matters requiring consideration by other governance bodies • Provide staff-level review of items advancing to Executive Working Group
Membership	• Composed of senior technical representation from the Partner Agencies • FTA PMOC invited to attend meetings • Chair and Vice Chair elected by membership
Provides Reports/ Recommendations to:	• Project Director / Integrated Management Team (for escalation to the TJPA Executive Director, Board Committee, and TJPA Board, as appropriate) • Executive Working Group (through the TJPA Executive Director)
Receives Reports/ Recommendations From:	• Project Director / Integrated Management Team
Meetings	• The CCB should meet at least monthly, with the initial CCB group to recommend a proposed meeting structure/cadence • Meetings not governed by the Brown Act
Documentation	• Written record of CCB decision-making • Reports/recommendations to other bodies, as required or requested

Integrated Management Team

The Blueprint recommends the formation of an Integrated Management Team (IMT), to support TJPA in the active management of project delivery. The IMT would consist of senior managers from a subset of the Partner Agencies with the basis/need and capacity to participate at this level of project management. The IMT is intended to integrate/coordinate management-level activities across the agencies; to remove roadblocks and marshal resources; and to provide early/ongoing visibility into project status, issues, and risks.

The IMT would be led by the TJPA Project Director, and non-TJPA members would hold dual reporting obligations with the project and their home organizations. The IMT as a group would not have direct decision authority. Certain IMT member agencies will have specific decision rights established through bilateral agreements with TJPA. The IMT's processes and procedures should be consistent with such agreements, including the Caltrain MCA and the CCSF ICA.

Table 5, below, presents recommended parameters for the IMT.

Table 5. Integrated Management Team

Primary Role/Function	• Integrate/coordinate activities and commitments across agencies • Solve problems, remove roadblocks, and marshal resources • Align direction to the Project Delivery Team
Supporting Role/ Function	• Support management of risks and issues • Provide input to regular project reporting
Membership	• Led by Project Director, with senior management-level representation from a subset of Partner Agencies with the basis/need and capacity for participation
Provides Reports/ Recommendations to:	• Executive Working Group (through the TJPA Executive Director) • Members hold dual reporting to their home organizations
Receives Reports/ Recommendations From:	• Project Delivery Team (through the TJPA Project Director)
Meetings	• Regular meetings, to provide timely visibility into project activities and facilitate project management integration • Meetings not governed by the Brown Act
Documentation	• Summary meeting notes reflecting outcomes and action items • Reports/recommendations to other bodies, as required or requested

3. Policy Baseline and Stage Gate Framework

A critical function of The Portal project governance model will be to control the project scope, budget, and outcomes throughout delivery. Section 3 of the Blueprint recommends the use of a Policy Baseline and a Stage Gate Framework to help structure and focus policy-level decision-making, in support of the delegation of management-level decision-making.

Policy Baseline

The Blueprint recommends that a Policy Baseline be established, with this Policy Baseline controlled by the TJPA Board. The Policy Baseline should describe the scope, schedule, budget, funding plan, and risk allocation for the project. The Policy Baseline should be consistent with the full/complete Project Baseline prepared for the Federal Transit Administration (FTA).

A limited set of Policy Baseline documents is recommended, with these documents drawing on existing project documents where applicable. Table 6, below, describes each of the recommended Policy Baseline documents.

Table 6. Policy Baseline Documents

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

Policy Baseline documents should be established through action of the TJPA Board. Subsequent changes to Policy Baseline documents would also be matters of TJPA Board decision-making. The Caltrain Board should also have a role in the Policy Baseline as appropriate and agreed.

Actions that are materially inconsistent with the Policy Baseline would generally be matters of policy-level decision-making. At project Stage Gates (as discussed below), the Policy Baseline should be reviewed and updated as required.

Stage Gates

The September 2022 governance recommendations called for the utilization of "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."

