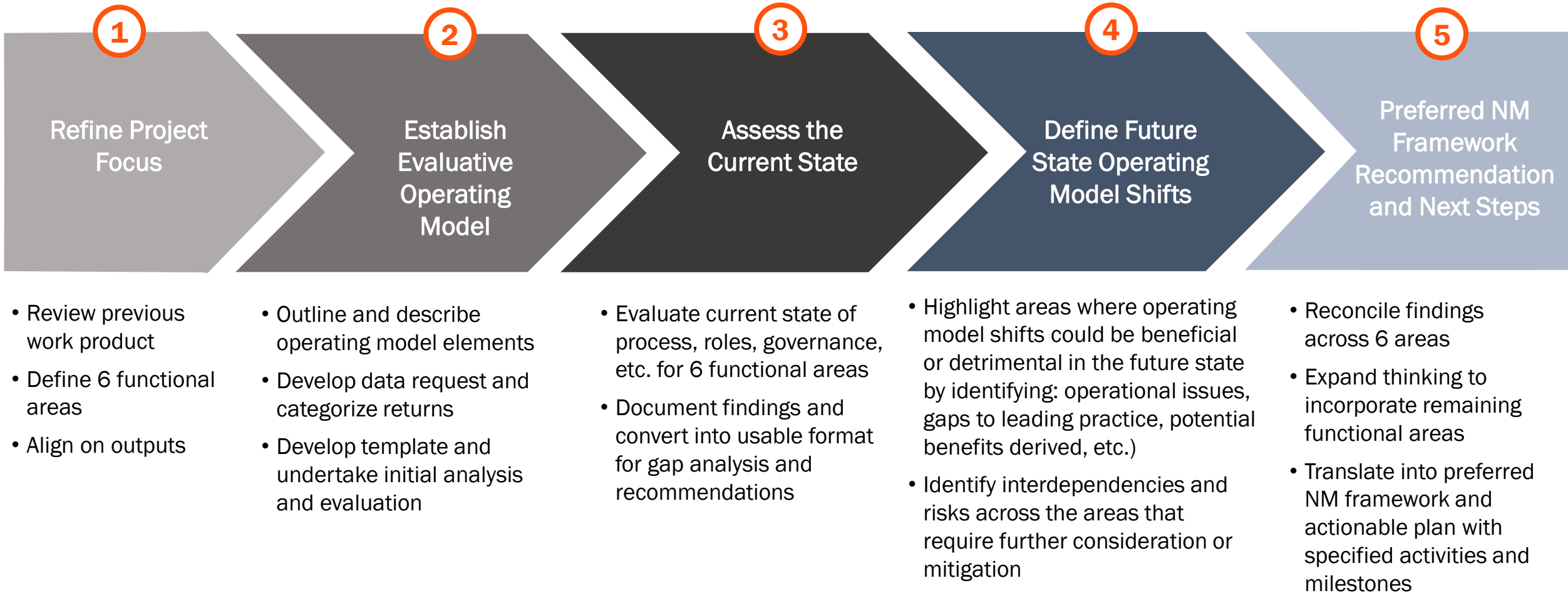


The Operating Model Proof of Concept

High-Level Approach and “Proof of Concept”



Today's Focus

Proof of Concept | Representative Areas First

We are leveraging this revised method to quickly provide a 'proof of concept' in 2 areas with rich programmatic detail: this can help us test the method and hone in on appropriate level of analysis and rigor

Current State

Six Representative Areas Identified

Wayfinding

Fare Integration Policy

Accessibility

Bus Transit Priority

Rail Network Management

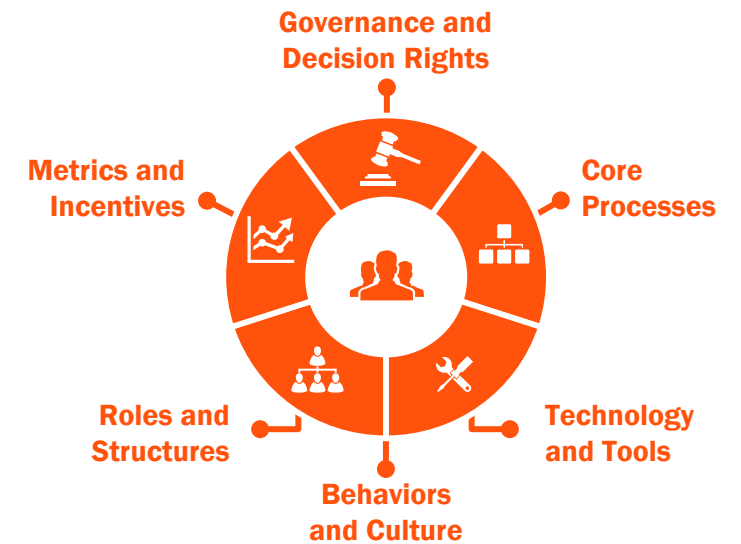
Network Planning

Define Accountability for Functional Areas

	Regional Accountability*	Local Accountability*
Wayfinding		
Fare Integration Policy		
Accessibility		
Bus Transit Priority		
Rail Network Management		
Network Planning		

