Regional Rail Partnerships:
Study Summary

EXECUTIVE COMMITTEE
October 26, 2022

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MTC Rail Partnership Study – Overview and Goals

What was the study?

An <u>exploratory review</u> of across three themes:
(A) <u>Decision Making</u>
(B) <u>Organizational Capabilities</u>
(C) <u>Mega Project Delivery</u>

How was the study conducted?

Background research

Reviewing peer jurisdictions

Rail Working groups

Technical and strategic analysis

What is the study's current status?

Findings presented to MTC/Rail Partners and previewed today

What were the study findings?

There are key potential benefits of 'regionalizing' some decision-making and organizational capabilities. To advance these findings we identified:

Short-list of models for <u>decision making, organizational capabilities, and mega project delivery</u>

Pilots to test or build upon the findings of the study

Areas for further study - significant changes will be complex and require further analysis prior to implementing changes.

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Study Thematic Areas: Overview

(A) Decision Making (who makes decisions and where do they have authority?)

Today, there are multiple decision makers for different types of passenger rail decisions and different parts of the network.

We explored the potential trade-offs of having a single region-wide 'decision making entity' (existing or new) make key rail road decisions.

(B) Organizing Capabilities (who takes action and who is accountable?)

Today many capabilities are actioned by multiple organizations.

We explored if capabilities (such as planning or delivering service) could be actioned with greater benefit, lower risk, or improved efficiency by a single region-wide organization (existing or new).

(C) Delivery models (how are project delivered and by who?)

Today there are a range of agencies and entities involved in delivering mega-projects.

We explored a range of potential approaches to deliver these projects that could work in combination with the existing model.

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Guiding Study Statement – How did we review the thematic areas?

Core context considerations about the 'existing model':

Major Expansion

The Bay Area is currently planning and delivering a major expansion of the regional rail network.

Multiple Actors

Today this network has multiple decision makers and multiple agencies accountable for delivering rail projects and service.

Progress to Date

This 'model' has enabled the successful delivery of new projects from the 2007 plan and other initiatives.

While this 'model' has enabled past expansion and successes, it may not be optimized for future growth. We explored this in four lines of inquiry:

Inquiry 1 – does the existing model with multiple decision makers, planners, and delivery agencies support optimal projects and sustainable services delivered in the most efficient sequence?

Inquiry 2 – as the network becomes increasingly physically integrated, can the existing model ensure seamless customer experience and project delivery?

Inquiry 3 – as the volume of projects proposed for the Bay Area reaches historic levels, does the existing model enable value for money and effective delivery across the region?

Inquiry 4 – similar skills and knowledge are required across the range of proposed projects, can the existing model ensure effective use of labor and innovation?

These inquiries were developed to respond to the unique characteristics of rail – scale of demand, time and cost to deliver new projects, and the range of proposed projects.

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Study Area (A): Decision Making

What did the study review?

- We defined 10 types of decisions related to planning and providing passenger rail
- This analysis looked at 'who makes the decision' (separate from who carries it out).

We defined three approaches to decision making that define 'who makes decisions':