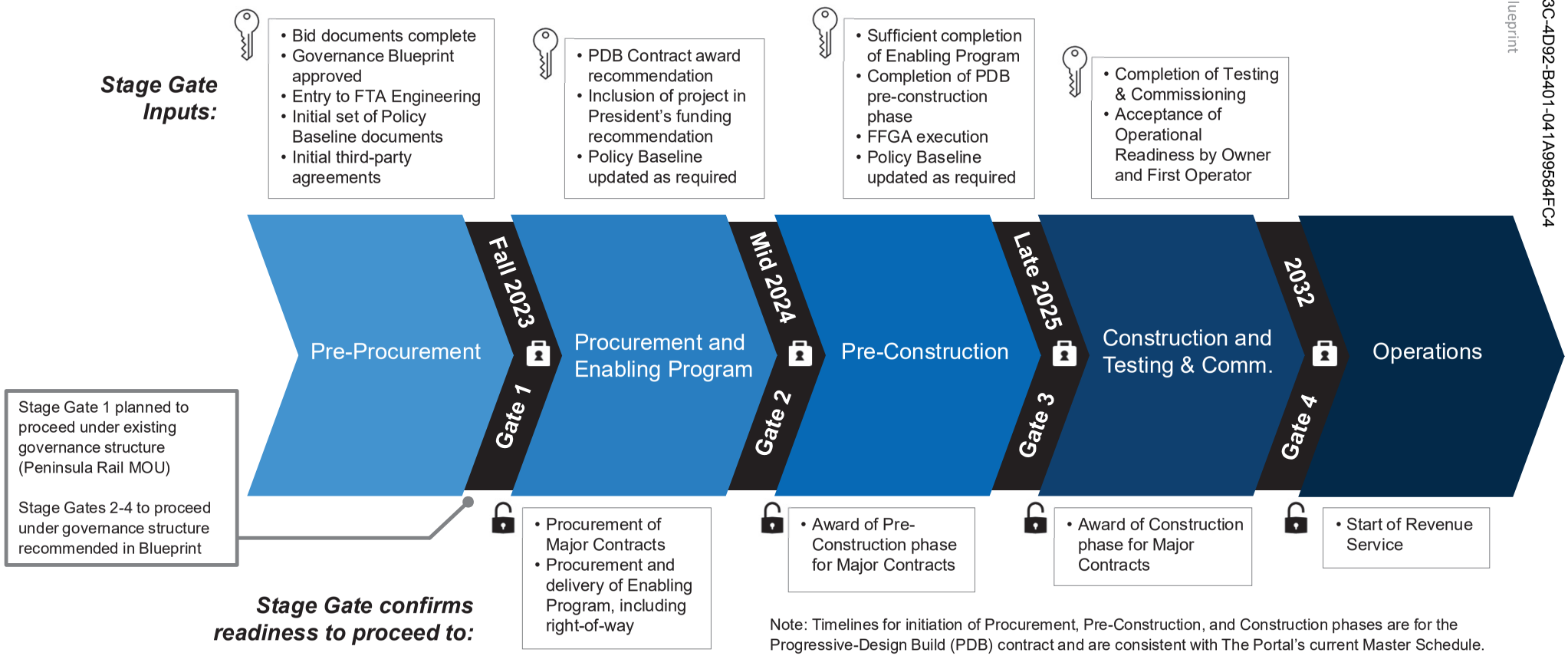
Each Stage Gate should have a limited set of expected precedent deliverables or milestones. At each Stage Gate, an assessment of project readiness should be prepared by the Project Delivery Team, with input and review from supporting governance bodies. Ultimately, the TJPA Board would grant approval to proceed to the next phase of the project and authorize any specific associated actions as required. Certain Stage Gate milestones may require precedent or concurrent decision-making by other agencies or parties (e.g., FTA, Caltrain, etc.).

