



RESOLUTION ACCEPTING THE DOWNTOWN RAIL EXTENSION PEER REVIEW PANEL'S
FINAL REPORT ON GOVERNANCE, OVERSIGHT, MANAGEMENT AND PROJECT DELIVERY

WHEREAS, On October 23, 2018, the Transportation Authority Board unanimously voted to suspend the funding agreement with the Transbay Joint Powers Authority (TJPA) for the Downtown Rail Extension (DTX), recognizing the local and regional significance of the project, the technical and institutional complexity, the high investment cost, and limited funding identified to date, the Transportation Authority Board commissioned this review of current and best practices for governance, oversight, management, funding and project delivery of the DTX; and

WHEREAS, Transportation Authority staff convened a multidisciplinary panel of experts with local, national, and international experience; and

WHEREAS, The Peer Review Panel conducted research, expert interviews, and a series of workshops, with participation by key stakeholders: Caltrain, California High-Speed Rail Authority, TJPA, Metropolitan Transportation Commission, Alameda/Contra Costa County Transit District, the SF Mayor's Office, SF Planning, San Francisco Municipal Transportation Agency, SPUR and Transportation Authority; and

WHEREAS, The following activities informed the panel's deliberations:

- 1) Review of project data, including environmental documentation, cost and funding plans and studies, project delivery studies, conceptual design, construction methodology, property acquisition needs, previous studies, and operations analyses, among others.
- 2) Stakeholder interviews, conducted by WSP/McKinsey to understand their perception of and interests in the project, level of support, and expectations for the future.
- 3) Multiple workshops with stakeholders and TJPA staff.
- 4) Case studies of relevant megaprojects including lessons learned from London Crossrail Program, Gateway Project in New York/New Jersey, San Francisco Oakland Bay Bridge Program, California High Speed Rail Program, and Atocha-



Chamartin High Speed Rail tunnel and station in Madrid.

- 5) Extensive Expert Panel discussions, analysis, and key findings, leading up to recommendations; and

WHEREAS, The Peer Review Panel held various workshops with stakeholders to review preliminary findings and recommendations, with stakeholders providing feedback and input on the initial recommendations and proposed strategic 24-month “transition period” work program (Attachment 1) to prepare the project for implementation; and

WHEREAS, The Peer Review Panel has prepared a final report (Enclosure 1) detailing the panel’s findings and recommendations on governance, oversight, management and project delivery; and

RESOLVED, That the Transportation Authority hereby accepts the Downtown Rail Extension Peer Review Panel’s Final Report on Governance, Oversight, Management and Project Delivery.

Attachment:

1. DTX Two-Year Work Plan
2. Presentation - Summary of Findings

Enclosure:

1. Peer Review Panel Final Report



**San Francisco
County Transportation
Authority**


BD102219

RESOLUTION NO. 20-15

The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 5th day of November, 2019, by the following votes:

Ayes: Commissioners Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Stefani, Walton and Yee (9)

Absent: Commissioners Brown and Safai (2)

 11-6-19

Aaron Peskin
Chair

Date

ATTEST:

 11/12/19

Tilly Chang
Executive Director

Date

2-Year Work Plan to get a re-envisioned Rail Program back on schedule, establish the final institutional arrangement with a clear mandate and capability to implement it, and select a project delivery method