| Agency Level | Shared Decision Making | One 'region-wide Decision-Maker' |
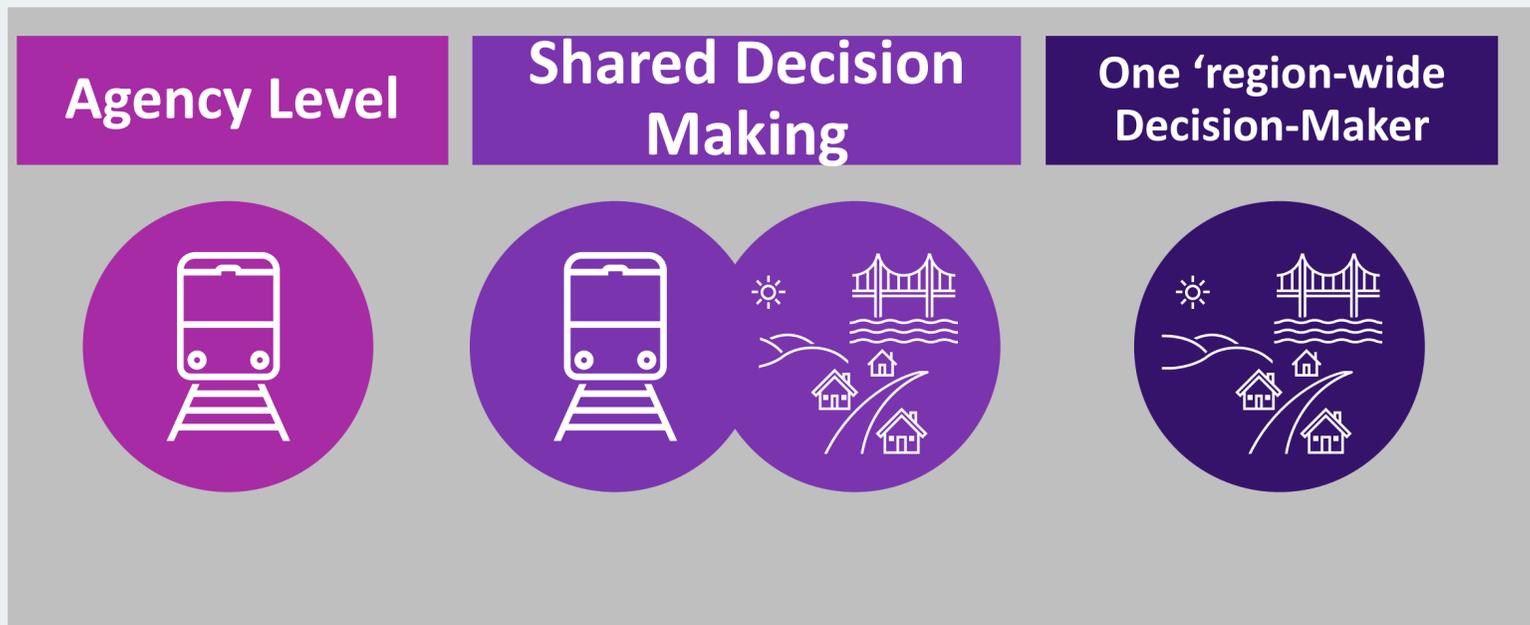
All decisions made by individual agencies ——————————————→ All decisions made by a single decision-making entity
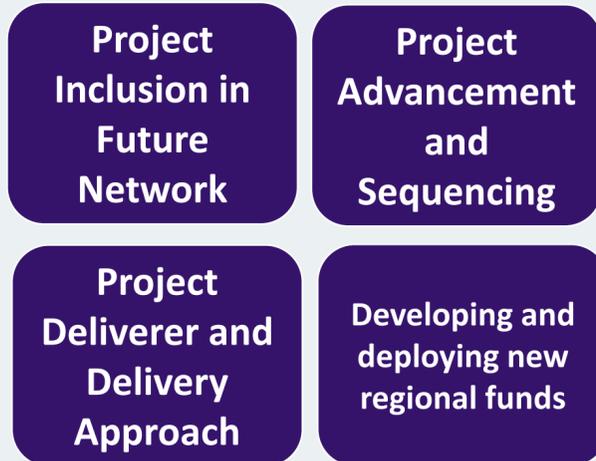
What did we find?
There are potential benefits to shifting four types of decisions to a region-wide level. Other decisions may benefit from being shared (5) or made at a local agency level (1).