The Blueprint identifies an initial Stage Gate framework, as shown in Figure 2, below. This framework is organized around the following project milestones:

- Stage Gate #1 – Procurement and Enabling Program: Initiation of procurement of the project's Major Contracts, planned to begin with release of bid documents for the Progressive-Design Build (PDB) contract. Procurement and delivery of the Enabling Program will also proceed.
- Stage Gate #2 – Pre-Construction: Initiation of the Pre-Construction phase for the project's Major Contracts, beginning with the PDB.
- Stage Gate #3 – Construction: Initiation of the Construction phase of the Major Contracts, beginning with the PDB.
- Stage Gate #4 – Operations: Start of revenue service.

The project's advancement through Stage Gate #1 is scheduled to proceed under the existing Peninsula Rail MOU; the Successor MOU is planned to be in place for subsequent Stage Gate milestones. The Successor MOU should refine Stage Gates #2-4 and should define more detailed Stage Gate procedures, including review/decision processes and Partner Agency requirements.

Figure 2. Draft Stage Gate Framework



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.

4. Change Decision Framework

Throughout the life of the project, including during procurement and construction, the need for changes will occur. These include changes from what was previously approved with respect to project configuration and project contracts. Project changes must be carefully controlled to ensure that the desired project scope is delivered and the impacts of change decisions on the rest of the project and its stakeholders are well understood. Section 4 of the Blueprint describes the framework for change decision-making, including a framework for Change Types and the broad recommended change process. During implementation of the Blueprint, a more detailed Delegated Authorities Framework should be prepared, including the establishment of specific thresholds for decision-making.

Change Types

The Blueprint recommends that The Portal's change management/decision process classify changes in three categories, as shown in Table 7, below.

Table 7. Change Type Framework

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)

