Regional Network Management (RNM)

RECOMMENDED REGIONAL NETWORK MANAGEMENT (RNM) SHORT/NEAR-TERM FRAMEWORK AND PROPOSED 180-DAY IMPLEMENTATION PLAN AND EVALUATION FRAMEWORK

MTC Executive Committee

January 13, 2023 - 9 a.m.

Background

BLUE RIBBON

TRANSIT RECOVERY TASK FORCE

In May 2020, MTC created a 32-member **Blue Ribbon Transit Recovery Task Force** (“Task Force”) to support MTC in the development of a regional response to address the adverse impacts of the COVID-19 pandemic on transit systems in the Bay Area

In July 2021, the Task Force approved 27 specific near-term actions to re-shape the region’s transit system into a more connected, more efficient, and more user-focused mobility network across the entire Bay Area which formed the **Bay Area Transit Transformation Action Plan**

Network Management Evaluation

The Task Force requested that an independent assessment of network management alternatives be completed prior to the sunset of the Task Force to serve as the foundation for a more in-depth business case evaluation of these alternatives.

As a part of this plan, the Task Force requested that a study be completed to select a preferred alternative structure(s) for **Regional Network Management (RNM)** and recommend next steps to achieve implementation

Network Management Business Case Evaluation Project

Accordingly, MTC established a **Network Management Business Case Evaluation project** to assess and recommend a preferred regional network management framework to achieve near-term and longer-range transit mobility goals

Transit Transformation Action Plan –Desired Outcomes

I. Fares and Payment

Simpler, consistent, and equitable fare and payment options.

CLIPPER BayPass

CLIPPER START

CLIPPER

II. Customer Information

Make transit easier to navigate and more convenient.

III. Transit Network

Transit services managed as a unified, efficient, and reliable network.

IV. Accessibility

Transit services for older adults, people with disabilities, and those with lower incomes are coordinated efficiently.

V. Funding

Use existing resources more efficiently and secure new, dedicated revenue to meet funding needs.

Network Management Business Case Advisory Group

Purpose

- Established in September 2021 to guide and review the Business Case analysis and recommendations
- Business Case Evaluation: Assess and recommend a preferred regional network management framework to achieve near-term and longer-range transit mobility goals

Convenings

- 14 Advisory Group Members
- January – December 2022
- Met 8 times

Composition

7 Transit Agency Representatives

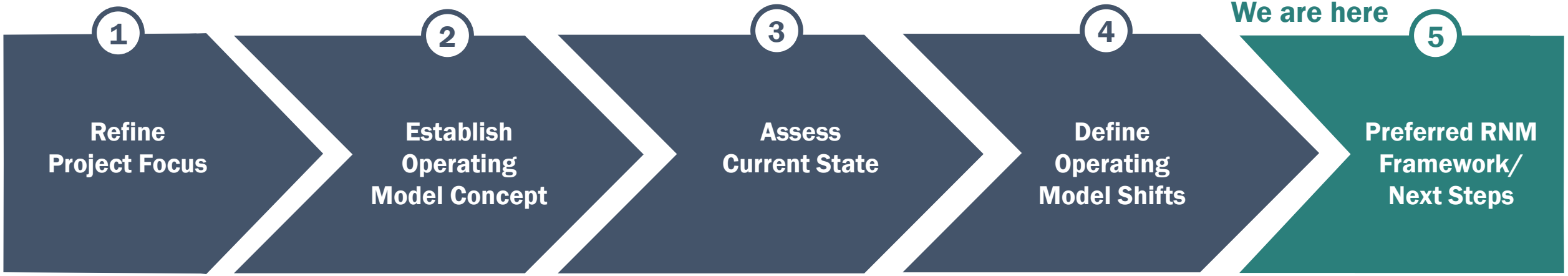
- Denis Mulligan (Chair), GGBHTD
- Michelle Bouchard, Caltrain
- Bill Churchill, County Connection
- Carolyn Gonot, VTA
- Michael Hursh, AC Transit
- Bob Powers, BART
- Jeff Tumlin, SFMTA