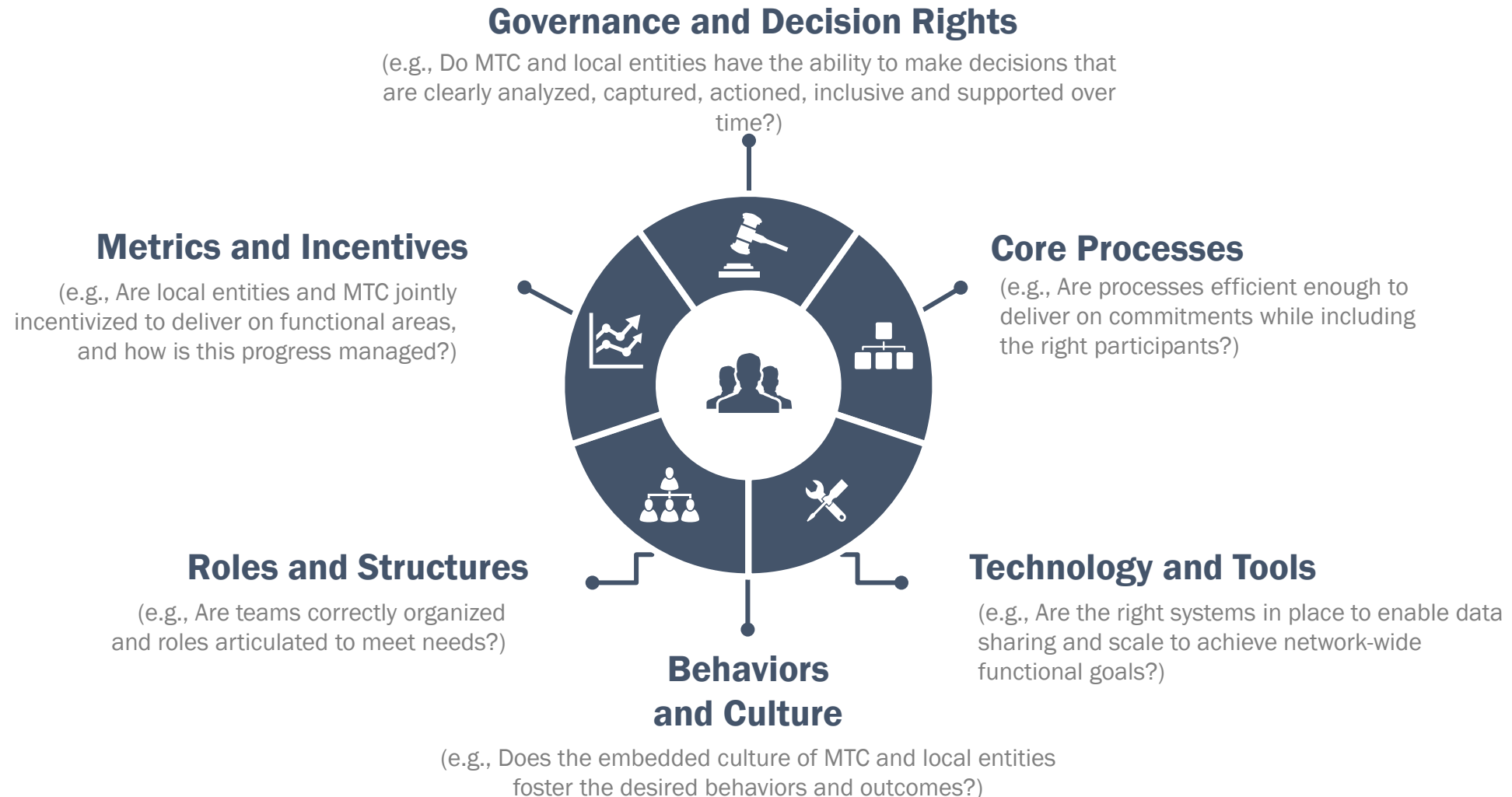
Today's Focus – Testing the Theory through a Proof of Concept

Design the Future Operating Model



Operating Model Framework

Our analysis will leverage KPMG's Operating Model Framework, providing a structured way of identifying the elements most needed to enhance regional operations



Operating Model Framework

To provide an example of this in practice, we will utilize the “Proof of Concept” highlighting specific areas where decision rights, roles/accountabilities, and process intersect to provide better or worse outcomes

Governance and Decision Rights

(e.g., Does MTC and local entities have the ability to make decisions that are clearly analyzed, captured, actioned, and supported over time?)