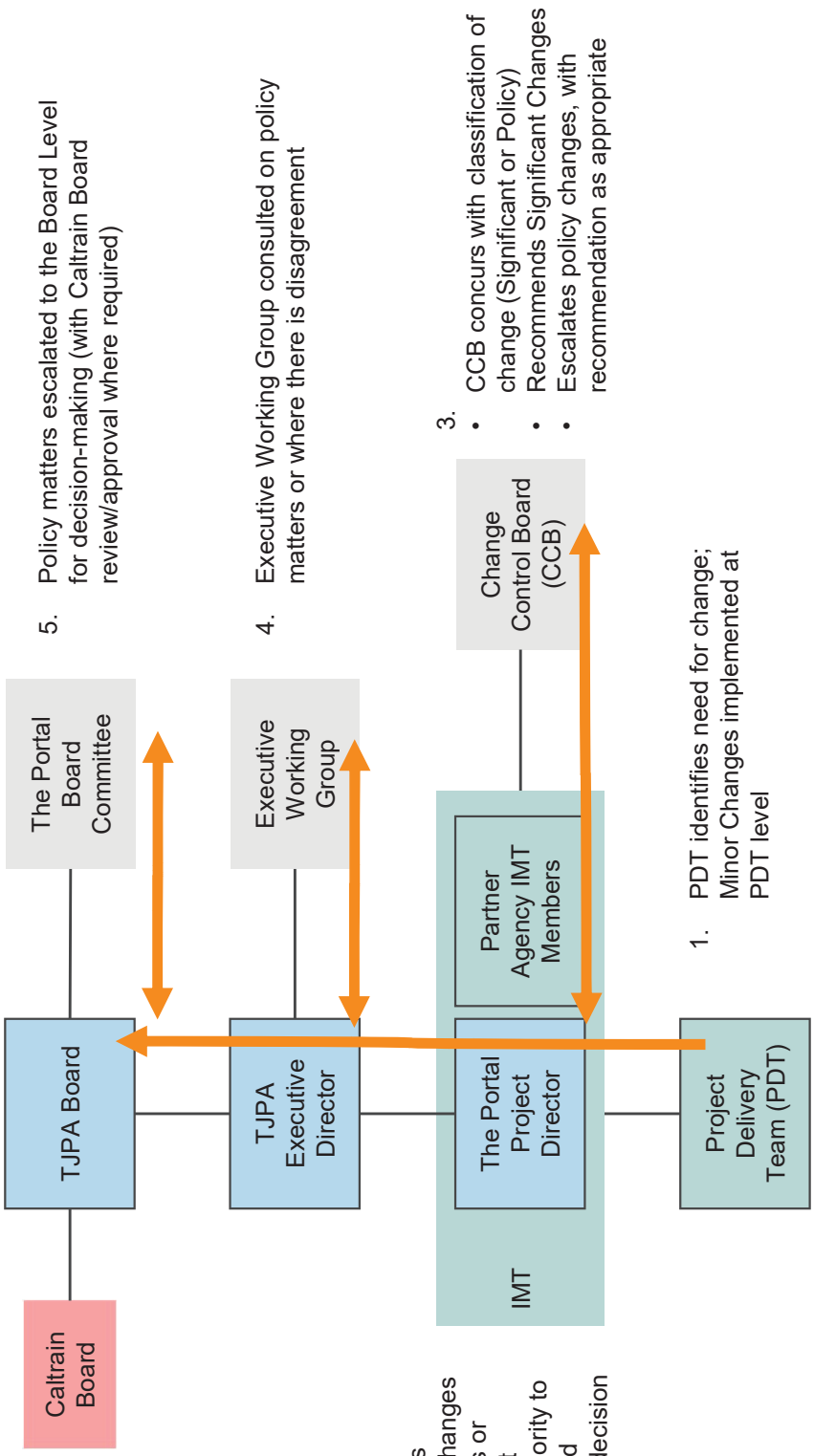
Change Decision Escalation Pathway

Changes may originate throughout the project organization including from stakeholder requests, revisions by the design team, and contractor requests. Regardless of the source, a member of the Project

Delivery Team should be responsible for coordinating the change through the appropriate review and approval process, with changes documented using a consistent template.

Table 7, above, describes the recommended decision process for each change type. Figure 3, below, illustrates the typical escalation pathway for change decision-making, consistent with the recommended decision process. Procedures for change-related decision-making are further described in Section 6, below.

Figure 3. Change Decision Escalation Pathway



5. Project Reporting Approach

Timely, accurate, and accessible project information is essential to effective decision-making at all levels. Section 5 of the Blueprint provides recommendations with respect to flow of project information through the governance structure.

Project Status Reporting

The Project Status Report should be consistent with the requirements of FTA and supplemented as necessary to meet the needs of The Portal's governance bodies.

Figure 4, below, illustrates the pathway for development and review of the Project Status Report. The key underlying principle is to have a single flow of information up from the Project Delivery Team to management-level and policy-level decision-makers, with input and review facilitated at each level.

A detailed Project Status Report will be prepared by the Project Delivery Team on a monthly basis. As shown in Figure 4, the Project Director and IMT will review the draft Status Report and provide input as required. The Project Director would be responsible for approving the report. The Project Director (or their delegate) will present the Status Report to the CCB; the CCB presentation should include any other material or information reasonably requested by the CCB to enable the body to fulfill its functions.

A summary version of the Status Report should be prepared and presented (through the TJPA Executive Director) to The Portal Board Committee (or otherwise provided to the Committee on months where the Committee does not meet), with this report also made available to the full TJPA Board (through the TJPA Executive Director).