7 Stakeholder Representatives

- Alicia John-Baptiste (Vice-Chair), SPUR
- Christine Fitzgerald, SVILC
- Adina Levin, MTC Policy Advisory Council
- James Lindsay, ATU
- Therese McMillan, MTC
- Suzanne Smith, SCTA
- Jim Wunderman, Bay Area Council

Business Case Evaluation Approach

We are here



- Review previous work product
- Define 6 areas
- Align on outputs

- Outline and describe operating model elements
- Develop data request and categorize returns
- Develop template and undertake initial analysis and evaluation

- Evaluate current state of process, roles, governance, etc. for 6 areas
- Document findings and convert into usable format for gap analysis and recommendations

- Highlight specific areas where operating model shifts could be beneficial in the future state
- Identify interdependencies and risks across the areas that require further consideration or mitigation

- **Reconcile findings across 6 areas and incorporate remaining functional areas**
- **Recommend preferred RNM Framework and provide a set of actionable next steps**

Proposed Regional Network Management (RNM) 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

The Business Case Explored What Benefits Could Come from a Regional Approach

Across an array of transit operator roles and activities, the business case asked, will regionalizing these activities improve customer experience and/or unlock efficiencies and be feasible?

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

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 Transit Focus Areas (or Functional Areas)

Fare Integration Policy

- Set the regional vision
- Establish regional policies
- Establish policy implementation plans, including the identification of funding

Wayfinding & Mapping

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

Accessibility

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

Bus Transit Priority

- Set the regional vision
- Define BTP corridors and identify needs / initiatives
- Serve as the central coordination point for state, county, and city stakeholders
- Establish policy implementation plans, including the identification of funding

Rail Network Mgmt.

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

Connected Network Planning

- Identify critical regional transit gaps to create CNP
- Establish and create data tools for regional planning
- Identify funding priorities and establish service standards
- Draft changes to Countywide Transportation Plan guidelines, as needed

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

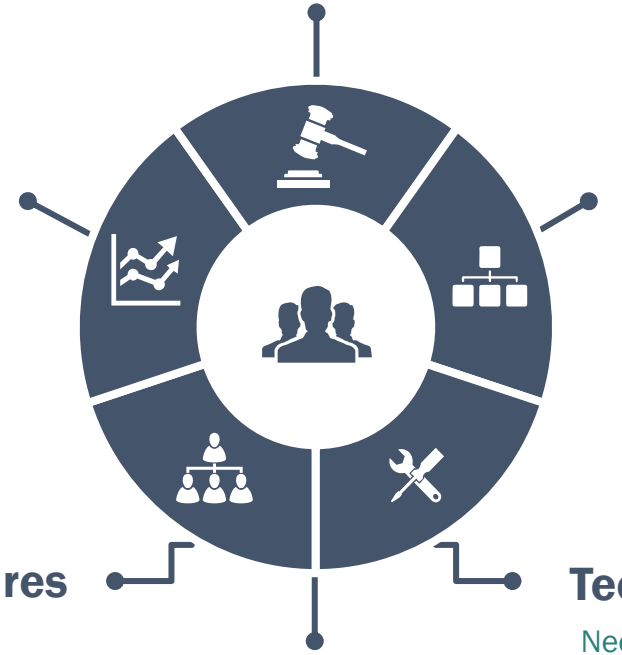
The current-state assessment revealed cross-cutting challenges for which the RNM Operating Model will be focused to address – examples are provided for illustration:

Governance and Decision Rights

Need to enhance regional decision-making capabilities that provide a clear regional vision, prioritize customer needs, and enables fast decision making

Metrics and Incentives

Need to establish standardized regional metrics and give the RNM authority or ability to incentivize participation in regional activities



Core Processes

Need to establish better planning, coordination, and decision-making processes that are both inclusive and time-effective

Roles and Structures

Need to establish a structure that can provide technical and communications capacity to support Operators and is achievable under current constraints but scalable for the long-term

Technology and Tools

Need to establish regional tools and language for data collection and reporting

Behaviors and Culture

Need to promote trust and collaboration between policy and implementation bodies while also finding the right leadership to drive the growth and success of the RNM and regional objectives