Core Processes

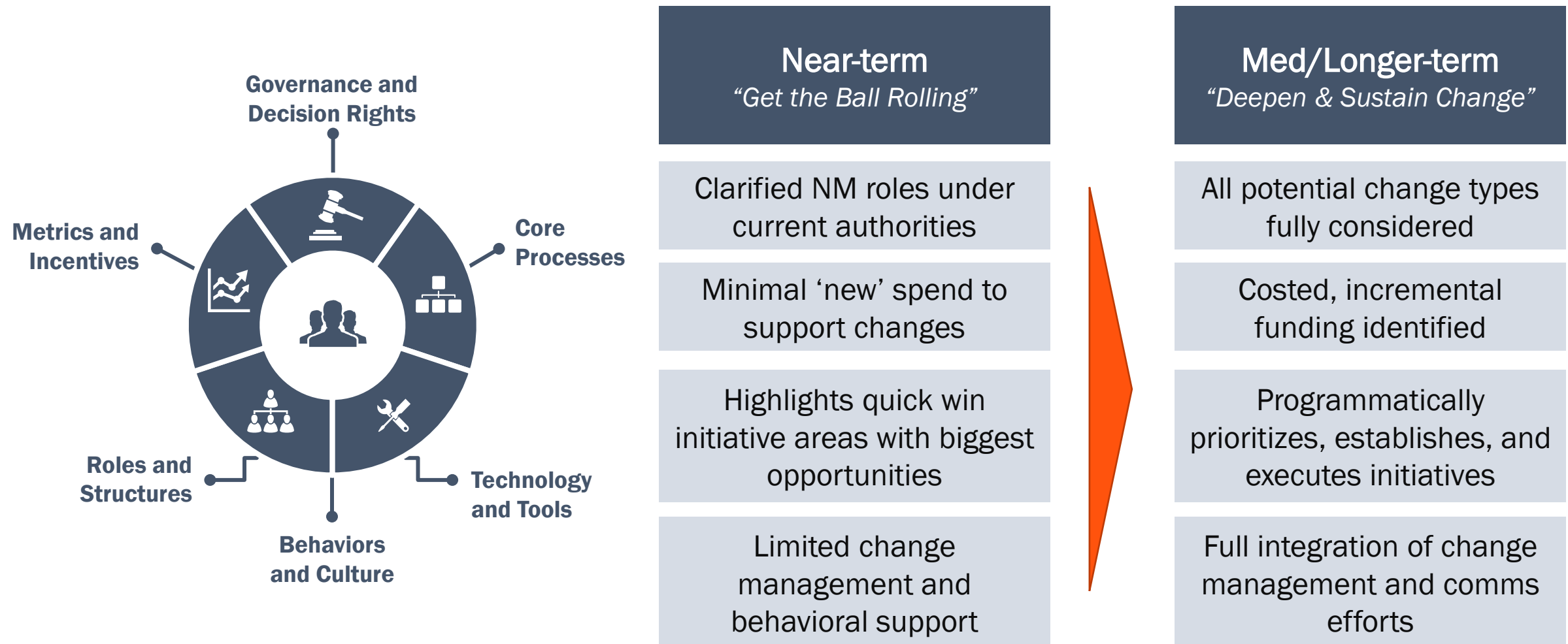
(e.g., Are processes efficient enough to deliver on commitments while including the right participants?)

Roles and Structures

(e.g., Are teams correctly organized and roles articulated to meet needs?)