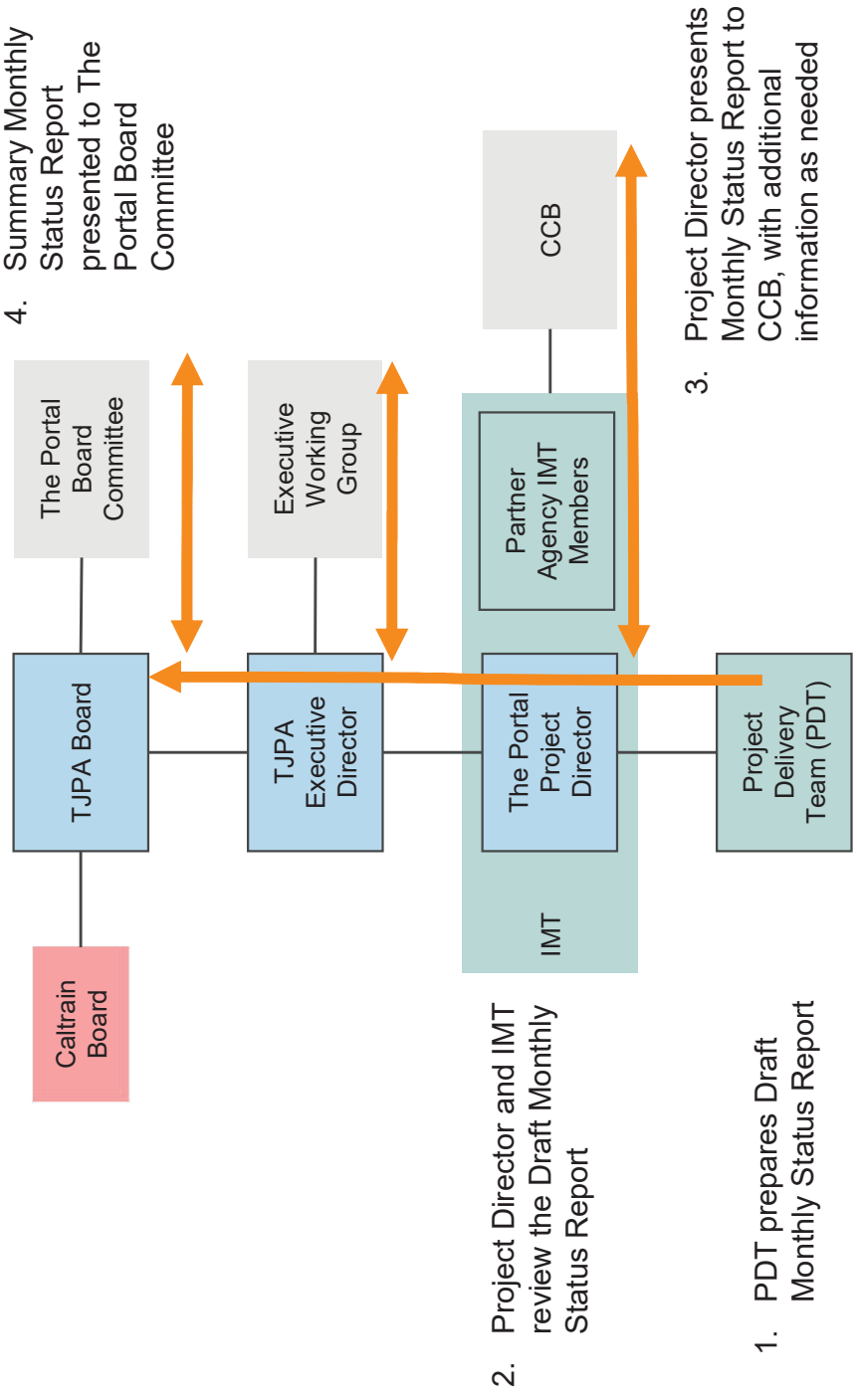


Figure 4. Project Status Report: Development/Review Pathway

6. General Procedures for Decision-Making and Recommendations

Section 6 of the Blueprint describes recommended "General Procedures" for decision-making and/or recommendations at each level of the governance structure. These procedures integrate the recommendations of the above sections and are intended to provide overall guidance and expectations for the relationship of governance bodies to one another and the typical flow of decision-making on the project. In addition, the procedures include consideration of emergency situations and instances in which decision items may be advanced directly to the Board level.

