



Regional Network Management (RNM)

REFINEMENTS TO RNM AND NEXT STEPS

DECEMBER 12, 2022

1:00 PM

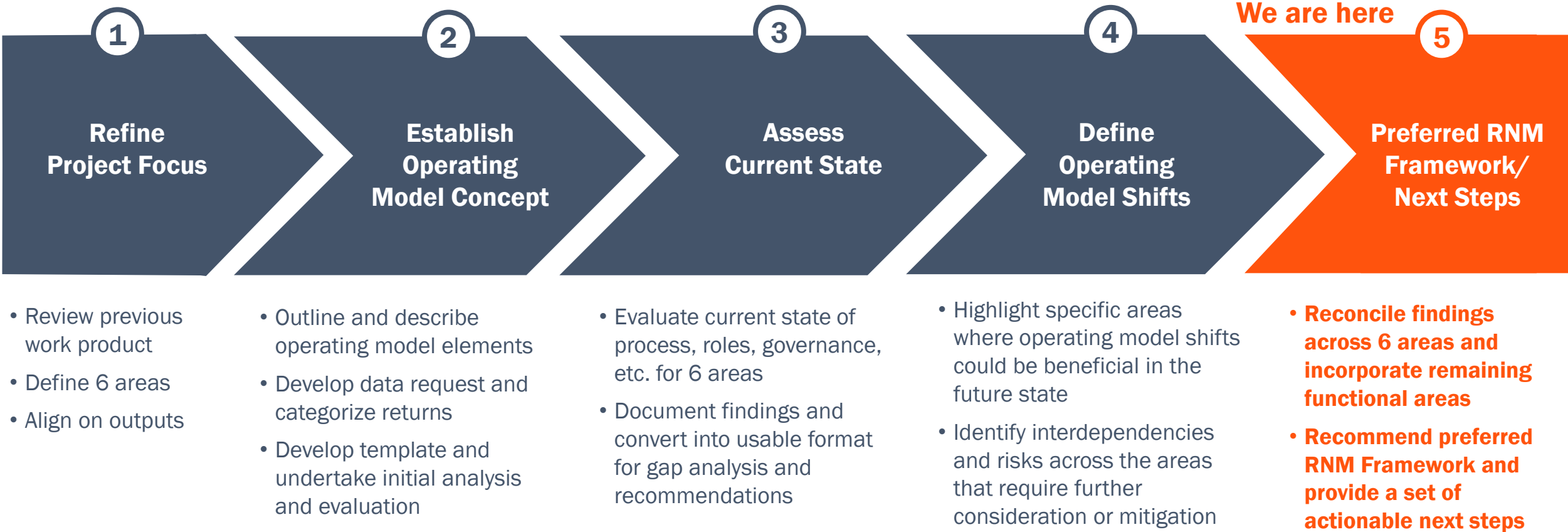
Agenda

- **Welcome & Chair Comments**
Denis Mulligan, Chair (5 min.)
- **Progress Update**
Guy Wilkinson, KPMG (5 min.)
- **Refinements to Short/Near-Term RNM**
Guy Wilkinson, KPMG (20 min.)
- **Draft RNM Charter & Evaluation Framework for RNM Evolution**
Guy Wilkinson, KPMG (10 min.)
- **180-Day Plan for Short/Near-Term RNM**
Guy Wilkinson, KPMG (10 min.)
- **Next Steps**
Guy Wilkinson, KPMG &
Therese McMillan, MTC (10 min.)
- **Public Comment**

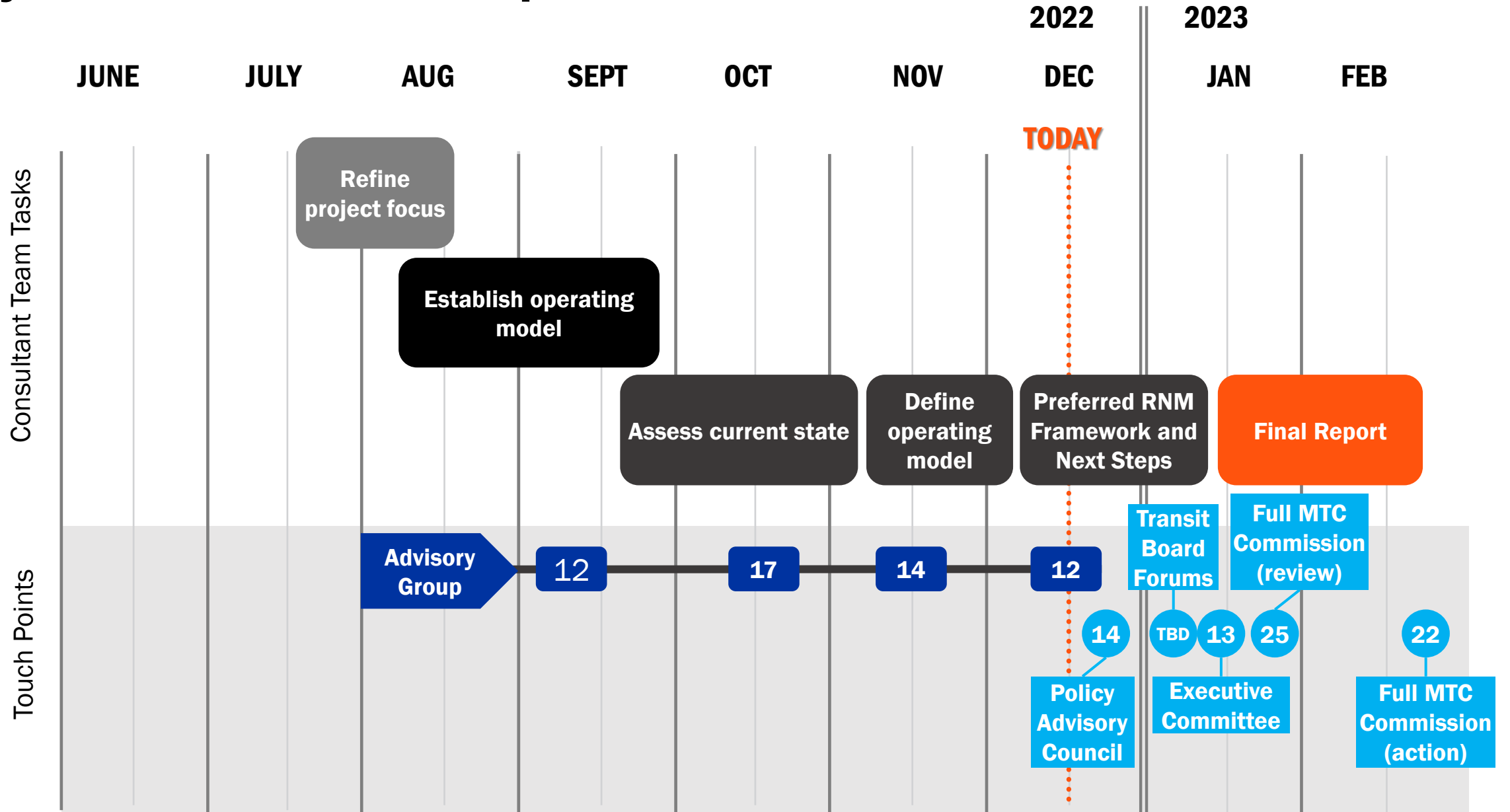


Progress Update

Progress Update



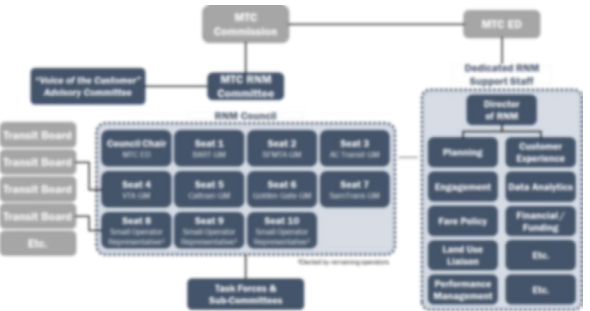
Project Schedule & Touchpoints



Since the November AG Meeting, we have refined the Short/Near-Term RNM after considering your feedback and identified actions needed to stand up the framework



During the last AG meeting, we presented a preliminary Short/Near-Term RNM Framework along with a concept for how it will evolve over the long term



After considering your feedback, we have refined and/or clarified specific elements of the RNM Framework, which we will present today