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

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

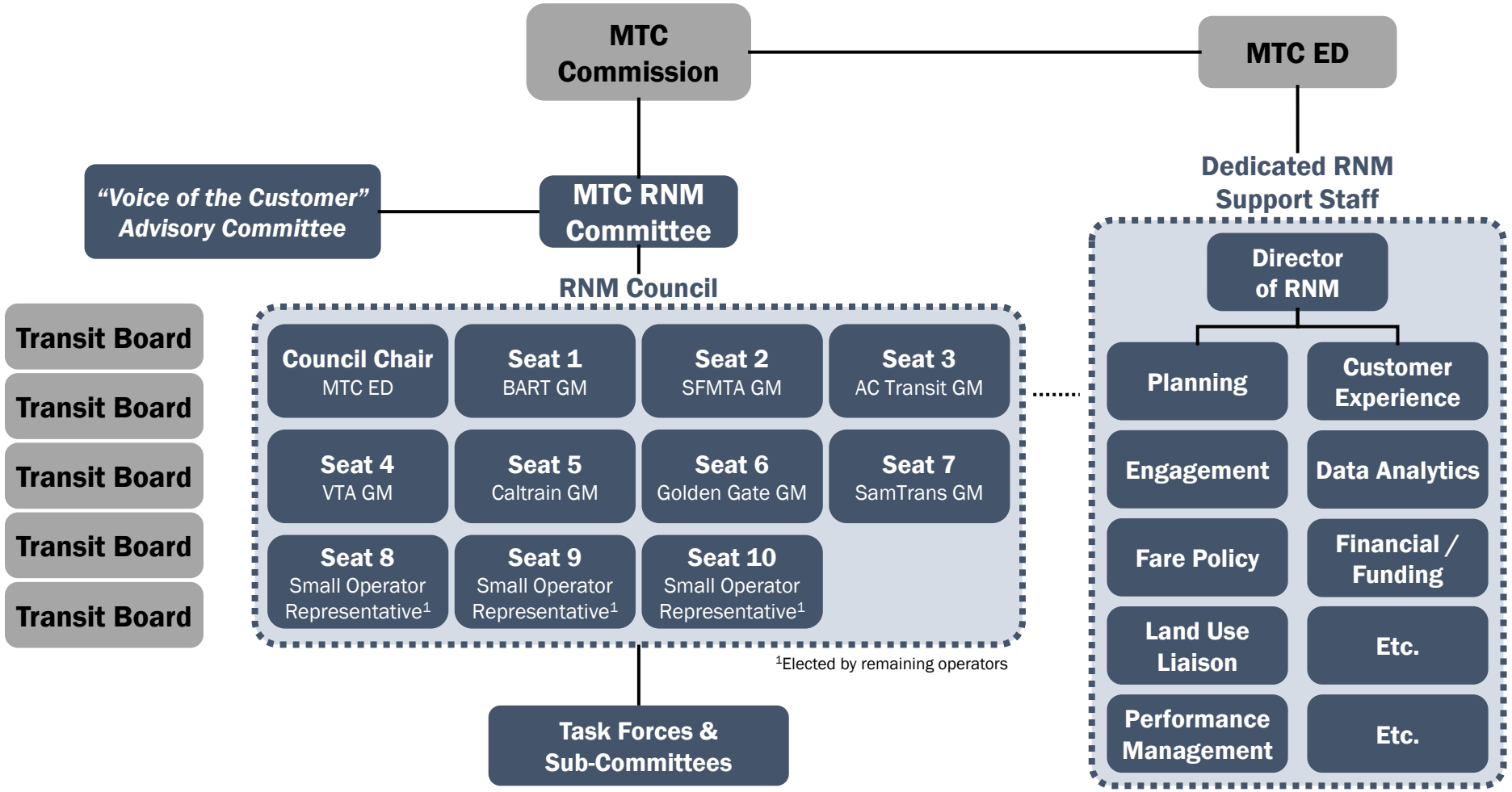
RNM Council: Council comprised GM-level Operator and MTC representatives who understand transit operations and can represent the interests of their stakeholders, make critical decisions on regional polices, and provide leadership