General Procedures: The Portal Project Director and Integrated Management Team

The Portal Project Director and IMT:

- The Project Director will be responsible for making project management decisions.
- The Project Director shall consult regularly with the Integrated Management Team (IMT), and the IMT shall advise and support the Project Director in management-level decision-making.
    - The Project Director shall be transparent with IMT and responsive to IMT member inquiries.
    - The IMT shall be readily available to advise and support the Project Director.
- Partner Agency IMT members shall have appropriate qualifications and shall be sufficiently dedicated to the project to keep pace with the project and its decision-making.
    - Partner Agency IMT members shall work to mobilize resources, decisions, and information from within their home organizations, to advance the project.
- Partner agencies shall retain all such authorities and decision rights that are provided for in relevant agreements, including the MCA and ICA.

General Procedures: Change Control Board

CCB:

- Minor Changes approved and implemented at the PDT/PD level, with reporting to CCB (through the TJPA Project Director).
- The CCB will review and recommend Significant contract changes above agreed thresholds. Where Board approval is required, CCB recommendations will be provided by the TJPA Executive Director to the Board. The TJPA Executive Director will not approve changes that are not recommended by CCB. The TJPA Board may approve changes that are not recommended by CCB, if the CCB position is provided to Board and Partner Agencies reserve rights to impose consequences.
- The CCB will monitor changes approved below these thresholds.
- The CCB will review and recommend changes to configuration. Configuration changes that are of a policy nature shall be advanced to the Board level for approval.

General Procedures: TJPA Executive Director and Executive Working Group

TJPA Executive Director and Executive Working Group:

- The Executive Director will be responsible for bringing forward items to the Portal Board Committee and the full TJPA Board
- The Executive Working Group (EWG) shall be readily available to advise and support the Executive Director.
- The TJPA Executive Director shall either consult with or inform the EWG of decision items advancing to the Board Committee or full Board depending on the type and magnitude of the item at hand, generally distinguished as:
    - *EWG Consulted* – policy decisions, including approval/revision to Policy Baseline Documents, policy-level changes to contracts and configuration, dedication of program reserve funds, and other policy matters.
    - *EWG Informed* – non-policy decisions, including "Significant" contract changes, administrative matters, etc.
- Where the EWG is to be consulted, EWG review would generally occur through a meeting of the EWG. The EWG will convene on an immediate/urgent basis as necessary. The TJPA Executive Director may advance items directly to Board level if the EWG is unable to convene in a timely manner.
- The EWG will support resolution of disagreements and decision impasses at the IMT and CCB.

General Procedures: TJPA Board and The Portal Board Committee

TJPA Board and The Portal Board Committee:

- The Portal Board Committee (PBC) shall review proposed actions considered to be policy matters, including approval of (and revisions to) Policy Baseline documents, and make recommendations to the TJPA Board.
    - The PBC provides for a focused review of such matters, which are then referred to the full TJPA Board for approval.
- Board-level items/actions that are identified as non-policy matters may proceed directly to the TJPA Board for consideration/action. This would include:
    - Award/amendment of contracts that are consistent with the Policy Baseline;
    - Approval of very large Significant Changes, to the extent Board approval is required; and
    - Other administrative matters.

General Procedures: Other Agency Boards

Other Agency Boards:

- Items for which the Caltrain Board is the responsible or co-responsible decision authority (per the future MCA) shall require approval by the Caltrain Board.

- The Caltrain representatives to the IMT and EWG shall be responsible for working to facilitate this decision process, in coordination with TJPA staff.

- To the extent other Partner Agency Board decisions are required, an analogous process would be followed, with IMT/EWG representatives responsible for facilitating this process, working in coordination with TJPA staff.