Days 0-30 (Nov 9 - Nov 16)	Days 31-60 (Nov 17 - Nov 23)	Days 61-100 (Nov 24 - Nov 30)
<ul style="list-style-type: none"> Develop initial budget, determine funding requirements, and identify funding sources Finalize RNM Charter Establish RNM Director Search Committee Write RNM Director job description / requisition Complete hiring process for RNM Director Identify and acquire RNM office space / IT needs Identify MTC RNM Committee Members Further define and establish the "Voice of the Customer" Advisory Committee 	<ul style="list-style-type: none"> Write job descriptions / requisitions for any immediate Dedicated Support Staff (Days 2-3 staff) Complete hiring process for any immediate Dedicated Support Staff Hold first RNM Council meeting Align on RNM KPIs Align on immediate action items / priority initiatives for the RNM (e.g. schedule transfers, collective bargaining agreements) Establish any immediate Task Forces or Sub-Committees 	<ul style="list-style-type: none"> Establish KPI reporting process and begin reporting on KPIs Hold first MTC RNM Committee meeting Develop and approve annual RNM budget

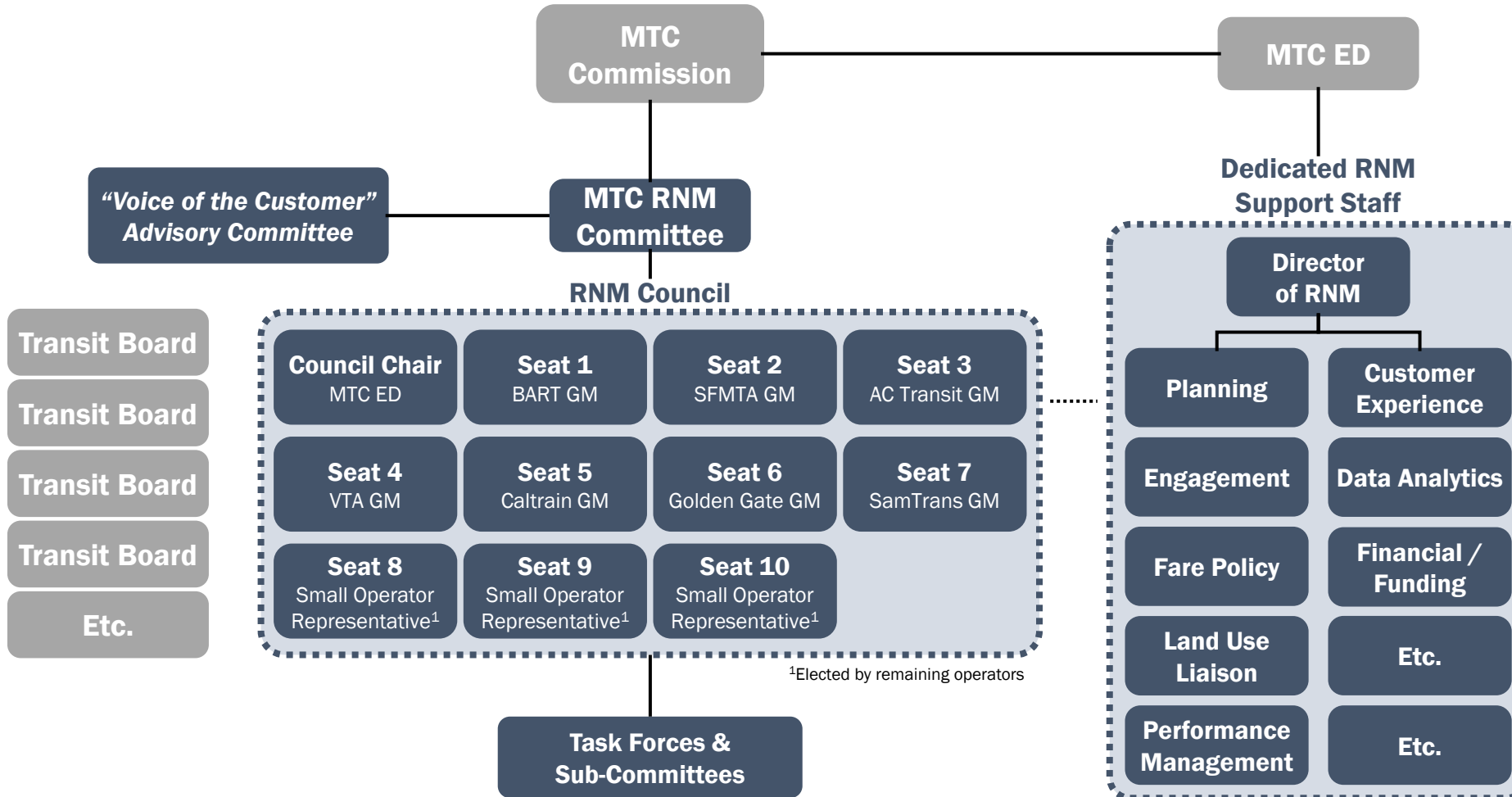
Additionally, we have also identified the actions needed to stand up the Short/Near-Term RNM and have provided some initial ideas for items such as the RNM charter and KPIs which we will also review today

Refinements to Short/Near- Term RNM

Key Refinements to the Short/Near-Term RNM Framework

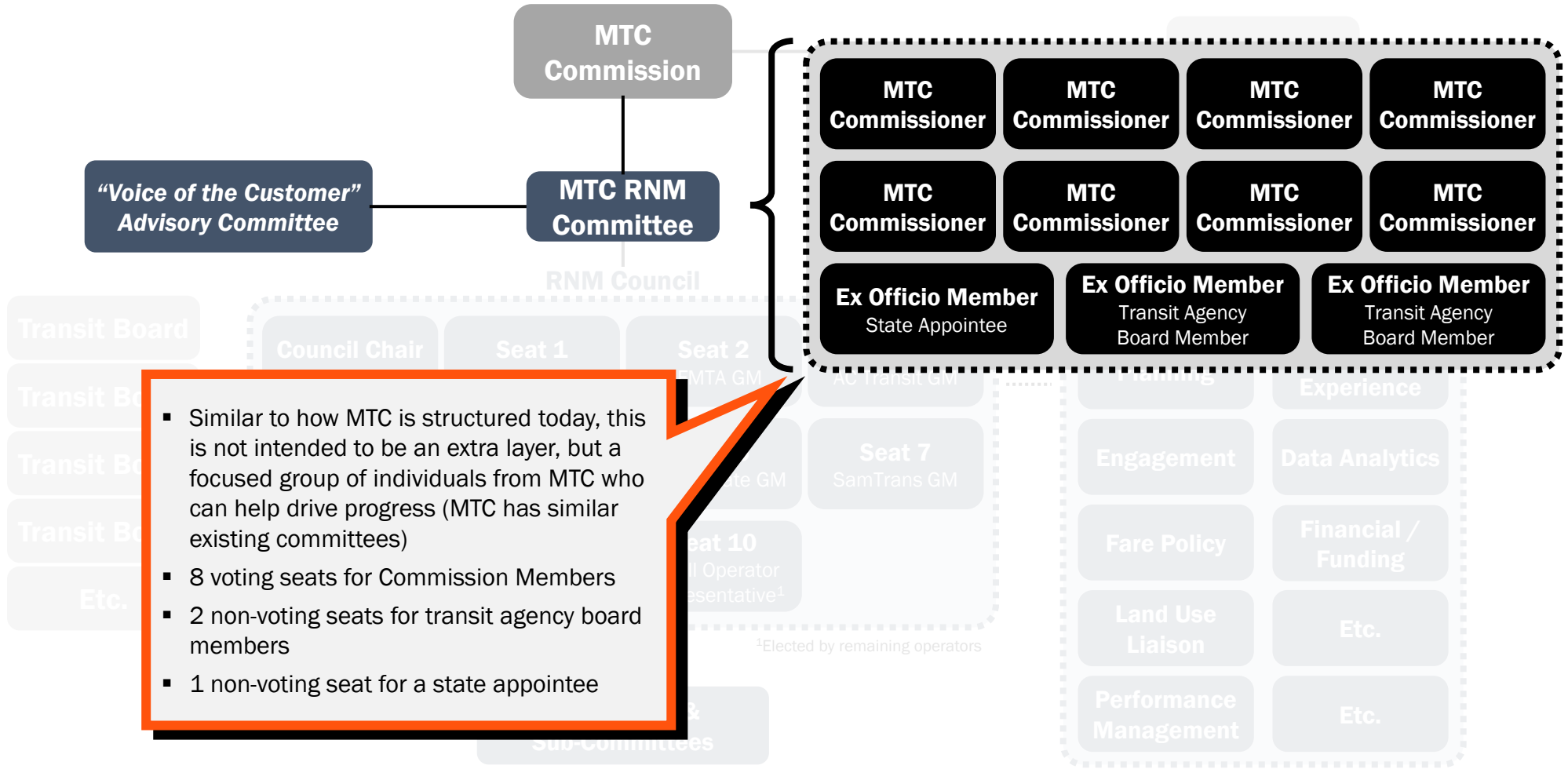
- 1 MTC RNM Committee:** Additional detail added to provide clarification on how MTC will interface with the RNM, which includes the MTC Board, the MTC Executive Director, and a new Committee within MTC (note that this committee structure / approach is typical to how MTC does business)
- 2 “Voice of the Customer” Advisory Committee:** Reporting line moved from RNM Council to MTC, to reflect expectation that the Advisory Committee will present reports to MTC RNM Committee to support informed decision making; additional detailed provided on proposed structure
- 3 Transit Boards:** Transit Boards added to the graphic to help demonstrate the important role that transit boards will play in approving implementation plans proposed by the RNM for individual Operators
- 4 Director of RNM:** Title changed from “Director of RNM Operations” to “Director of RNM” to avoid confusion with the typical use of “operations” (i.e., operating a transit system) (*note: Director of RNM will report to MTC Executive Director; however, level of role with MTC is to be determined*)
- 5 Dedicated Support Staff:** Two additional roles added to support the voice of the customer: (1) Customer Experience and (2) Data Analytics
- 6 RNM Council:** Name changed from “RNM Executive Board” to “RNM Council” to avoid confusion between other executive boards (e.g., Clipper Executive Board, ABAG Executive Board, MTC Executive Committee)
- 7 RNM Council Facilitator:** Facilitator role removed as a facilitator is likely not needed, or could be hired on an as-needed basis
- 8 Long-Term RNM:** Recurring 2-year formal performance review added to help ensure that the RNM continues to evolve over time