#	Task	Sub-task Description	2019		2020				2021	
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<i>Decision: path forward informed by expert panel recommendations</i>			◆							
0.1	Establish Integrated Project Team (IPT), develop transition plans, and stakeholder engagement to re-position the Rail Program	(a) Workshop(s) with stakeholders to establish IPT governance and staffing, develop transition plans and multi-party MOU, incl. seamless shared agreement for the Rail Program								
		(b) Allocate and define roles and responsibilities for all Work Plan tasks, incl. allocation of tasks to be led by IPT vs. tasks to be coordinated with other agencies								
		(c) Organize seconded and/or recruited staff for the IPT capable of carrying out the 2-year work plan, including identification of program manager and other support								
		(d) Secure stakeholder commitments for steering committee and conduct stakeholder mapping across level of support and importance to success								
		(e) Develop clear statement of objectives as Project of Regional and National Significance with regional priority, and clear objectives and tracking system for stakeholder engagement								
		<i>Decision: adopt plans and agreements for transitional governance, IPT staffing and organization, and stakeholder engagement plan</i>				◆				
0.2	Ongoing management and stakeholder engagement	(a) Execute and implement transition plan and agreements								
		(b) Ongoing oversight and management in the transition phase								
		(c) Maintain clear records of stakeholder engagement								
		(d) Manage key initiatives to address issues								
		(e) Track accountability of all stakeholder engagement processes								
1.1	Identify the full list of STC users, direct and indirect, and relevant plans	Caltrain and CHSR based on their current/updated Business Plans; transit users; and, New Transbay Crossing based on 2018 State Rail Plan, regional rail plan, and current BART/CCJPA planning study								
1.2	Prepare re-definition plan to establish an initial operating phase at the earliest possible date and address other program components including PAX, Rail Yards, 22nd Street Station, and the STC through-station concept to support Transbay Rail/BART	(a) Planning, operational, and engineering studies to achieve project re-definition and initial operating phase, incl. planning and environmental permitting requirements								
		(b) Conduct PAX pre-environmental/environmental and coordinate w/ Rail Yards development planning (per MOU) and 22 nd Street Station study led by SF Planning								
		(c) Perform demand vs capacity scenario analysis over time and side-by-side comparison of options in terms of benefits (economic, riders, housing, etc), costs, schedules, operations, etc.								
		(d) Develop detailed cost estimates, schedules, and extensive risk register and analysis based on structured workshops, incl. risk management program and independent reviews								
		(e) Develop plans for utility relocations and ROW requirements, including risk management and insurance plans, early works packages, and third party agreements as needed								
		(f) Resolve critical operational issues for all users of the initial operating phase, conduct operational analysis, and coordinate operators' plans and requirements								