Operating Model Framework

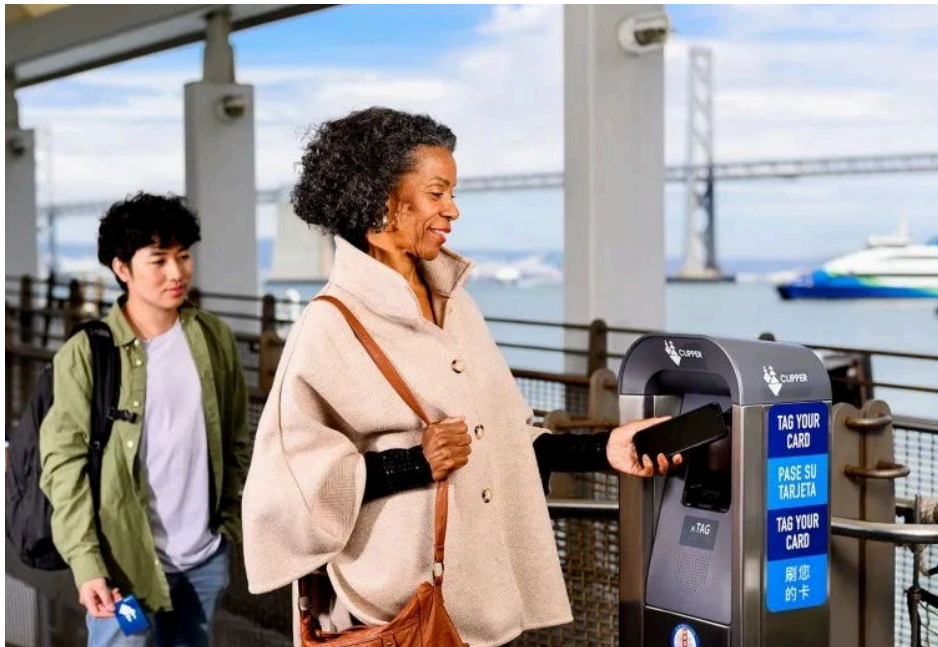
We believe that for the network to be successful as a whole, implementing a new operating model will need to take place incrementally, evolving over time in response to targeted feedback



Proof of Concept

Purpose:

- Walk through methodology using two "pilot" Functional Areas
- Inputs for example findings: interviews/group discussions, existing studies, and existing data/analytics from MTC and other bodies.



Goals and Benefits

By enhancing network management, we can bring about...?

Sample Benefits: Fare Integration and Wayfinding

Customer Benefits

End-State goal for customers

Fare Integration

How and what a customer will pay to use the transit system and how fare revenue is collected and distributed

- ☐ Ridership growth at a lower cost (between \$2.39 to \$2.84 per new rider) than other investments, including service enhancement and expansion.
- ☐ Up to \$340 million in socio-economic value
- ☐ Yield an average fare reduction between 30% and 35% for approximately 20% to 25% of riders. (Source: Fare Integration Business Case)

Network Management Benefits

Region's improved ability to achieve goals

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- ☐ Faster decision-making leading to earlier implementation of Tier 3 (and 4) goals
- ☐ Timely development, approval, and implementation of Fare Policy Vision
- ☐ Consistent procedures and eligibility requirements for fare discounts – lower administration costs overall

Wayfinding

Information travelers use to plan and navigate their journey including maps, schedules, travel times, and updates

- ☐ Improved navigability of the system
- ☐ Consistent customer experience
- ☐ \$2.60 in benefits for every dollar spent achieving Tier 3 wayfinding

- ☐ Faster development, approval and deployment of regional standards – reduces admin/coordination costs
- ☐ Improved adherence to regional standards
- ☐ Reduced capital costs due to centralized procurement

Defining Accountability and Responsibility

We use a RACI Matrix to clarify Accountability and Responsibility across organizational scope, to enable effective operations and sufficient coverage of all required functions.

Typical Decision Right Roles



Roles do not exist in silos - all roles have an obligation to work together to ensure continued progress

Testing the Methodology through a Proof of Concept

Starting with a program-level view, we developed an activity breakdown along with underlying actions and assigned respective responsibilities & accountabilities as they *currently* exist

