

# Metropolitan Transportation Commission Programming and Allocations Committee

February 8, 2023

Agenda Item 4b - 23-0130

## Major Project Advancement Policy Update and Proposed Revisions

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### **Subject:**

Informational update on the continued development of the Major Project Advancement Policy (MAP). This update is focused on the proposed Stage Gate process for evaluating policy reinforcements and risk management and the development of the programmatic categories. Proposed revisions to the MAP endorsement table based on recently announced federal and state awards will be presented to this Committee for information in March. Revisions to the MAP, based on these updates and Committee direction, will be presented for action in April.

### **Background:**

In October 2022, the Commission adopted the first version of the MAP, a regional policy to support implementation of Plan Bay Area 2050 aimed at delivering the next round of major transportation projects and building off the Bay Area's previous Regional Transit Expansion Program, MTC Resolution No. 3434. This adoption included a list of projects in the MAP assigned to Levels 1, 2, and 3 based on readiness criteria. The adoption also included a funding endorsement matrix identifying full funding plans for Level 1 megaprojects and likely funding sources for smaller Level 1 projects and Level 2 projects.

In October, staff committed to bringing updates to the MAP to the Commission for review to incorporate changes to project costs, actual funding awards, and new funding sources available and to incorporate the policy reinforcement and risk management elements that have been a key part of the MAP framework since its inception. This is an informational item to request Committee feedback on proposed changes for the first MAP update, planned for April 2023.

### **Updates to Funding Endorsement table**

For Committee review in March and proposed Commission action in April, staff intend to provide updates to the funding endorsement table to incorporate cost increases to megaprojects, funding awards, tax expenditure plan approvals, or other new funding announced since October 2022. This will include awards for the Existing Projects category of Cycle 6 of the Transit and

Intercity Rail Capital Program (TIRCP), a state-managed competitive grant program announced on January 31, 2023:

- Peninsula Corridor Electrification Project – Awarded \$367M in TIRCP Augment 1
- BART Core Capacity Program – Awarded \$250M in TIRCP Augment 1
- BART to Silicon Valley Phase II - Awarded \$375M in TIRCP Augment 1

Additional awards for the remaining categories in TIRCP Cycle 6 will be announced later this year, and staff will make a recommendation on whether to update to the funding endorsement table after that announcement as well. Depending on funding awards, the MAP updates could include adjustment to MAP endorsements.

### **Stage Gate Evaluation Policy and Procedure**

Staff intend to propose adoption of a Stage Gate evaluation policy and procedure incorporating regional policy reinforcements and risk management. This is proposed to include principles to guide evaluation, a framework for evaluations, and a process for conducting evaluations.

### **Principles to guide Stage Gate evaluations**

Establishing evaluation principles will help guide the Stage Gate evaluation process, including development of the overall framework, the evaluation process, and criteria for individual projects. The draft principles proposed for consideration are:

1. Focus on the needs and experience of the customer
2. Adapt to Plan Bay Area updates and fiscal constraint of Plan
3. Provide regional leadership and partnership to assist in delivering projects
4. Grow the partnership with the state and federal governments to improve the regional transportation system
5. Develop a regional forum of peers with expertise in project delivery

### **Evaluation Framework**

The framework for evaluations will establish the over-arching roadmap and goals for moving projects through the levels in the MAP. The evaluation framework will be focused on cost and funding, adherence to Plan Bay Area 2050 and regional policies, and risk management through partnerships with sponsors, funding partners, and transit providers.

### **Evaluation Process**

Staff are considering an evaluation process that is customized to the specifics of each project. The following is an example of the evaluation process under development by staff.

1. Evaluation initiated by project sponsor's request to be reassigned levels within the MAP or MTC staff's identification of a project that cannot remain in the current map level due to delivery obstacles
2. MTC staff, possibly with the support of a consultant with relevant expertise, would then develop an evaluation process specific to the details and status of the project
  - a. Establish Inputs (funding, policy reinforcement, and risk evaluation) that will be used for stage gate evaluation
  - b. Establish Evaluation/Rating System for stage gate evaluation
3. MTC requests further detail needed to conduct evaluation from project sponsor
4. MTC/Consultant establish staff recommendation options for the stage gate evaluation (e.g., advance to next level, remain in current level, etc.)
5. MTC/consultant produce report and recommendation summarizing evaluation and provide it to the Commission for consideration



**Stage Gate Evaluation Process – Risk Component**

Stage Gate evaluations are also proposed to include evaluation of the risk management components of the project, including:

- Assessment of project capital and operating cost and funding
- Project development and construction - existing FTA risk management process
- Governance/Administration/Network Integration
- Transparency to public/riders, funding partners, transit partners
- Other risk components specific to projects

**Programmatic Categories**

As adopted, the MAP includes six programmatic categories for projects under \$1 billion in capital costs. Because of the differences between these categories, staff are proposing to address evaluation and prioritization of projects in each category separately, accounting for differences between the types of projects in each category, with potential Level assignments for some categories. Additionally, staff are considering some changes to the organization of the programmatic categories. The tables below summarize the proposed changes as well as the plan for assigning projects to levels within each category.

*Table 2: Proposed Revisions to Programmatic Categories*

<b>Current Categories</b>	<b>Proposed Categories</b>
Express Lanes	Express Lanes
Grade Separations	Grade Separations
Zero Emission Transit Transition	Zero Emission Transit Transition
Bus Rapid Transit	Transit Expansion <i>(Expand category to include lower cost expansion projects from other transit modes)</i>
Transit Service Improvements and Modernization	Transit Priority, Networks, and State of Good Repair <i>(Includes all projects in existing category minus projects moved to Major Transit Expansion; Elevates transit priority projects)</i>

N/A	Goods Movement <i>(New category including some projects from “Other Roadway”)</i>
Other Roadway	Other Roadway <i>(Same as existing minus Goods Movement projects)</i>

Table 3 below outlines the next steps needed to develop the evaluation and prioritization processes for the programmatic categories. Certain categories including Express Lanes and Zero Emission Transit Transition will be informed by parallel planning processes that are current and on-going.

*Table 3: Next Steps and Timeline for Proposed Programmatic Categories*

<b>Proposed Categories</b>	<b>Status/Next Step</b>	<b>Establish Levels in MAP</b>
Express Lanes	Develop Regional Strategic Plan	Summer 2023
Grade Separations	Assign Projects to MAP Levels in Summer 2023 – Consistent with BIL Strategy	Summer 2023
Zero Emission Transit Transition	Develop Regional Strategic Plan - Identify Level 1 projects for 2023 federal funding cycle	Summer 2023
Major Transit Expansion	Continue to work with transit operators to identify projects for FTA Small Starts and other funding opportunities	TBD
Transit Priority, Networks, and State of Good Repair	March 2023 – MTC to award \$21 million for transit priority projects through Transit Priority Initiative program 2023 – 2024 – Inventory and identify additional projects and develop MAP Levels for funding opportunities.	Late 2023
Goods Movement	Assign Projects to MAP Levels in March 2023 – Consistent with BIL Strategy	Summer 2023
Other Roadway <i>(Same as existing minus Goods Movement projects)</i>	Assign Projects to MAP Levels in March 2023 – Consistent with BIL Strategy	Summer 2023

**Next Steps:**

Based on commissioner and stakeholder feedback, staff will continue to develop a proposal for further consideration in March and for Commission action at its April meeting.

**Issues:**

None identified.

**Recommendations:**

Information

**Attachments:**

- Attachment A: Presentation

A handwritten signature in blue ink that reads "Alix A. Bockelman". The signature is written in a cursive style and is positioned above a horizontal line.

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Alix A. Bockelman