Updated Short / Near-Term RNM

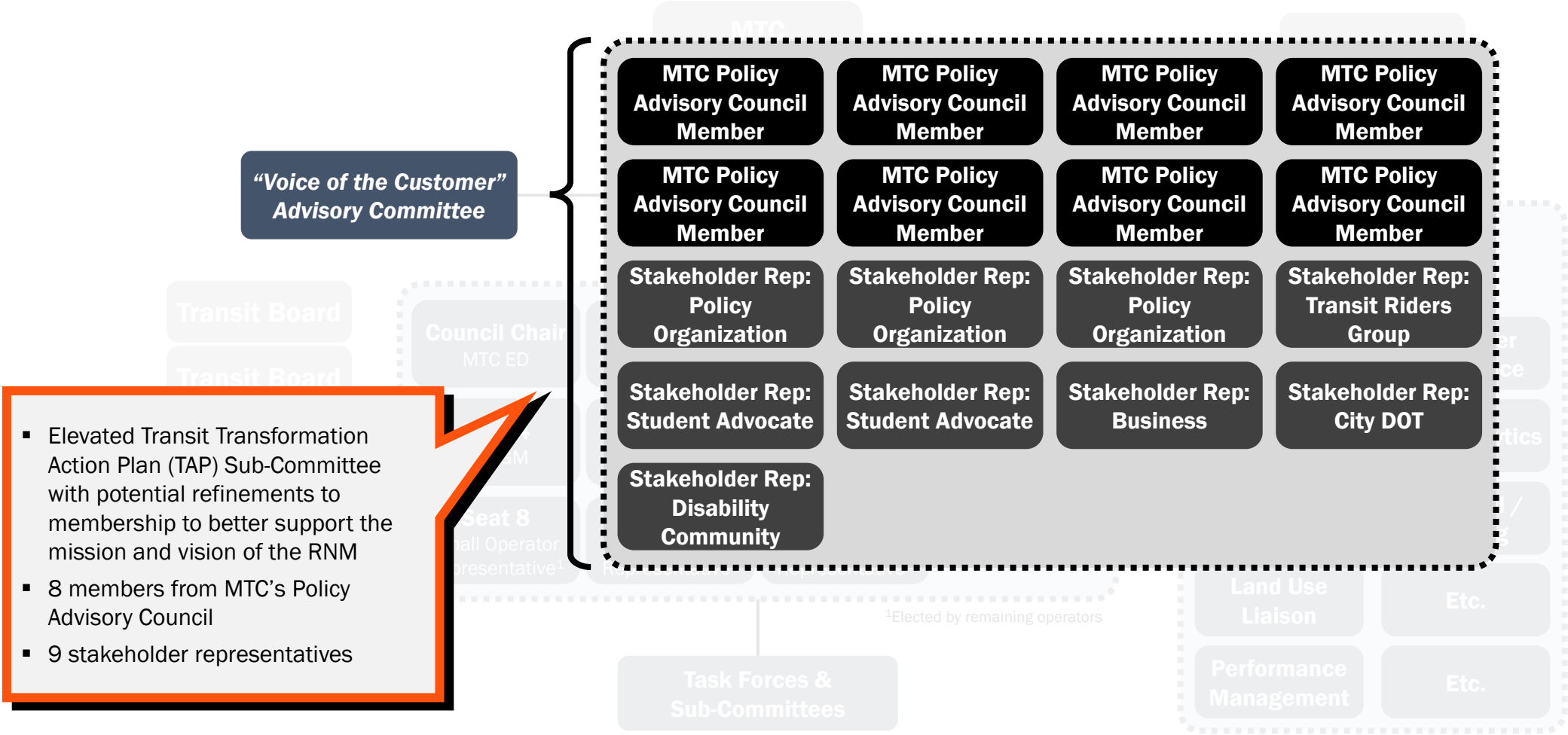


- ✓ **Customer Focused:**
 - Enables highly inclusive decision making to bring a broad range of perspectives
 - Multiple engagement points for the “Voice of the Customer” to prioritize customers in decision making
- ✓ **Structured for Scale:**
 - Task Forces and Sub-Committees can be added or subtracted as additional Functional Areas are added or regional priorities shift
 - Team of Dedicated Support Staff can grow over time to provide needed capacity to Operators
 - Joint teams, with potential opportunities for seconded staff, enable high quality proposals to reach the Council, driving effective use of GM time
- ✓ **Balances Short-Term Momentum with Long-Term Transformation:**
 - Allows RNM to be stood up quickly to begin working on priority items, but also allows continuous evolution
 - Seeks to drive cost and time effectiveness
 - Feasible within current legislative constraints