Decision	Decision Making Today	Potential Decision Making Approach
Project Inclusion in Future Network	Shared	Region-wide
Project Advancement and Sequencing	Shared	Region-wide
Developing new funds for regional projects and programs	Shared	Region-wide
Defining agency that delivers projects and delivery approach	Agency	Region-wide
Network Policies	Shared	Shared
Capital Budgets	Shared	Shared
State of Good Repair Budgets	Shared	Shared
Asset Ownership	Agency	Shared
Operations and Operational Standards	Agency	Shared
Operations & Maintenance Budgets	Agency	Agency

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Study Area A: Findings for Further Discussion and Consideration

Region-Wide Decision Making could be effective for the following types of decisions

- Project Inclusion in Future Network
- Project Advancement and Sequencing
- Project Deliverer and Delivery Approach
- Developing and deploying new regional funds

A single decision making body would make decisions that apply to all Bay Area rail agencies.

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A blend of local and region-wide decision making could be effective for these decisions:

- Network Policies
- Capital and SOGR Budgets
- Asset Ownership
- Operations and Operational Standards

Some specific matters would be decided upon at a region-wide level (impact all Bay Area rail services), while others would be decided upon at a local level.

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A region-wide decision making body could be:
- An agreement driven forum
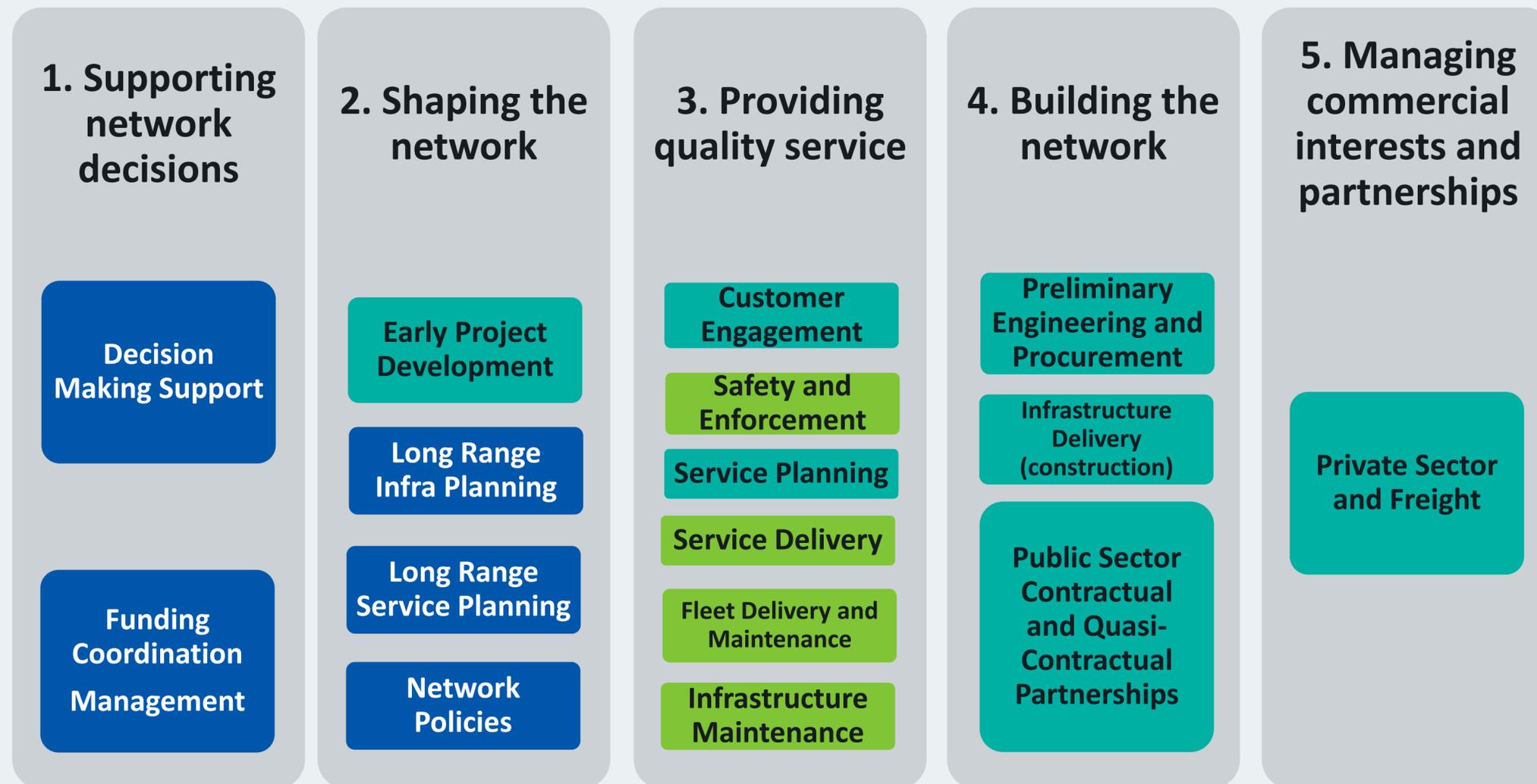- A new decision making body
- An empowered existing decision making body