Fare Integration Program Level	Process & Activity Areas			Operator	MTC	Operator	MTC	Source	Additional sources
	Level 1	Level 1 Accountability	Level 2 (What are the high level activities for each?)	Who is responsible for the deliverable?		Who is accountable for the deliverable?		How do we know this?	
Planning & Program Development	Develop and communicate region wide vision	MTC	Define the region-wide vision, objectives and benefits.		R		A	Operators / MTC	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
			Review region-wide vision and provide input/feedback to MTC	R		A		MEETING_Network Management Next Steps, MTC & BART, 08/18/22	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
			Develop draft for region-wide vision		R		A		
			Define criteria and requirements for user research in template, provide to operators.		R		A	DOCUMENT_MTC Policy Vision Statement	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
			Develop communication and stakeholder engagement plan.		R		A		
			Conduct research on ridership/system users	R		A			
			Conduct operator-specific stakeholder engagement	R	R	A		DOCUMENT_MTC Policy Vision Statement	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
			Support operators with stakeholder engagement		R		A	LS/AP RNM Accountabilities Breakdown XLS, 082322	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
			Integrate feedback and findings from user research in region-wide vision.		R		A		
			Approve the region-wide vision	R			A	LS/AP RNM Accountabilities Breakdown XLS, 082322	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
			Communicate and engage the public on vision development	R		A		LS/AP RNM Accountabilities Breakdown XLS, 082322	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
Planning & Program Development	Policy options and business casing	MTC	Document existing pricing policies and customer subsidy programs	R			A	MEETING_Network Management Next Steps, MTC & BART, 08/18/22	
			Define requirements for pricing/business case forecasting and modelling		R		A	MEETING_Network Management Next Steps, MTC & BART, 08/18/22	
			Review forecasting and modelling requirements and provide feedback based on ability and existing knowledge	R		A			
			Provide direction for alternative policies to be explored		R		A	LS/AP RNM Accountabilities Breakdown XLS, 082322	
			Compile business cases including forecasting and modelling of pricing policies	R		A			
			Present findings and evaluate options	R		A			
			Approve preferred policy directions		R		A	LS/AP RNM Accountabilities Breakdown XLS, 082322	
			Engage with stakeholders on pending changes and gather feedback	R		A		LS/AP RNM Accountabilities Breakdown XLS, 082322	

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Current State: Level 1 Activities / Accountability (Program-level)

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Testing the Methodology through a Proof of Concept

Current State: Level 2 Activities / Accountability (Execution-level)

Process & Activity Areas			
Fare Integration Program Level	Level 1	Level 1 Accountability	Level 2 (What are the high level activities for each?)
Planning & Program Development	Develop and communicate region wide vision	MTC	Define the region-wide vision, objectives and benefits.
			Review region-wide vision and provide input/feedback to MTC
			Develop draft for region-wide vision
			Define criteria and requirements for user research in template, provide to operators.
			Develop communication and stakeholder engagement plan.
			Conduct research on ridership/system users
			Conduct operator-specific stakeholder engagement
			Support operators with stakeholder engagement
			Integrate feedback and findings from user research in region-wide vision.
			Approve the region-wide vision
Planning & Program Development	Policy options and business casing	MTC	Communicate and engage the public on vision development
			Document existing pricing policies and customer subsidy programs
			Define requirements for pricing/business case forecasting and modelling
			Review forecasting and modelling requirements and provide feedback based on ability and existing knowledge
			Provide direction for alternative policies to be explored
			Compile business cases including forecasting and modelling of pricing policies
			Present findings and evaluate options
			Approve preferred policy directions
			Engage with stakeholders on pending changes and gather feedback

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Level 2 (What are the high level activities for each?)

Define the region-wide vision, objectives and benefits.

Review region-wide vision and provide input/feedback to MTC

Develop draft for region-wide vision

Define criteria and requirements for user research in template, provide to operators.

Develop communication and stakeholder engagement plan.

Conduct research on ridership/system users

Conduct operator-specific stakeholder engagement

Support operators with stakeholder engagement

Integrate feedback and findings from user research in region-wide vision.

Approve the region-wide vision

Communicate and engage the public on vision development

Testing the Methodology through a Proof of Concept

Current State: Responsibility and Accountability Breakdown

Process & Activity Areas				Operator	MTC	Operator	MTC	Source	Additional sources
Fare Integration Program Level	Level 1	Level 1 Accountability	Level 2 (What are the high level activities?)	Who is responsible for the deliverable?		Who is accountable for the deliverable?		How do we know this?	
			Define the region		R		A	Operators / MTC	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
				R		A		MEETING_Network Management Next Steps, MTC & BART, 08/18/22	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
					R		A		
					R		A	DOCUMENT_MTC Policy Vision Statement	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
					R		A		
				R		A			
				R	R	A		DOCUMENT_MTC Policy Vision Statement	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
					R		A	LS/AP RNM Accountabilities Breakdown XLS, 082322	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
					R		A		
				R			A	LS/AP RNM Accountabilities Breakdown XLS, 082322	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
				R		A		LS/AP RNM Accountabilities Breakdown XLS, 082322	Blue Ribbon, Regional Network Management Structures Evaluation Summary Report, September 2021
				R			A	MEETING_Network Management Next Steps, MTC & BART, 08/18/22	
					R		A	MEETING_Network Management Next Steps, MTC & BART, 08/18/22	
				R		A			
					R		A	LS/AP RNM Accountabilities Breakdown XLS, 082322	
				R		A			
				R		A			
				R		A			
				R		A			
				R		A		LS/AP RNM Accountabilities Breakdown XLS, 082322	
				R	R	A		LS/AP RNM Accountabilities Breakdown XLS, 082322	
				R		A			