MTC RNM Committee

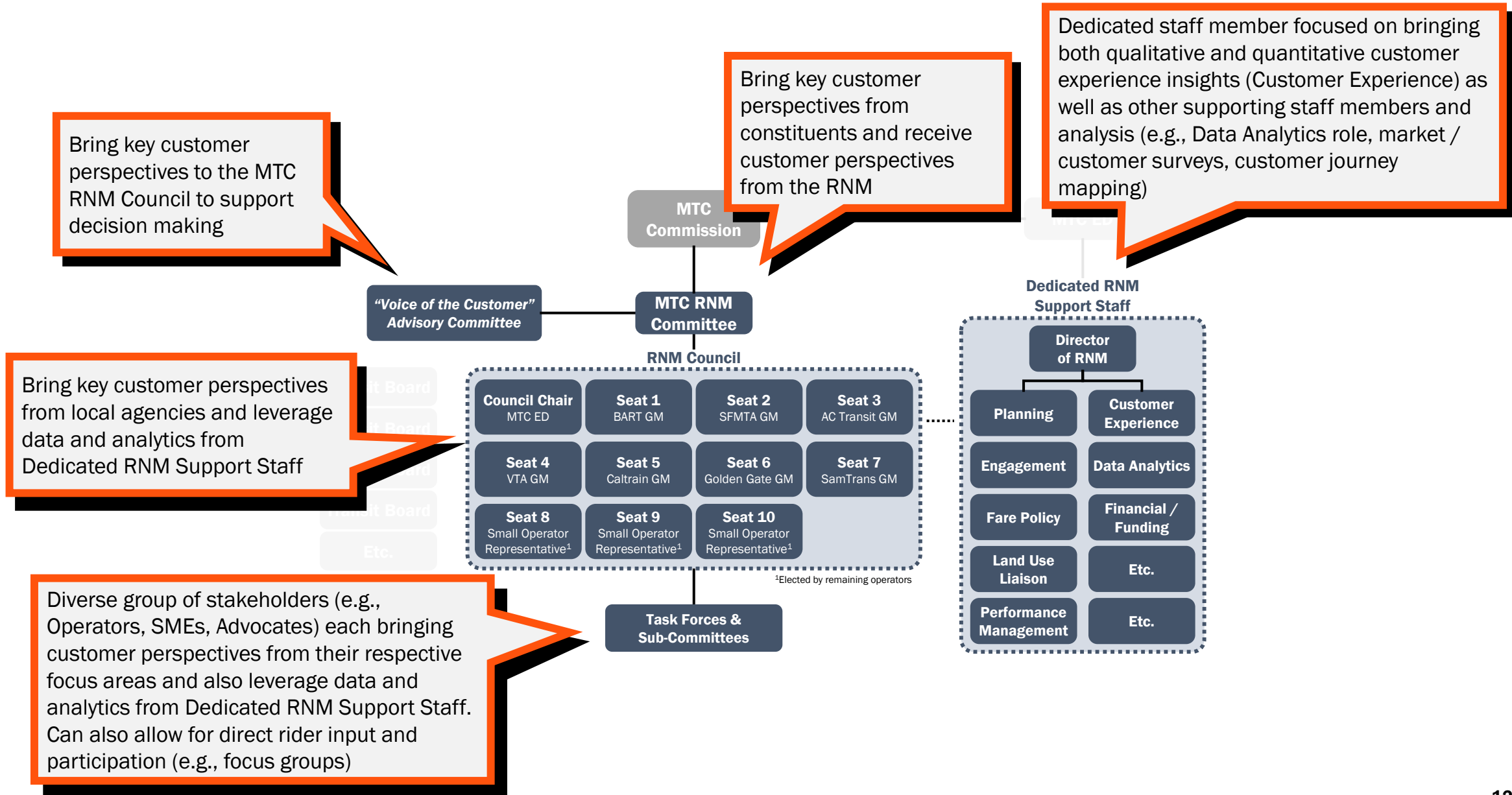


Voice of the Customer Advisory Committee



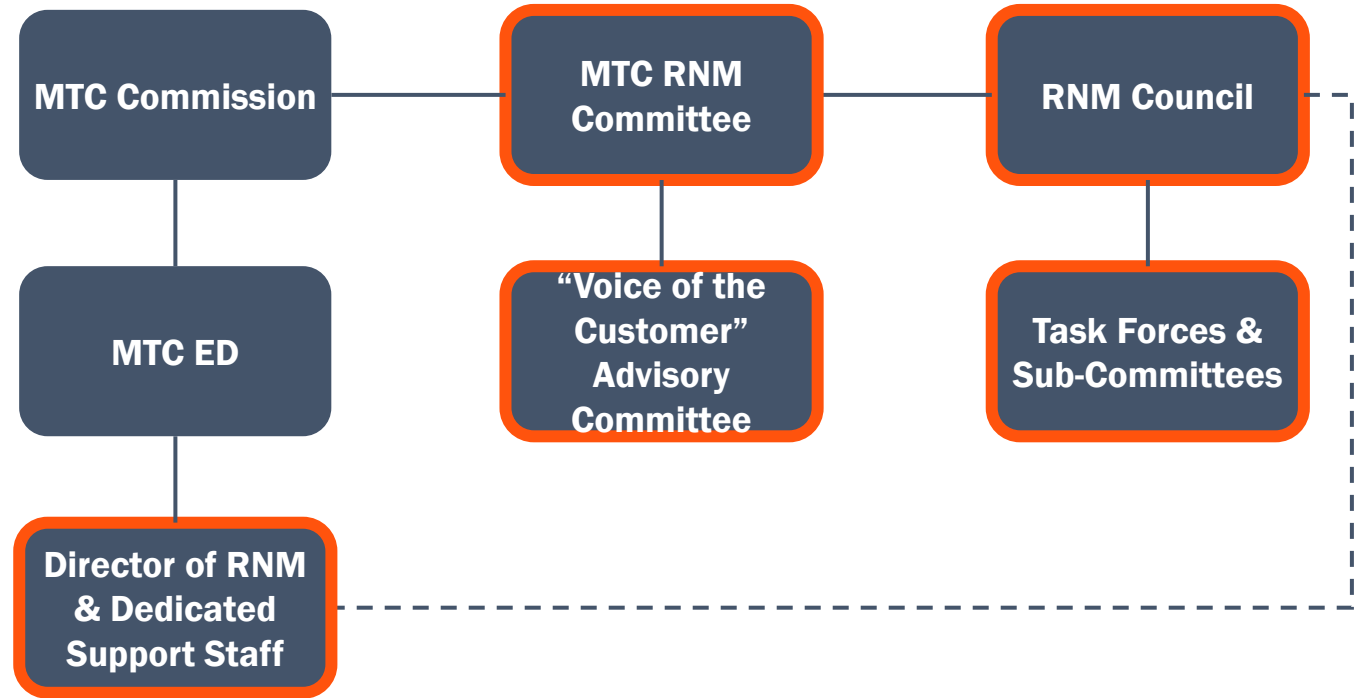
- Elevated Transit Transformation Action Plan (TAP) Sub-Committee with potential refinements to membership to better support the mission and vision of the RNM
- 8 members from MTC’s Policy Advisory Council
- 9 stakeholder representatives

Engagement Points for the Voice of the Customer



Where the RNM Sits (Short / Near-Term)

Note: Director of RNM and Dedicated RNM Support Staff will be MTC employees and therefore have a solid reporting line to MTC (meaning that hiring, performance reviews, etc. will be completed by MTC); however, these roles will have a dotted reporting line to the RNM Council (meaning that the RNM Council will provide more strategic direction for where these roles should prioritize their time)



Draft RNM Charter and Evaluation Framework for RNM Evolution

Draft Charter for Short/Near-Term RNM (Illustrative)

Note: Charter is intended to provide a simple view of the RNM mission, vision, and objectives as well as set clear expectations for operations

Mission

To drive transformative improvements in the customer experience for regional Bay Area transit

Vision

To advance regional goals in equity, livability, climate, and resiliency through a unified regional transit system that serves all Bay Area populations

Roles & Responsibilities

- **MTC/MTC RNM Committee:** Leverage existing regional purview and planning capabilities to help set the regional vision and policies for transit in the Bay Area and drive the direction of the RNM
- **RNM Council:** Council comprised GM-level Operator and MTC representatives who understand transit operations and can represent the interests of their stakeholders, make critical recommendations on regional polices, and provide leadership and implementation of policies
- **“Voice of the Customer” Advisory Committee:** Group of stakeholders who represent the customer and can help inform decision-making with the customer in mind
- **Dedicated RNM Support Staff:** Group of dedicated staff (potential opportunity for seconded staff as well) with a broad range of capabilities and expertise to support the operations and analysis of the RNM
- **Task Forces & Sub-Committees:** Temporary (Task Forces) or longer-term (Sub-Committees) groups comprised a broad range of representatives, including Operators, stakeholders, and subject matter experts, that will help complete analysis and develop policy recommendations / options for topics

Key Performance Indicators (KPIs)

Benefits KPIs			Program KPIs
Customer Benefits	Network Mgmt. Benefits	Other Public Benefits	RNM Program Performance
▪ TBD	▪ TBD	▪ TBD	▪ TBD
▪ TBD	▪ TBD	▪ TBD	▪ TBD
▪ TBD	▪ TBD	▪ TBD	▪ TBD

Note: See example KPIs on next page

Meeting Cadence

- **MTC RNM Committee:** Every other month (minimum)
- **RNM Council:** Monthly (minimum)
- **“V.O.C.” Advisory Committee:** Every other month (minimum)
- **Task Forces & Sub-Committees:** To be determined on an individual basis

Continuous Improvement

- RNM Program KPIs to help inform improvement needs
- Continuous improvement of RNM operations to be driven by Director of RNM and Dedicated Support Staff
- Continuous improvements to RNM framework to be driven by RNM Council
- Formal review of RNM to be completed by MTC 2 years after establishment

Reporting Requirements

- **Bi-Monthly (Every Other Month) Progress Report to MTC RNM Committee** (RNM Council)
- **Semi-Annual Report on Achievements, KPIs, and Next Steps** (RNM Council)
- **Bi-Monthly (Every Other Month) Voice of the Customer Report** (V.O.C. Advisory Committee)

KPIs & Priority Initiatives (Illustrative)

KPIs			
Benefits KPIs			Program KPIs
<p>KPIs to track the achieved benefits of regional transit and inform regional transit policy decisions</p>			<p>KPIs to monitor the performance of the RNM and inform RNM evolution</p>
<p>Customer Benefits</p> <p>—</p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> ▪ Connection times ▪ Regional commute time ▪ % of accessible transit stations ▪ Etc. 	<p>Network Management Benefits</p> <p>—</p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> ▪ Regional ridership ▪ Total regional operating costs ▪ Regional fare revenue ▪ Etc. 	<p>Other Public Benefits</p> <p>—</p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> ▪ Commute mode choice ▪ GHG Emissions ▪ % of income spent on transit ▪ Etc. 	<p>RNM Program Performance</p> <p>—</p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> ▪ % and timeliness of priority initiatives complete ▪ % of RNM vacancies ▪ Regional policies implemented ▪ Etc.

Priority Initiatives
<p>Initiatives identified as priority items for the RNM to address (e.g., BRTF outcomes)</p>
<p><i>Examples include:</i></p> <ul style="list-style-type: none"> ▪ Fares and Payment: Simpler, consistent, and equitable fare and payment options attract more riders (BRTF) ▪ Wayfinding & Mapping: Integrated mapping, signage, and real-time schedule information to make transit easier to navigate and more convenient for both new and existing riders (BRTF) ▪ Connected Network Planning: Bay Area transit services are equitable planned and integrally managed as a unified, efficient, and reliable network (BRTF) ▪ Etc.