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Study Area (B): Organizing Capabilities
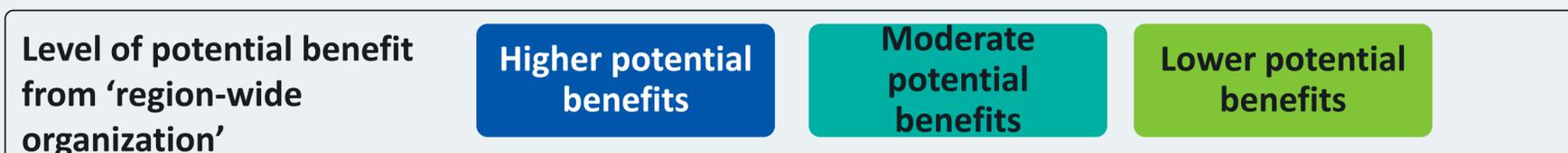
What did the study review?

We explored if there are capabilities that would benefit from being organized at a region-wide scale (actions led at a regional scale) vs. an agency scale.

1. Supporting network decisions

- Decision Making Support
- Funding Coordination Management

2. Shaping the network

- Early Project Development
- Long Range Infra Planning
- Long Range Service Planning
- Network Policies

3. Providing quality service

- Customer Engagement
- Safety and Enforcement
- Service Planning
- Service Delivery
- Fleet Delivery and Maintenance
- Infrastructure Maintenance

4. Building the network

- Preliminary Engineering and Procurement
- Infrastructure Delivery (construction)
- Public Sector Contractual and Quasi-Contractual Partnerships

5. Managing commercial interests and partnerships

- Private Sector and Freight

What did we find?
Capabilities associated with planning and decision making have the highest potential benefits from being 'regionalized'.

'Regionalized' capabilities are led/managed by a single agency across the region.

Level of potential benefit from 'region-wide organization'

- Higher potential benefits
- Moderate potential benefits
- Lower potential benefits

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Study Area (B): Options to Organize Capabilities on a Region-Wide Scale (contd)

Study Areas	Option 1 – Planning and Coordination Entity	Option 2 – Rail and Projects Planning Authority	Option 3 – Bay Area Rail Authority with Distributed Teams	Option 4 – Consolidated Bay Area Rail Authority
Decision Support				
Funding Coordination				
Long Range Infrastructure Planning				
Long Range Service Planning				
Early Project Development		Model 2	Model 1	Model 1
Network Policy Development		Model 3	Model 1	
Customer Engagement		Model 2	Model 2	
Service Planning				
Safety and enforcement				
Service Delivery				
Fleet Delivery and Maintenance				
Infrastructure Maintenance				

Increasing consolidation of capabilities in a region-wide organization →

Each option defines a single regional entity that leads across the capabilities in blue. The entity uses one or more of the following models to manage capabilities:
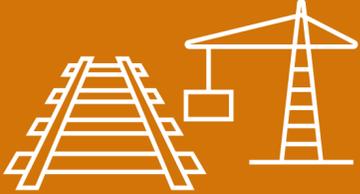
Model 1: Regional entity leads and actions capability

Model 2: Regional entity leads these capability and actions them with other agencies

Model 3: Regional entity guides collaboration among many agencies for these capabilities

Model 4: Capabilities in grey, continue to have multiple agencies lead and action them without leadership of a single regional entity.