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Sources & Additional Context

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Our understanding of the “current state”

We have developed a view of the Fare Integration Current State Operating Model based on document reviews, interviews, and direct conversations

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Fare Integration <i>How a customer will pay to use the transit system and how fare revenue is collected and distributed</i>				
Operating Element	Current State Assessment	Sources for Observations		
		Interviews	Documentation	Focus Groups
Governance and Decision Rights	Local entity governing boards set fares	✓	✓	
Core Processes	Local entity boards set fares; Clipper Executive Board coordinates management and delivery of regional fare card; all agencies comply individually with federal Title VI and sub-regional fare coordination is offered through interagency agreements		✓	
Technology and Tools	Clipper provides common regional fare card and support for backbone technologies		✓	✓
Behaviors and Culture	Individual agency interests/needs are the primary driver of fare policy; growing collaboration through FITF and BRTF		✓	✓
Roles and Structures	MTC staff manages the Clipper system on behalf of the Clipper Executive Board; each agency has its own staff responsible fare policy, fare collection, and Title VI; BART & MTC staff FITF		✓	
Metrics and Incentives	Local entities have own respective metrics		✓	

Template: The Operating Model Framework

Fare Integration				
How a customer will pay to use the transit system and how fare revenue is collected and distributed				
Operating Element	Current State Assessment	Future State		Initiative(s)
		Regional	Local	
Governance and Decision Rights	Local entity governing boards set fares	- Set and update common rules & amounts for inter-agency transfer discounts - Establish and govern a common fare structure for regional services, including discount levels - Govern region-wide institutional fare programs, pass products, and/or fare capping	- Govern local fares - Govern local pass products - Govern local discount programs - Ratify regional fare policies	- Continue Fare Integration Task Force and/or explore successor - Implement Clipper BayPass Pilot Phases 1 and 2 to evaluate regional institutional fare programs - Finalize Clipper 2 account-based system transition - Establish common no-cost and reduced cost transfers for transit users transferring across agencies - Continue proposal development for all-transit agency pass for use by the general public - Refine vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service
Core Processes	Local entity boards set fares; Clipper Executive Board coordinates management and delivery of regional fare card; all agencies comply individually with federal Title VI and sub-regional fare coordination is offered through interagency agreements	- Manage regional fare card system (Clipper). Distribute funds collected through regional fare system. - Manage region-wide institutional fare programs, pass products, and/or fare capping - Conduct Title VI analyses	- Manage local fares - Comply with Title VI - Install & maintain fare collection equipment	
Technology and Tools	Clipper provides common regional fare card and support for backbone technologies	- Common regional fare card (Clipper) - Common technology platforms for institutional fare programs	Provide fare collection equipment	
Behaviors and Culture	Individual agency interests/needs are the primary driver of fare policy; growing collaboration through FITF and BRTF	Encourage collaboration in setting fare policy	- Participate in regional policy design - Comply with implement regional structure of inter-agency transfer discounts	
Roles and Structures	MTC staff manages the Clipper system on behalf of the Clipper Executive Board; each agency has its own staff responsible fare policy, fare collection, and Title VI; BART & MTC staff FITF	- MTC staff manages the Clipper system - Convene Fare Integration Task Force, Clipper Executive Board or successor entity (ie, Regional Transit Coordinating Committee)	Participate in Fare Integration Regional Transit Coordinating Committee (RTCC), including Regional Fares subcommittee	
Metrics and Incentives	Local entities have own respective metrics	Sets guidance for type of metrics and performance measurement needs	- Manage to metrics - Provide feedback and insights on measures	

Applying the Operating Model Framework | Fare Integration

Fare Integration

How a customer will pay to use the transit system and how fare revenue is collected and distributed