Downtown Extension Project Expert Panel

Final Report Summary of Recommendations

**SFCTA Board Meeting
October 8, 2019**

Key Stakeholders Involved

TJPA



SFCTA



Caltrain JPB



CHSRA



SF Mayor's Office



MTC/BATA



AC Transit



SFMTA



SPUR



CCSF



Expert panelists

Ignacio Barandiaran

Arup, Principal

Francisco Fernandez

SENER, Project Manager

John Porcari

WSP, President, US Advisory Services

Geoff Yarema

Nossaman, Partner

Lou Thompson

Thompson Consulting

Karen Trapenberg Frick

Associate Professor of City and
Regional Planning, UC Berkeley

Howard Permut

Permut Consulting

Jose Luis Moscovich

IDS, Managing Director

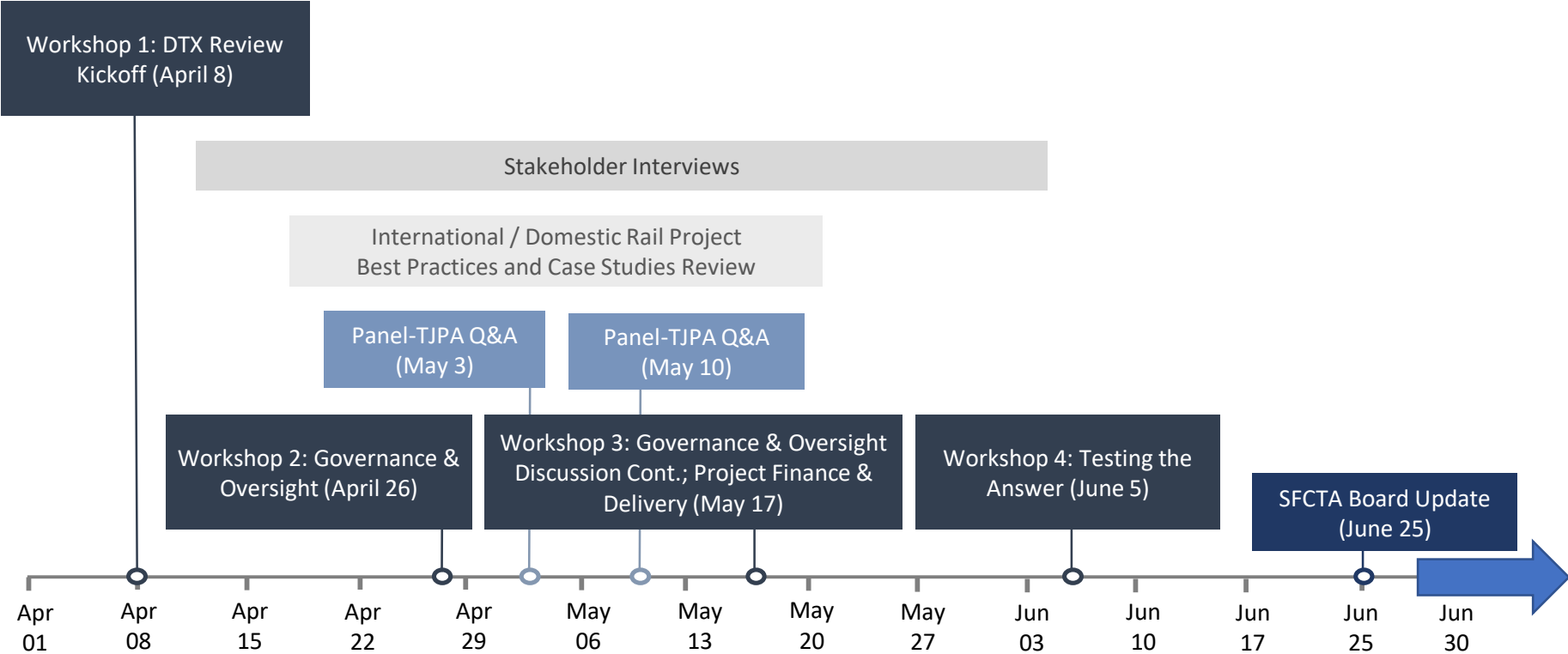
Alvaro Relano

SENER, Project Manager

John Fisher

WSP, Northern CA District Manager

Methodology and Schedule



Final Recommendations

The Expert Panel's final recommendations are focused around five key areas:

1. Program Positioning
2. Governance, Management and Oversight
3. Funding and Financing
4. Program Definition and Phasing
5. Program Development and Delivery

All elements of the Panel's recommendations, key findings and methodology are described in more detail in the Final Report. In addition, the Panel has developed a recommended 2-year workplan to advance these recommendations.

Rail Program Re-positioning (1/2)

Recommendations

- **Re-position the Rail Program** such that it is developed and delivered by a highly collaborative inter-agency team and viewed as a “project of REGIONAL and NATIONAL significance”
- **Re-define Program value proposition** as critical connectivity link for current and future developing megaregional and state rail services – Caltrain, Muni, BART, CAHSR – and serve as planning platform for future connections like a new Transbay Rail crossing, Diridon intermodal station and new Dumbarton rail service
- **Re-name the Program and the series of complementary projects** that include 4th/King, Pennsylvania Avenue and possible new Caltrain yard to reflect this regional priority and its new positioning

Rail Program Re-positioning (2/2)

Recommendations


- **Secure long-term, durable support** of key local, regional, state, and federal elected officials and stakeholders
- **Engage the public directly** to build program support and advance social equity, environmental, economic development and other regional goals
- **Identify and empower** internal and external program champions to drive progress
- Agree on project scope with Caltrain, CHSRA and other possible rail operators

Introduction: Governance, Management and Oversight Recommendations

The panel feels strongly that, in the current funding environment, the **project is at high risk of not materializing unless its governance, management, and oversight issues (as well as other areas detailed in the report) are addressed** to enable change in project direction and strategy. These changes are needed to:

- Further integrate the project into regional rail system goals
- Increase its cost effectiveness
- Better align it with demand trends with the availability of resources over time
- And, in sum, to make it **truly competitive for regional, state, and federal funding**

Governance changes recommended are intended to **expedite the two-year process to put the project on a viable path to delivery**, and describe a transitional arrangement to ensure project readiness (not the final management structure for project delivery).

 **The recommendation for a final institutional arrangement for project delivery will be an output of this two year process.**

Governance, Management and Oversight

Recommendations (1/5)

Refocus the responsibilities of the TJPA's management team, as currently constituted or in a refined form, on:

- **Closing out the Salesforce Transit Center design and construction contracts and any outstanding claims**
- **Resolving potential third-party liabilities associated with the Salesforce Transit Center and related facilities**
- **Operating and managing the STC and related facilities**

Governance, Management and Oversight

Recommendations (2/5)

Subject to direction on policy and legal issues, enter into a memorandum of understanding (MOU) among the TJPA, Caltrain, MTC, CHSRA, CCSF and SFCTA pursuant to which:

- Day-to-day responsibility and staffing of DTX program and program level decision-making authority would be transferred to an **Integrated Program Team (IPT)**
- Transfer would become effective **no later than end of calendar year 2019**, with an appropriate IPT management structure and brief based on rail megaproject development and delivery best practices
- **The IPT would be composed of staff seconded from or recruited by MTC, SFCTA, TJPA, CHSRA, CCSF and Caltrain, with proven leadership, organizational acumen, and relevant experience** in delivering tasks in the transitional 2-Year Work Plan, with additional support as needed

Governance, Management and Oversight

Recommendations (3/5)

The IPT actions would be subject to an **organizational matrix specifying approvals the IPT would** need for decisions and reporting to the TJPA Board through:

- An **Executive Steering Committee (ESC)** comprised of the Executive Directors of IPT member agencies, with the ability to appoint a **technical advisory committee (TAC) or group of deputy directors** reporting to the ESC to advance decisions / provide oversight of project funding and delivery
- An **IPT program director** reporting to the ESC with management responsibility of all activities contemplated in the 2-Year Work Plan

Governance, Management and Oversight

Recommendations (4/5)

- **Explicit requirement of concurrence by MTC, SFCTA, Caltrain, CCSF and CHSRA** on at least the following key items, without which the TJPA could not act and funding contributions could not flow into the project:
 - **Recruitment and selection of an IPT program director** with demonstrated experience planning and delivering urban rail megaprojects
 - **Scoping of the study and undertaking design engineering** to produce the definition of an initial phase and final phase of the Rail Program, its optimal delivery methodology, and a clarification of the relationship to the larger regional rail context
 - **Approval of the study** once finalized
 - **Development of the funding and financing plan within affordability limits** to ensure delivery of the initial rail access to the STC at the earliest possible time, ensuring access for high-speed rail service when needed
 - **Resolution of design criteria across operators**
 - **Determination of operation and maintenance responsibilities**
 - **Selection of a Lead Agency and Project Manager for the delivery phase after the 2-Year Work Plan is complete**, with demonstrated experience in planning and delivering urban rail megaprojects including tunnel structures

Governance, Management and Oversight

Recommendations (5/5)

The IPT would:

- **Execute the two-year workplan**, which outlines the activities necessary to reposition the Rail Program and advance it to either:
 - Procurement (if delivery model is DB, DBM or DBFM)
 - Prepare for final design (if Design-Bid-Build)
- **Establish the final management structure for project delivery**

The IPT would be structured to operate with transparency, to ensure better decision-making at all levels and **to build public confidence in the program.**

Funding and Financing Recommendations

- **Strengthen the program's strong claim** on revenues from existing and emerging sources
- **Re-evaluate and strengthen existing funding plan** to:
 - Separate high confidence level from low confidence level revenue sources
 - Establish an affordability limit for the initial operating phase
 - Seek new grant opportunities to support development
- **Establish a credible long-term financial plan, with stakeholder input**, to secure the amount and timing of capital and operating funding needed to deliver each element of the program, accommodating capacity and operational needs over time
- Provide **clear direction to Congressional Delegation** on program benefits and eligible sources of federal funds/financing support for the program

Program Definition and Phasing

Recommendations

- **Undertake design engineering to establish an Initial Operating Phase** that will achieve Caltrain rail service to the STC (and accommodate CHSR) by a date certain (2028) set by stakeholders, and within a budget supported by higher confidence level revenues
- This initial phase would be **consistent with NEPA/CEQA approvals** and maintain eligibility with FTA and other federal funding programs and incorporate a new risk adjusted cost estimate
- Conduct a **new systems capacity and operations analysis** for Caltrain and CAHSR to help inform capital/operational needs and timing of these investments with a goal of developing funding and operational agreements with both operators as soon as feasible
- Initiate **planning process with other related adjacent projects**, including potential long term service connections with a second Transbay crossing

Program Development and Delivery

Recommendations

- **Conduct a structured market sounding program** to gain direct input on technical, financial, operational interface and risk drivers from the private sector
- **Perform a robust delivery options analysis** considering Design-Bid-Build (DBB), Design-Build (DB), Design-Build-Maintain (DBM) and Design-Build-Finance-Maintain (DBFM) to determine which combination optimizes “value for money”
- **Scope preliminary engineering** to align with selected project delivery method and revised available funding to mitigate cost/schedule risk and support an initial operating phase
- **Finalize and incorporate comprehensive agreements** with Caltrain and CHSRA, on issues such as project scope, operations specifications, capacity requirements, and amount and timing of capital and O&M funding

Thank You

Questions?