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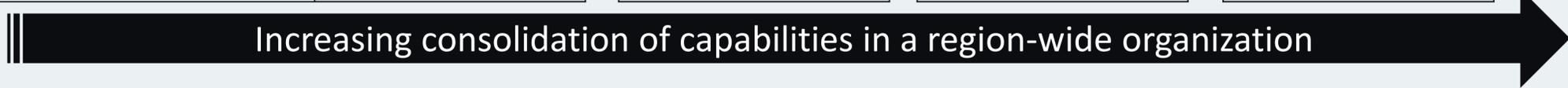
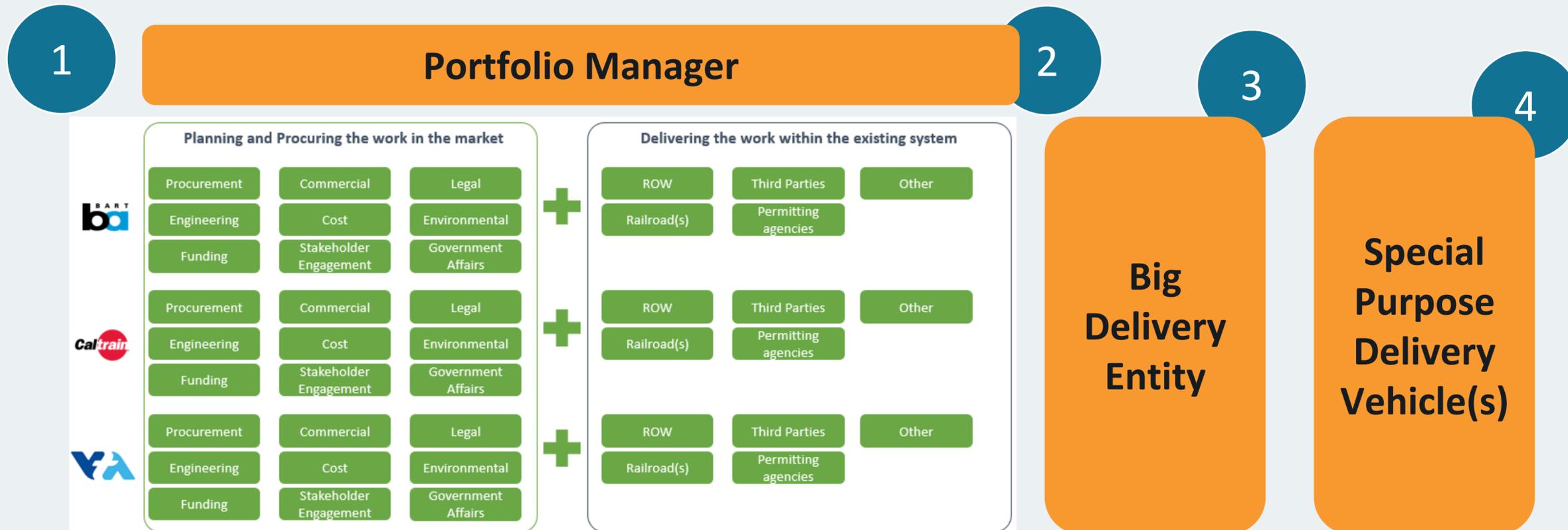# Study Area (C): Key Gaps in Existing Approaches to Delivery

Key Takeaway: The investment in the regional portfolio of projects (described in PBA) will result in outcomes that benefit the region, corridors and local communities.

There is no portfolio management capability of rail project delivery therefore the realization of the regional benefits is managed by proxy by existing entities therefore potentially complicating the realization of regional benefits.