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Operating Element	Current State Assessment	Potential Future State <i>Note: Future state not yet validated – representative of process</i>		Potential Initiative(s) <i>Facilitate Transition to Future State</i>
		<i>Regional</i>	<i>Local</i>	
Governance and Decision Rights	Local entity governing boards set fares	- Set and update common rules & amounts for inter-agency transfer discounts - Establish and govern a common fare structure for regional services, including discount levels - Govern region-wide institutional fare programs, pass products, and/or fare capping	- Govern local fares - Govern local pass products - Govern local discount programs - Ratify regional fare policies	- Continue Fare Integration Task Force and/or explore successor - Implement Clipper BayPass Pilot Phases 1 and 2 to evaluate regional institutional fare programs - Finalize Clipper 2 account-based system transition - Establish common no-cost and reduced cost transfers for transit users transferring across agencies - Continue proposal development for all-transit agency pass for use by the general public - Refine vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service
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Technology and Tools	Clipper provides common regional fare card and support for backbone technologies	- Common regional fare card (Clipper) - Common technology platforms for institutional fare programs	Provide fare collection equipment	
Behaviors and Culture	Individual agency interests/needs are the primary driver of fare policy; growing collaboration through FITF and BRTF	Encourage collaboration in setting fare policy	- Participate in regional policy design - Comply with implement regional structure of inter-agency transfer discounts	
Roles and Structures	MTC staff manages the Clipper system on behalf of the Clipper Executive Board; each agency has its own staff responsible fare policy, fare collection, and Title VI; BART & MTC staff FITF	- MTC staff manages the Clipper system - Convene Fare Integration Task Force, Clipper Executive Board or successor entity	Participate in Fare Integration Task Force or successor entity	
Metrics and Incentives	Local entities have own respective metrics	Sets guidance for type of metrics and performance measurement needs	- Manage to metrics - Provide feedback and insights on measures	

Applying the Operating Model Framework | Wayfinding

Wayfinding

Information travelers use to plan and navigate their journey including maps, schedules, travel times, and updates

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Operating Element	Current State Assessment	Potential Future State <i>Note: Future state not yet validated – representative of process</i>		Potential Initiative(s) <i>Facilitate Transition to Future State</i>
		Regional	Local	
Governance and Decision Rights	Local entities make most of the respective wayfinding decisions; overall vision and benefits guidance set by MTC	- Single Regional Wayfinding Authority to improve adherence to regional standards - Faster approval and deployment of standards - Provide quality and compliance oversight	- Provide input into design standards and requirements - Responsible for all procurement, installation, and maint. decisions	1) Establish Wayfinding design standards and requirements following project goals 2) Establish Wayfinding prototype hub 3) Plan for subregional rollout 4) Develop mapping services platform 5) Establish Wayfinding Compliance Officer to provide quality and compliance oversight 6) Wayfinding performance management through relevant KPIs
Core Processes	Local entities have their own processes (e.g., design standards, requirements, maintenance); timelines and implementation support often provided via MTC	- Standardized design standards setting process - Standardized requirements setting process - Standardized audit process	Standardized procurement, installation, and maintenance process for wayfinding systems	
Technology and Tools	Local entities have own respective tools (e.g., manuals); requirements outlined by MTC for areas such as signage	- Design Standards / Req. Manual for all technologies / tools - Central tool for designing materials	Provide electronic and print signage for installing and maintaining wayfinding	
Behaviors and Culture	Local entities not always collaborating with other operators; MTC primarily provides oversight on vision, objectives, and desired benefits	Encourage collaboration in setting design standards and requirements	Encourage compliance with regional standards and requirements	
Roles and Structures	Local entities have their own respective individuals / teams responsible for wayfinding activities; MTC roles focus on developing and testing conceptual designs	- Wayfinding Standards Committee - Wayfinding Compliance Officer	- Procurement lead / team - Installation lead / team - Maintenance lead / team	
Metrics and Incentives	Local entities all have their own respective metrics	Set region-wide compliance metrics (e.g., % meeting standards)	Match internal metrics to region-wide compliance metrics	