How the Operating Model will Drive Long-Term Evolution of the RNM

Note: To support continuous improvement, KPIs will be established at creation to track RNM performance and a formal review of the RNM framework will be conducted 2 years after creation by MTC

Short / Near-Term RNM Framework



Establish Leadership & Scale Roles



Establish foundational leadership roles while scaling support elements to meet changing priorities

Establish & Expand Regional Tools



Develop tools and technology to drive standardization and improve efficiency

Refine Processes & Enhance Incentives



Update processes to meet changing needs / goals and enhance incentives to support process implementation

Sharpen Authorities



Enhance agency authorities to align decision-making capabilities with regional goals

Long-Term RNM Framework



Note: Illustrative

Using Metrics & KPIs to Measure Progress

Benefits KPIs | have commute times changed? Are more accessibility options now open to the public?

Program KPIs | What is the average schedule performance of priority initiatives – how many are behind/ahead/on-time? are there any existing RNM vacancies?

Short / Near-Term RNM Framework



Establish Leadership & Scale Roles



Establish & Expand Regional Tools



Refine Processes & Enhance Incentives



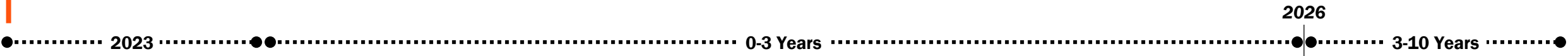
Sharpen Authorities



Long-Term RNM Framework



Overall Progress | every 2 years the KPIs should be revisited and refined based on point in the operating model journey – e.g., as regional tools/tech become focus should measures such as rollout and adoption be integrated?



Note: Illustrative

180-Day Plan for Short/Near- Term RNM

180-Day Plan for Standing up the RNM (PRELIMINARY)

Note: 180-Day plan to be finalized following further approvals by MTC leadership

Pre-Launch (Dec 13 – Feb 28)	Days 0-60 (Mar 1 – Apr 30)	Days 61-120 (May 1 – Jun 30)	Days 121-180 (Jul 1 – Aug 30)
<ul style="list-style-type: none"> <input type="checkbox"/> Develop initial budget, determine funding requirements, and identify funding sources <input type="checkbox"/> Write RNM Director job description / requisition <input type="checkbox"/> Finalize RNM Charter <input type="checkbox"/> Develop draft MOU (or other agreement mechanism) <input type="checkbox"/> Write job descriptions / requisitions for any immediate Dedicated Support Staff (likely 2-3 staff) <input type="checkbox"/> Identify members for the “Voice of the Customer” Advisory Committee <input type="checkbox"/> Determine mechanism to enable seconded staff <input type="checkbox"/> Obtain final approval from MTC Commission on RNM for launch 	<ul style="list-style-type: none"> <input type="checkbox"/> Align on RNM KPIs <input type="checkbox"/> Align on Priority Initiatives <input type="checkbox"/> Begin hiring process for RNM Director <input type="checkbox"/> Begin seeking MOU approval from Transit Boards <input type="checkbox"/> Begin hiring process for any immediate Dedicated Support Staff <input type="checkbox"/> Identify MTC RNM Committee Members (after new chair of MTC is appointed) <input type="checkbox"/> Hold first MTC RNM Committee meeting <input type="checkbox"/> Hold first Voice of the Customer Advisory Committee meeting 	<ul style="list-style-type: none"> <input type="checkbox"/> Hold first RNM Council meeting <input type="checkbox"/> Hold second Voice of the Customer Advisory Committee meeting <input type="checkbox"/> Hold second MTC RNM Committee Meeting <input type="checkbox"/> Develop and approve annual RNM budget 	<ul style="list-style-type: none"> <input type="checkbox"/> Establish KPI reporting process and begin reporting on KPIs <input type="checkbox"/> Issue first Bi-Monthly (Every Other Month) Progress Report to MTC RNM Committee <input type="checkbox"/> Hold second RNM Council meeting <input type="checkbox"/> Hold third Voice of the Customer Advisory Committee meeting <input type="checkbox"/> Hold third MTC RNM Committee Meeting <input type="checkbox"/> Hold second RNM Council Meeting

Estimated Initial Budget to Stand Up the RNM

Role	Quantity	Fully Loaded Staff Costs ¹	Total
Director of RNM	1	\$600k	\$600k
Dedicated Staff Member	2-3	\$350k - \$500k	\$700k - \$1.5m

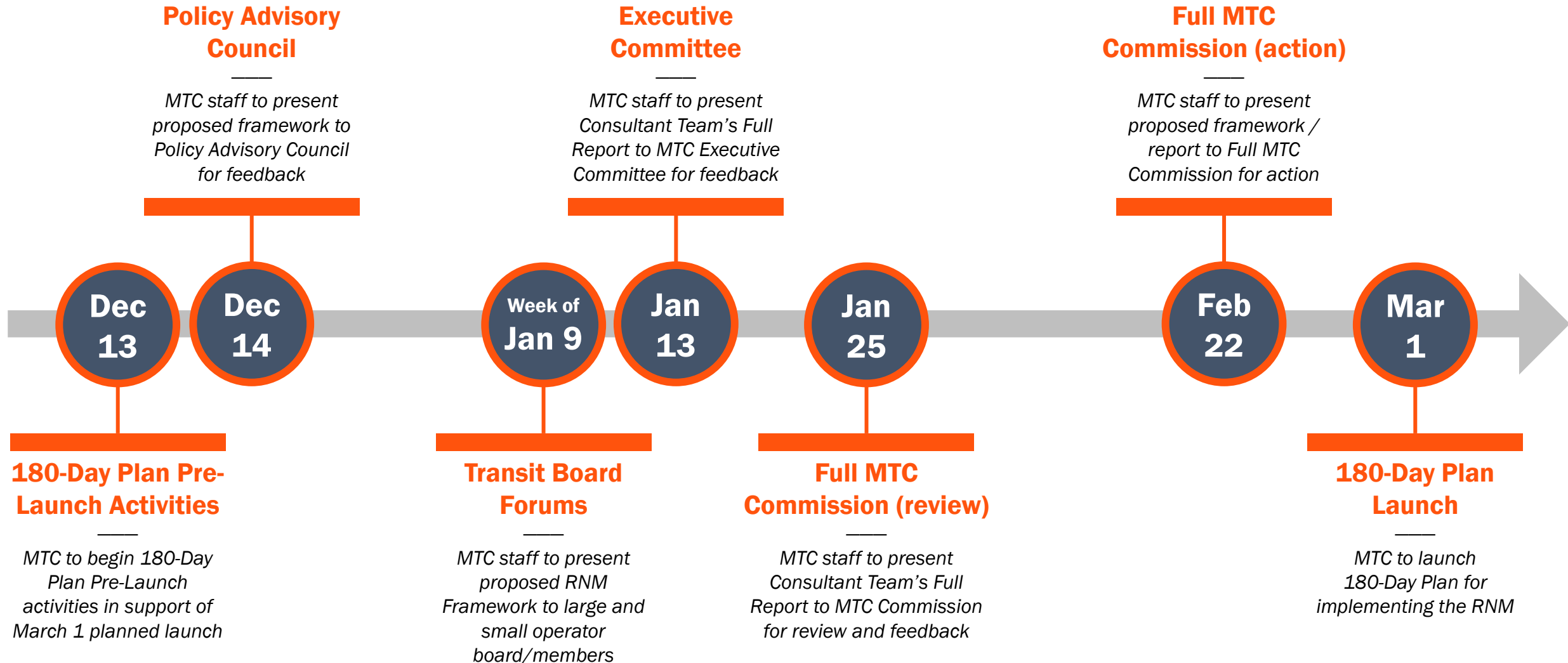
Note: these values are for incremental personnel and would be in addition to those currently working in similar capacities at MTC and Transit Agencies

\$1.3m - \$2.1m

¹Source: Fully loaded rates (salaries, benefits, and overhead) from MTC

Next Steps

Next Steps & Milestones



Discussion Questions

Topic	Discussion Questions
1 Updated Short / Near-Term RNM (Slide 9)	Does the updated Short / Near-Term RNM effectively reflect your feedback? Are there any other refinements that should be considered at this stage?
2 180-Day Plan (Slide 20)	What feedback do you have on the activities and their respective timing in the 180-Day Plan? Are there any activities that we are missing?

Appendix

The RNM Framework

The Regional Network Management Framework

Benefits of the RNM Framework



The **mission** (the RNM’s purpose) and **vision** (what the RNM hopes to accomplish) serve as guiding principles for the Functional Areas and Operating Model within the RNM

The **Accountabilities** and **Responsibilities** define what activities within each functional area for which the RNM is responsible (vs. the Operators or MTC)

The **Operating Model** defines *how* the RNM will deliver its Accountabilities and Responsibilities

The **Financial, Time, & Legal Constraints** place boundaries on the Mission, Vision, Functional Areas, and Operating Model for the RNM

Proposed RNM Mission & Vision Statements

Proposed Mission Statement

("Core Purpose")

To drive transformative improvements in the customer experience for regional Bay Area transit

Proposed Vision Statement

("Why")

To advance regional goals in equity, livability, climate, and resiliency through a unified regional transit system that serves all Bay Area populations

Regionalization for each Functional Area was based on the identified Regionalization Considerations & Categories

Will regionalizing this accountability / responsibility...