General Procedures: "Direct to Board" and Emergencies

"Direct to Board" and Emergencies:

- The TJPA Executive Director retains the authority to directly bring forward decision items to The Portal Board Committee and/or the full TJPA Board at any time.
  - If an item is brought forward directly to the Board-level due to an emergency situation where delay is unacceptable, the TJPA Executive Director shall:
    - Identify the emergency situation in TJPA staff's written report/memo to the Board;
    - Report back to the CCB and EWG in a timely fashion, with reconciliation decisions as required.
  - If EWG and/or CCB review has taken place, but the TJPA Executive Director brings forward a recommendation different from than the course of action recommended by EWG/CCB, this disagreement shall be noted in TJPA staff's written report/memo to the Board.
- In emergency situations (e.g., to protect health and safety), the Executive Director and Project Director shall have the responsibility and authority to take immediate required actions. In such cases:
  - The Executive Director shall promptly inform The Portal Board Committee Chair and the EWG.
  - The Project Director shall promptly inform the IMT.
  - TJPA Staff shall bring forward reconciliation decision items, where required, through normal processes, including documentation of the emergency situation and the rationale for taking immediate action.

7. Governance Implementation

The Portal project Partner Agencies should act quickly to establish the governance structure identified in the Blueprint. Section 7 briefly reviews key areas of follow-up work to pursue the recommendations of the Blueprint. Specifically, this section discusses the preparation of the Successor MOU; the development of the more detailed Delegated Authorities Framework; and considerations for the formation of new governance bodies.

Successor MOU

The existing Peninsula Rail MOU is intended to bring the project to "ready-for-procurement" status. In Spring 2023, a time-only amendment of the MOU was executed, extending the term of the agreement to December 31, 2023.

To implement the Blueprint and govern multi-agency cooperation during project delivery, The Portal Partner Agencies should immediately initiate work to prepare, negotiate, and execute a new multi-party MOU (the Successor MOU) to succeed the Peninsula Rail MOU. The Successor MOU should codify the new governance structure and broadly describe the planned multi-agency work program for the project through construction and commissioning. Preparation of the Successor MOU should begin by developing and negotiating a draft term sheet by Fall 2023.

The Successor MOU should formalize Partner Agency agreement with the Delegated Authorities Framework discussed immediately below. The Successor MOU (and any future amendments to it) should also be aligned, as appropriate, with the project's bilateral intergovernmental agreements, including the Caltrain MCA and CCSF ICA.

Delegated Authorities Framework

A set of clear business rules is required to specify the use of delegated authorities and align with decision procedures at each level/body. Within these business rules, specific dollar/percentage value thresholds should be set for each change/action type. This Delegated Authorities Framework will require approval by the TJPA Board and should be incorporated into the Successor MOU. The Framework is recommended to reflect the following principles:

- The "Minor" dollar value threshold should be set high enough to allow for rapid decision-making on matters that are not related to policy and do not significantly impact the project budget.
- The CCB should have the ability to consider multiple change decisions together where those decisions stem from the same core issue as well as any decision that exceeds defined aggregate thresholds. Disputes related to classification of changes may be escalated to the Executive Working Group (through the TJPA Executive Director).
- The 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.
- The Framework should describe the approach to review/approve changes resulting in cost *savings*, including where such savings are the result of revised scope.
- Consideration of O&M cost impacts/savings should be provided for in cases where a contemplated change would have material impact on such costs.

- Changes requiring the use of Program Reserve funds shall require TJPA Board approval, regardless of nature or size.

Formation of Recommended Governance Bodies

The establishment of the delivery-phase governance structure will require a transition and start-up period in order to form new governance bodies, implement/develop business processes, and build strong working relationships within and across governance bodies. The Portal Board Committee and its membership will be established through action of the TJPA Board.

The CCB should be in place as a body no later than the start of construction for the Enabling Program, which is scheduled to be underway in mid-2024. There is also the opportunity for the CCB group to begin convening at an earlier date in order to allow its membership to establish work practices and to provide input and review to the development of more detailed CCB business processes.