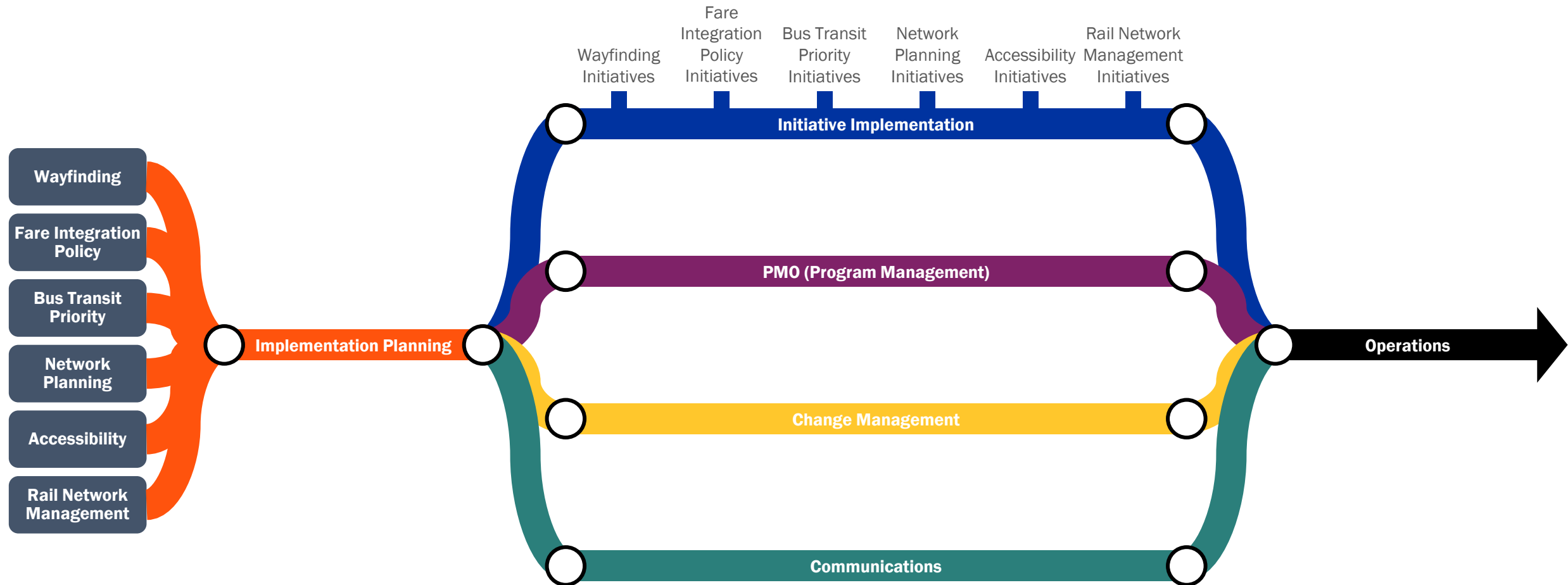
Bringing it Together | Transitioning to a Future State Operating Model

Each initiative will need design across several Operating Model components make the shift to the future state

Fare Integration Proposed Initiatives	 Governance and Decision Rights	 Roles and Structures	 Core Processes	 Metrics and Incentives	 Technology and Tools	 Behaviors and Culture
1) Continue Fare Integration Task Force and/or explore successor	✓	✓				✓
2) Finalize Clipper 2 account-based system transition	✓	✓	✓	✓	✓	✓
3) Implement Clipper BayPass Pilot Phases 1+2 to evaluate regional institutional fare programs	✓	✓		✓	✓	
4) Establish common no-cost and reduced cost transfers for transit user transfers	✓		✓	✓		
5) Continue proposal development for all-transit agency pass for use by the general public	✓		✓	✓		
6) Refine vision of common fare structure (distance or zone-based) for regional rail, ferry, and express bus service	✓		✓	✓	✓	

Making it Real | Implementing the Future State Operating Model

Establishing the future state operating model will require an Implementation Plan coordinating specific required activities for completing initiatives, management of the program and associated change, and ongoing communications



Immediate Next Steps

- 1 Consider your feedback on this approach and methodology
- 2 Interviews and data collection to support Six Functional area current state and future state assessments.
- 3 Build out templates to support systematic analysis of current and future state

Questions?

Does the evaluative approach as described add value to determining a regional network management framework?

Monthly Advisory Group Meetings | September to December

Advisory Group Meetings

Advisory Group Schedule and Topics		
	Consultant Team Activities	Advisory Group Topics
Sept 12	▪ Draft Problem and Benefit Statements for 6-Functional Areas ▪ Conduct interviews, research, data collection ▪ Confirm Draft “Operating model” Framework	▪ Evaluation Approach and Scope ▪ Project Schedule ▪ Proof of Concept Evaluation Approach– Fares and Wayfinding
Oct 17	▪ Interviews, research focuses on if regionalization of accountabilities could: ▪ achieve the benefits more quickly? ▪ achieve the benefits in a more cost-effective way? ▪ address a gap that isn’t current addressed through existing accountabilities? ▪ enable greater needed consistency and equity across the region for customers?	▪ 6-Functional Area “Accountabilities” ▪ Problem and Benefit Statements ▪ Emerging findings and key questions
Nov 14	▪ Current status assessment of 6-functional areas	▪ Draft findings from Status assessment ▪ Highest level benefits (6-functional areas) ▪ Define operating model shifts
Dec 12	▪ Draft Future State Report; Implementation and Forward Compatibility	▪ Draft findings and recommendations for Regional Network Management Framework, including initiatives and incentives for near-term and long term