1 Improve the customer experience

Such as:

- Reduce travel times
- Improve equity
- Simplify the user interface
- Enhance accessibility
- Increase affordability

and
/ or

2 Unlock efficiencies

Such as:

- Enable sharing of costs
- Generate economies of scale
- Reduce time spent on coordination activities
- Reduce duplicative efforts / activities
- Enable / attract funding

and
/ or

3 Be feasible

Such as:

- Is not cost prohibitive
- Within achievable legal / regulatory limitations
- Agency has path to authority, where required
- Is operationally possible

Preliminary Regional Role for Functional Area Activities

Fare Integration Policy

- Set the **regional vision** for fare integration (C/F)
- Establish regional fare integration **policies** (e.g., Tier 3/4) (C/E/F)
- Establish policy implementation plans, including the **identification of funding** (E/F)

Wayfinding & Mapping

- Set the **regional vision** for wayfinding (C/F)
- Establish regional wayfinding **policies** (e.g., design standards, compliance requirements) (C/E/F)
- Establish policy implementation plans, including the **identification of funding** (E/F)
- Deliver centralized procurement, where relevant (E/F)

Accessibility

- Embed accessibility within each of the other functional area plans (C/F)
- Define a regional vision for paratransit operations (C/F)
- Identify improvements needs re: implementation of paratransit policies and requirements (C/F)
- Establish a regional implementation plan (C/E/F)

Bus Transit Priority

- Set the **regional vision** for BTP (C/F)
- *For BTP Corridors:* Define corridors, establish standard data / reports; identify needs / initiatives; serve as the central coordination point for state, county, and city stakeholders (C/E/F)
- *For Non-BTP Corridors:* Recommend potential initiatives; serve as the central coordination point for state, county, and city stakeholders (C/E/F)
- Establish policy implementation plans, including the identification of funding (E/F)

Rail Network Mgmt.

- Set the **vision** for the regional rail network (C/F)
- Translate regional vision into regional implementation plan (project prioritization, sequencing, integration points, project funding, delivery approach, etc.) (C/E/F)

Connected Network Planning

- Identify critical regional transit gaps to create CNP (C/F)
- Establish and create data tools for regional planning (E/F)
- Identify funding priorities and establish service standards (C/E/F)
- Draft changes to CTP guidelines to include identified regional transportation gaps in county planning process (C/F)

Key Takeaways

- 1) Regional Role:** Regional entity will set the vision, make select funding decisions, develop the regional policies, create implementation plans, and implement regional programs (as needed) by coordinating stakeholders
- 2) Operator Role:** Operators will be highly involved in regional decision making, provide local stakeholder perspectives / needs, and implement regional policies
- 3) RNM Framework:** RNM Framework will need to be designed to facilitate the effective and efficient interplay of these two roles (see slide 14 for key operating model needs)

Legend: C = Improve the Customer Experience E = Unlock Efficiencies F = Be Feasible

The current-state assessment revealed cross-cutting challenges for which the RNM Operating Model will be focused to address:

Governance and Decision Rights

- Need to establish a single entity to coordinate / drive regional decision making
- Need to place existing / potential customers at the forefront of decision making
- Need to provide then RNM with clear policy purpose and hold the RNM accountable for delivery
- Need to establish common regional objectives / vision

Metrics and Incentives

- Need to establish standardized regional metrics
- Need to give the RNM authority / incentivize participation in regional activities (e.g., through new approaches to funding)
- Need to be able to obtain commitment from the participants in the RNM

Roles and Structures

- Need to leverage existing resource capabilities and capacities in the short/near term, but enable ability to scale over the long term
- Need to provide technical and communications capacity to support Operators
- Need to include a broad range of stakeholders

Behaviors and Culture

- Need to promote collaboration and trust between policy funding bodies and implementation bodies
- Need to ensure cross-integration of regional priorities
- Need to find right leader to drive the growth and success of the RNM and regional objectives

Core Processes

- Need to improve planning / coordination processes
- Need to provide a simpler interface for key stakeholders / riders to provide input or coordinate activities
- Need to enable faster and more inclusive decision-making processes

Technology and Tools

- Need to establish regional tools (e.g., regional travel market/demand model)
- Need to establish common language for data collection and reporting
- Need to enable centralized / shared procurement, where beneficial / possible



To address these challenges, the RNM will need three key elements

Regional Visioning Element

- Set the strategic vision / direction and ensure outcomes for customers
- Be accountable for regional transit network policy and priorities
- Approve / create / revise regional policies
- Approve new and existing sources of funding
- Provide a voice to key stakeholders to enable trust

Steering Element

- Provide / reach consensus on policy recommendations (to be approved by Regional Visioning Element or Operators)
- Define and report performance metrics on outcomes for RNM
- Guide Administrative / Operational Element on execution

Administrative / Operational Element

- Provide a dedicated staff and tools to enable execution and provide capacity support
- Develop policy recommendations / options to be acted on by Steering Element
- Support the Steering Element through subject matter expertise, execution, and coordination
- Provide a voice to key stakeholders to enable trust

These three elements can be delivered through several components

Regional Visioning Element

MTC RNM Committee: Leverage existing regional purview and planning capabilities to help set the regional vision for transit in the Bay Area and drive the direction of the RNM

“Voice of the Customer” Advisory Committee: Group of stakeholders who represent the customer and can help inform decision-making with the customer in mind

Steering Element

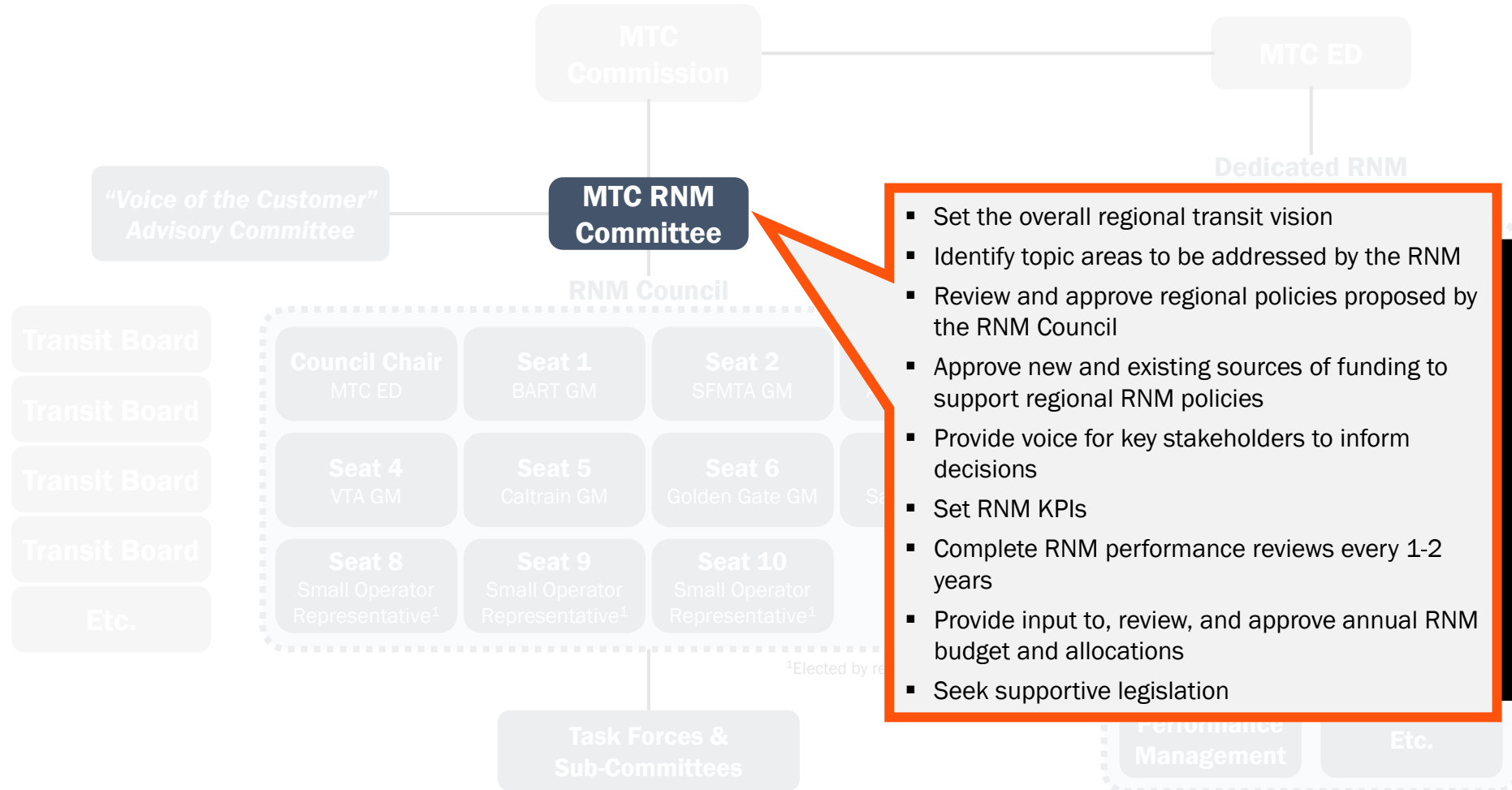
RNM Council: Council comprised GM-level Operator and MTC representatives who understand transit operations and can represent the interests of their stakeholders, make critical decisions on regional polices, and provide leadership