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

Recommended 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

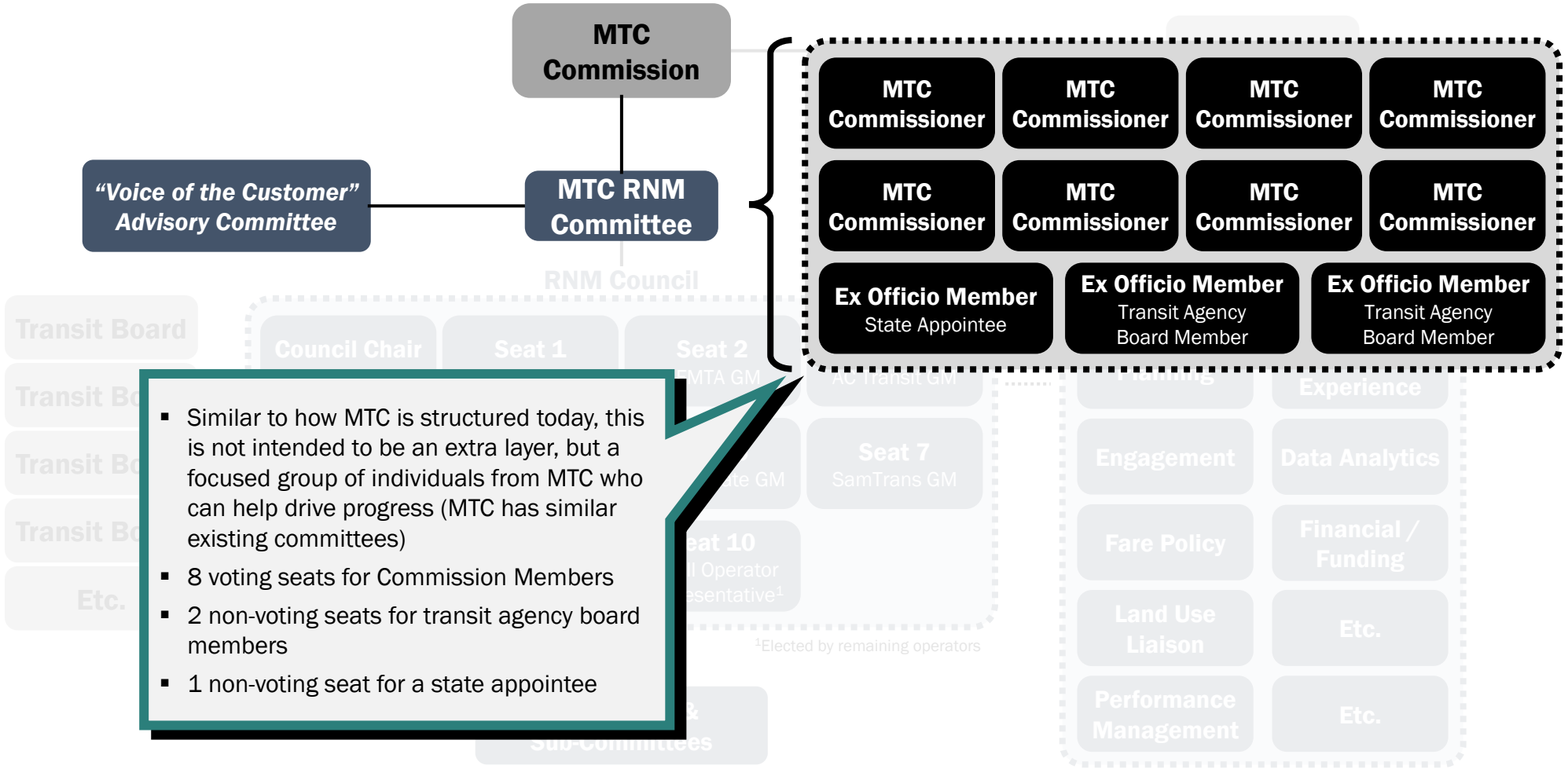
✓ Structured for Scale:

- 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
- Task Forces and Sub-Committees can be added or subtracted as regional priorities shift

✓ Balances Short-Term Momentum with Long-Term Transformation:

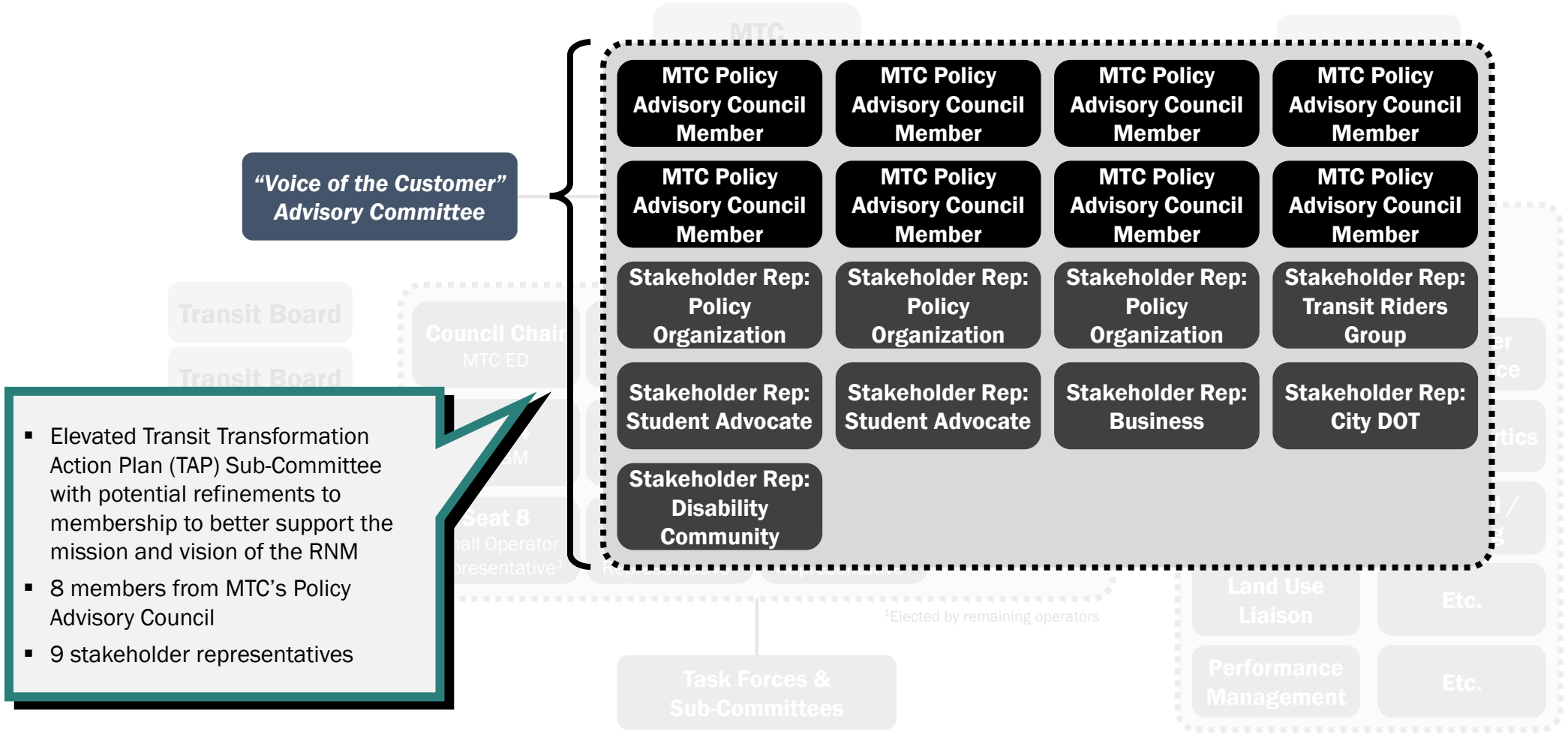
- Allows RNM to be stood up quickly to begin working on priority items, but also allows continuous evolution
- Seeks to drive cost and time effectiveness
- Feasible within current legislative constraints