Investments	Example Outputs	Example Outcomes	Current Delivery Responsibility
Projects/programs in **regional portfolio**	An increasingly connected network	System ridership growth	Existing agencies by proxy or by a coalition of owners/parties
Projects/programs in a **corridor**	An electrified system	Corridor ridership growth	Existing agencies
Projects for **local agency/agencies**	A grade separation	Decreased auto congestion, safer crossing	Existing agencies

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Study Area (C): Delivery Models

We identified four exploratory models that represent the spectrum of how projects could be delivered, and regional benefits and risks could be managed.

1 Portfolio Manager

Planning and Procuring the work in the market
- Procurement
- Engineering
- Funding
- Commercial
- Cost
- Stakeholder Engagement
- Legal
- Environmental
- Government Affairs

Delivering the work within the existing system
- ROW
- Railroad(s)
- Third Parties
- Permitting agencies
- Other

2 Big Delivery Entity

3 **4** Special Purpose Delivery Vehicle(s)

What did we find?
Combinations of these delivery models are normal in other reference jurisdictions and appear to have value.

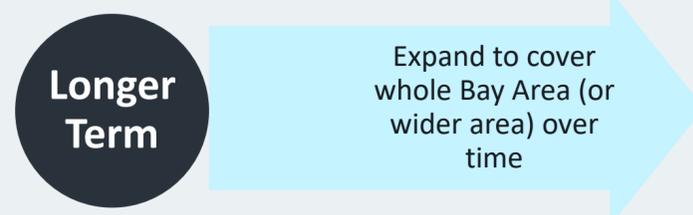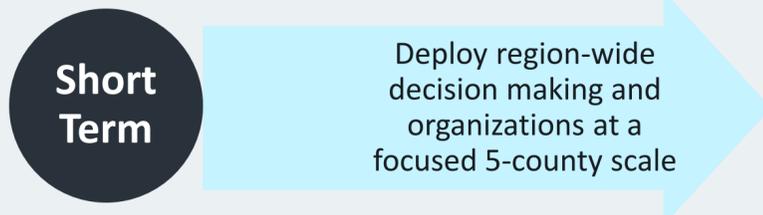Combinations, exist, or have existed, here in the Bay.

This is because unique project eco-systems require different approaches.

Key Take Away
The choice of delivery model needs to be informed by understanding the project within a regional portfolio, not in isolation. The lack of a 'whole portfolio view' in the current model is suboptimal from a delivery perspective.

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Implementing Change – Phases and Pilots

Phased Approach

Short Term → Deploy region-wide decision making and organizations at a focused 5-county scale

Longer Term → Expand to cover whole Bay Area (or wider area) over time

In the short and longer term, MTC can consider future studies and short-term pilots to build momentum, capture lessons learned, and deliver change.
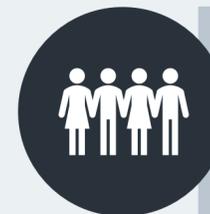
Factors to Consider When Exploring What to Phase and Where