Administrative / Operational Element

Dedicated RNM Support Staff: Group of dedicated staff (potential opportunity for seconded staff as well) with a broad range of capabilities and expertise to support the operations and analysis of the RNM

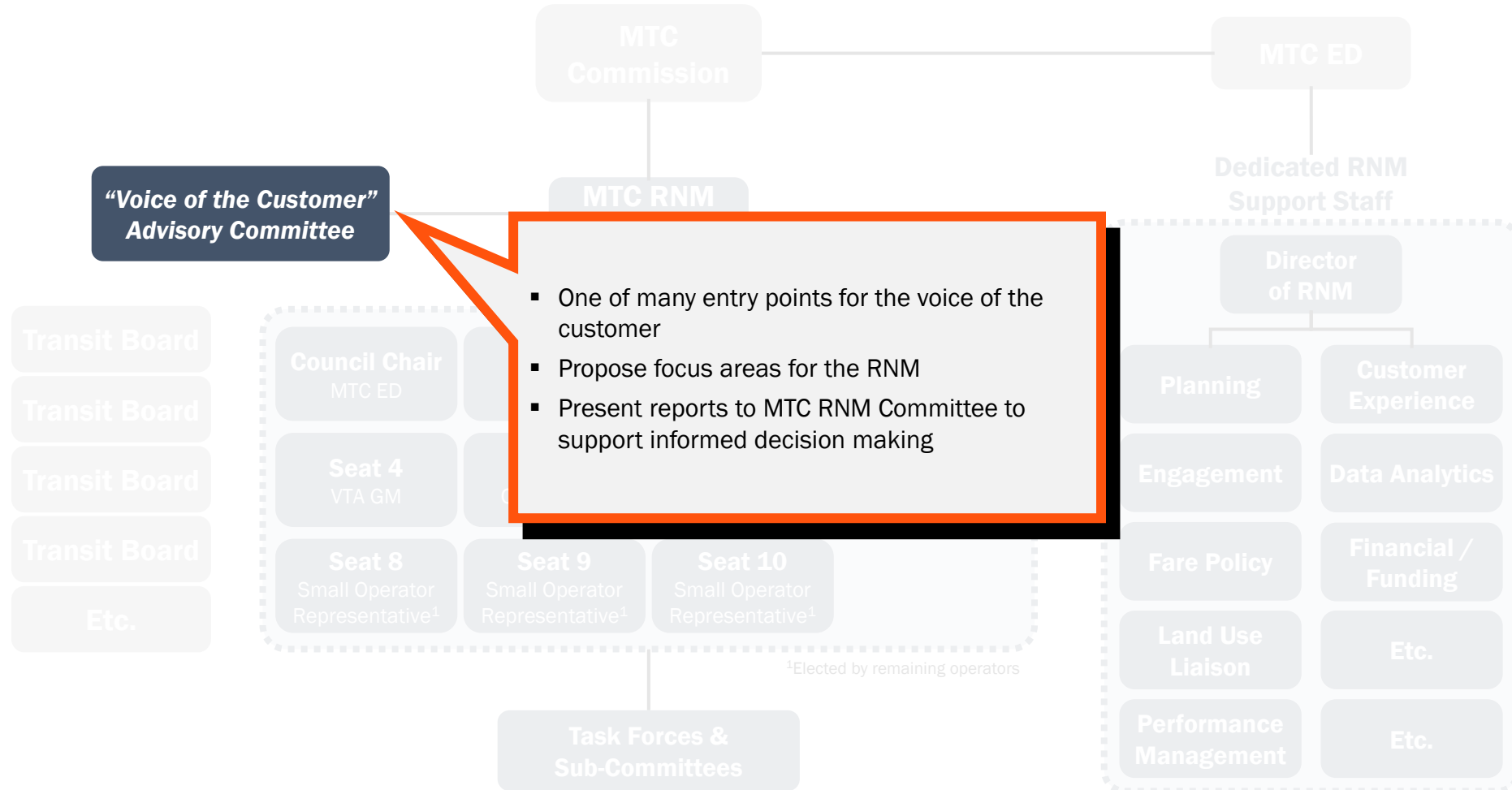
Task Forces & Sub-Committees: Temporary (Task Forces) or longer-term (Sub-Committees) groups comprised a broad range of representatives, including Operators, stakeholders, and subject matter experts, that will help complete analysis and develop policy recommendations / options for topics

Proposed Short / Near-Term RNM

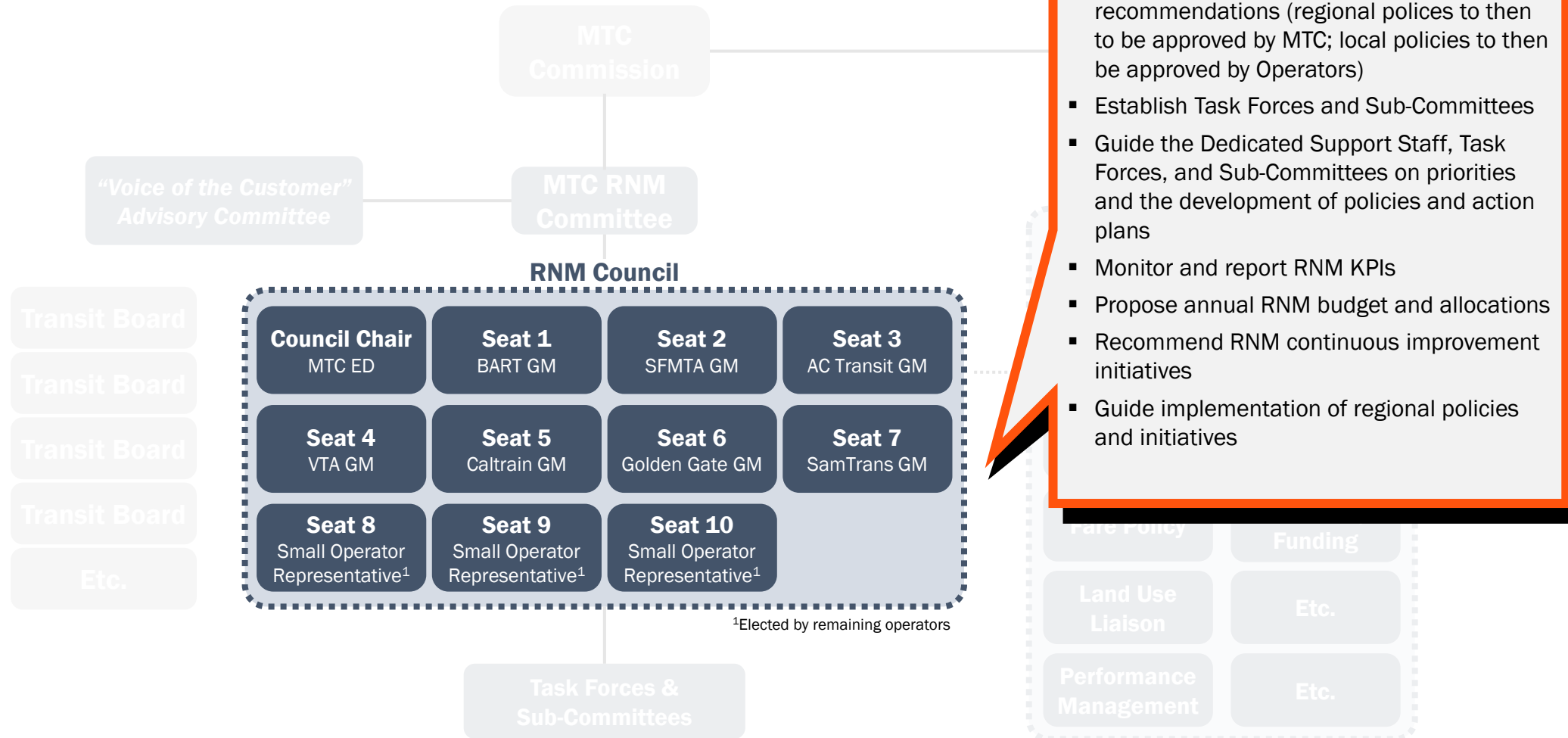


- Set the overall regional transit vision
- Identify topic areas to be addressed by the RNM
- Review and approve regional policies proposed by the RNM Council
- Approve new and existing sources of funding to support regional RNM policies
- Provide voice for key stakeholders to inform decisions
- Set RNM KPIs
- Complete RNM performance reviews every 1-2 years
- Provide input to, review, and approve annual RNM budget and allocations
- Seek supportive legislation