- Physical integration
- Share of proposed capital programming
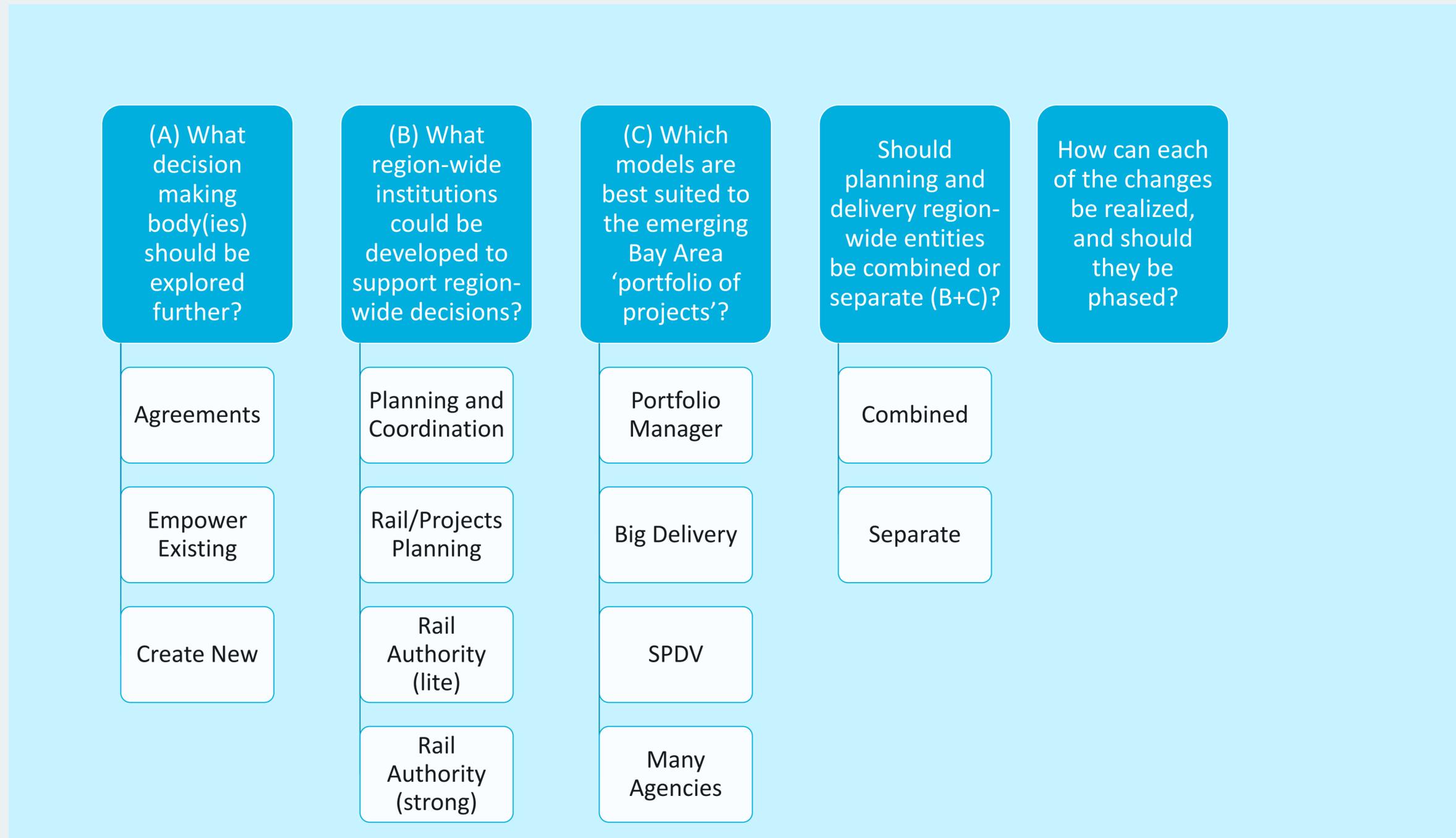- Level of ridership that could benefit from the change
- Cost and organizational challenges and opportunities
- Number of customers who make use of multiple railways

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Questions to Explore in Future Studies

(A) What decision making body(ies) should be explored further?	(B) What region-wide institutions could be developed to support region-wide decisions?	(C) Which models are best suited to the emerging Bay Area 'portfolio of projects'?	Should planning and delivery region-wide entities be combined or separate (B+C)?	How can each of the changes be realized, and should they be phased?
Agreements	Planning and Coordination	Portfolio Manager	Combined	
Empower Existing	Rail/Projects Planning	Big Delivery	Separate	
Create New	Rail Authority (lite)	SPDV		
	Rail Authority (strong)	Many Agencies		

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Next Steps

Next Steps Beyond this Study

1. Pilot region-wide decision making (what works, what does not?)

2. Future Studies
   – Explore the options further and characterize and estimate their incremental costs and gains

   – Conduct detailed costing, benefits analysis, and phasing planning appropriate for the degree of complexity involved in any changes

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