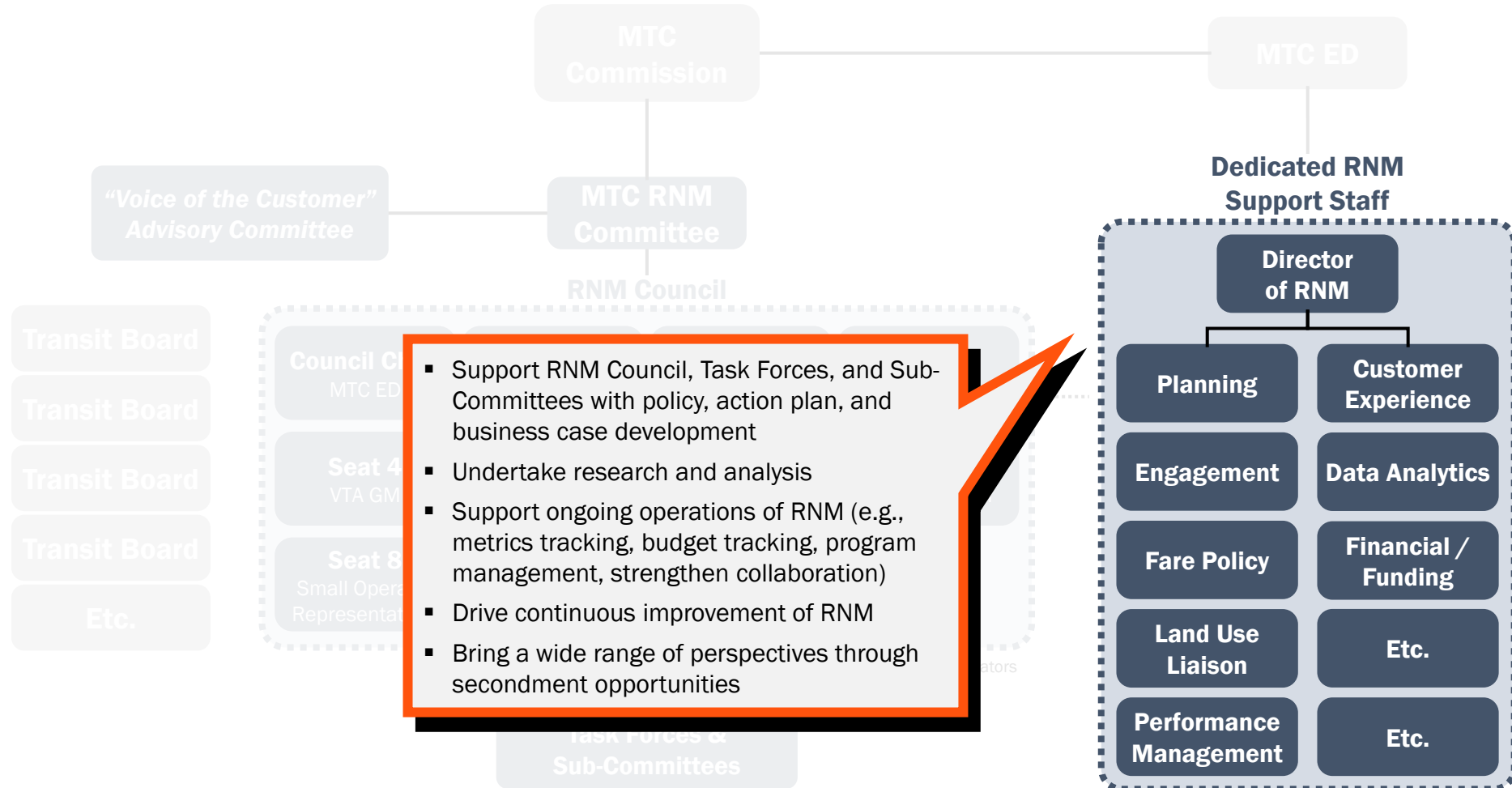
Proposed Short / Near-Term RNM



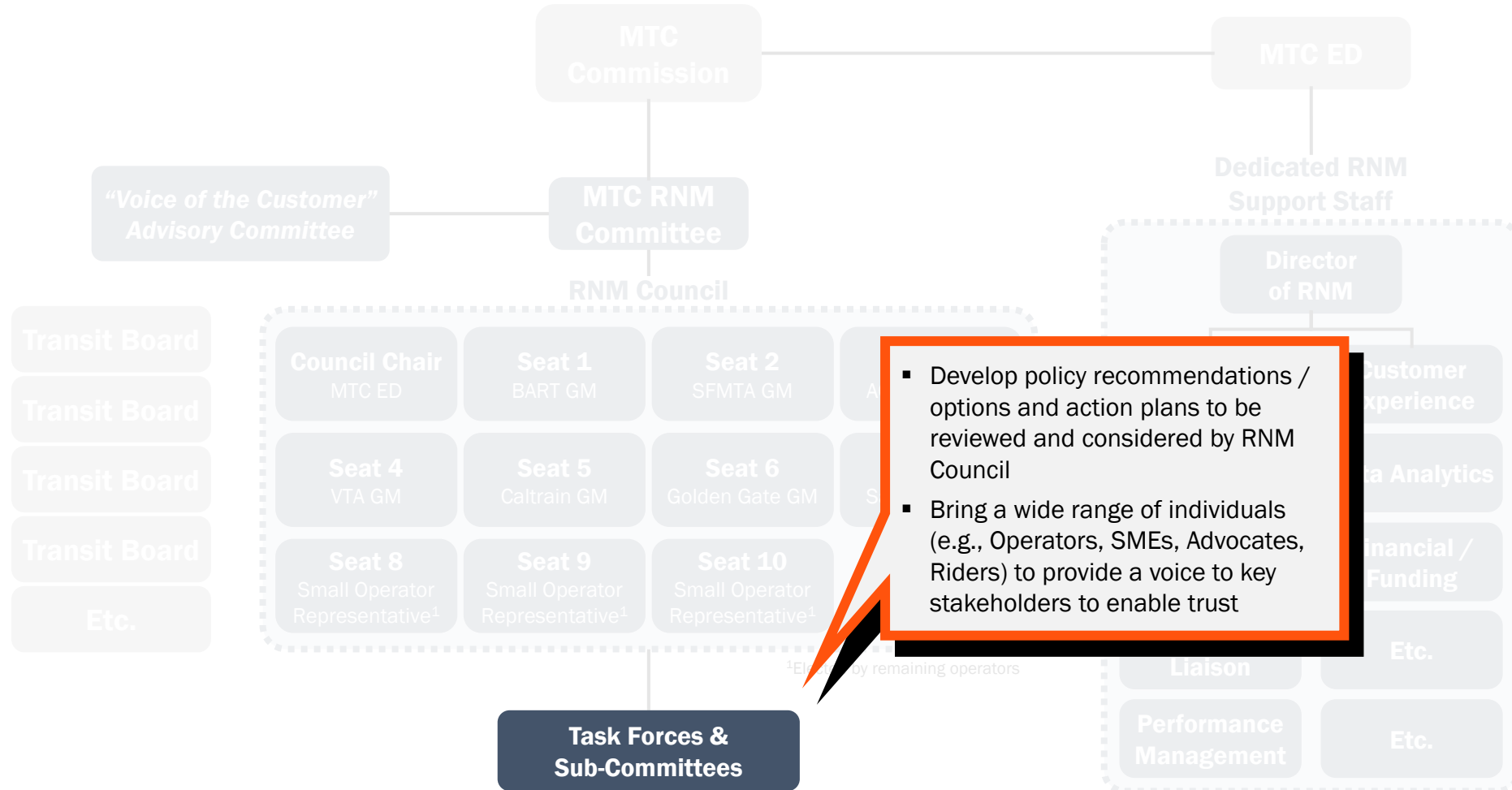
Proposed Short / Near-Term RNM



Proposed Short / Near-Term RNM



Proposed Short / Near-Term RNM



- Develop policy recommendations / options and action plans to be reviewed and considered by RNM Council
- Bring a wide range of individuals (e.g., Operators, SMEs, Advocates, Riders) to provide a voice to key stakeholders to enable trust