MTC RNM Committee



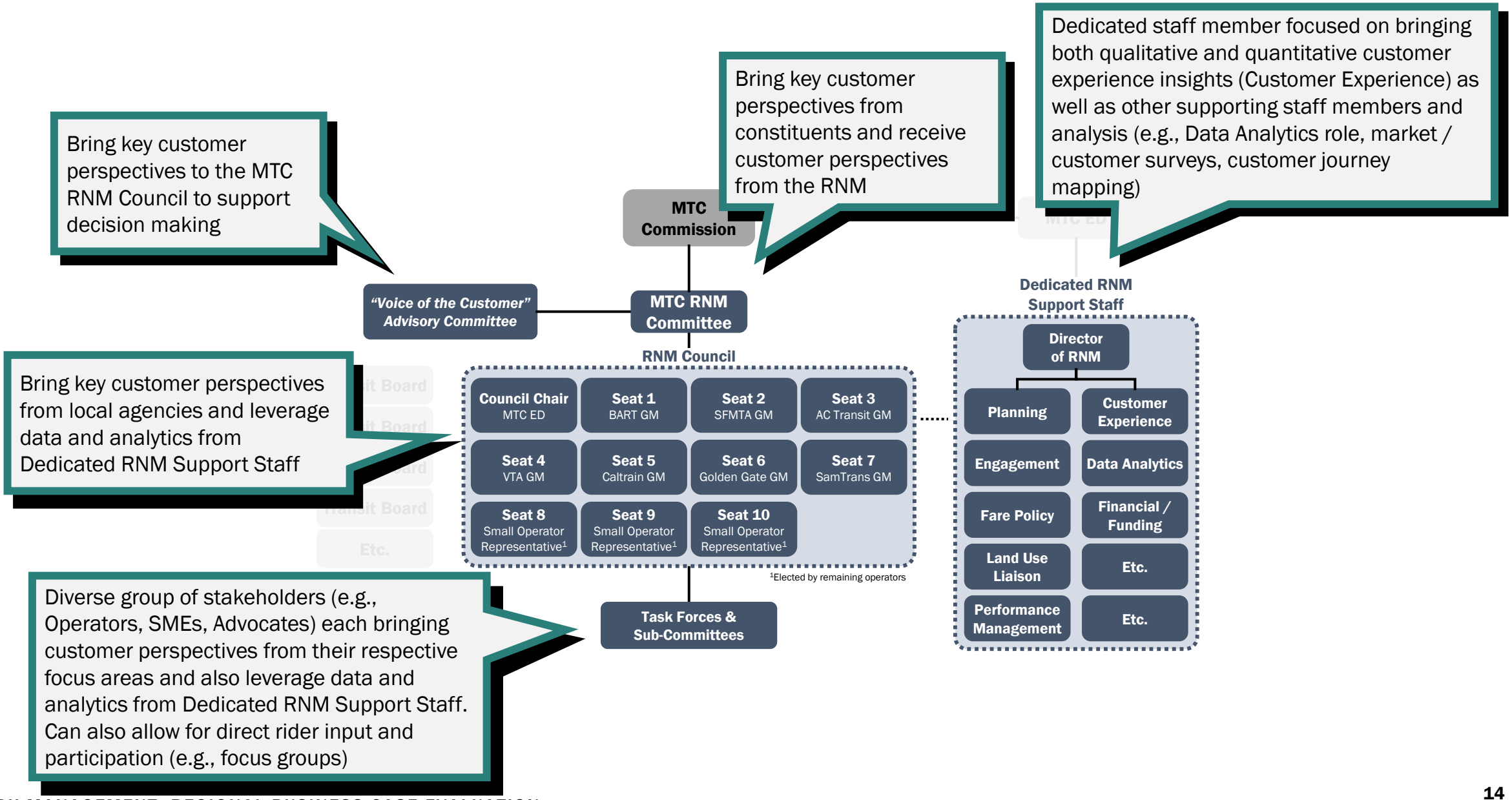
- Similar to how MTC is structured today, this is not intended to be an extra layer, but a focused group of individuals from MTC who can help drive progress (MTC has similar existing committees)
- 8 voting seats for Commission Members
- 2 non-voting seats for transit agency board members
- 1 non-voting seat for a state appointee

Voice of the Customer Advisory Committee



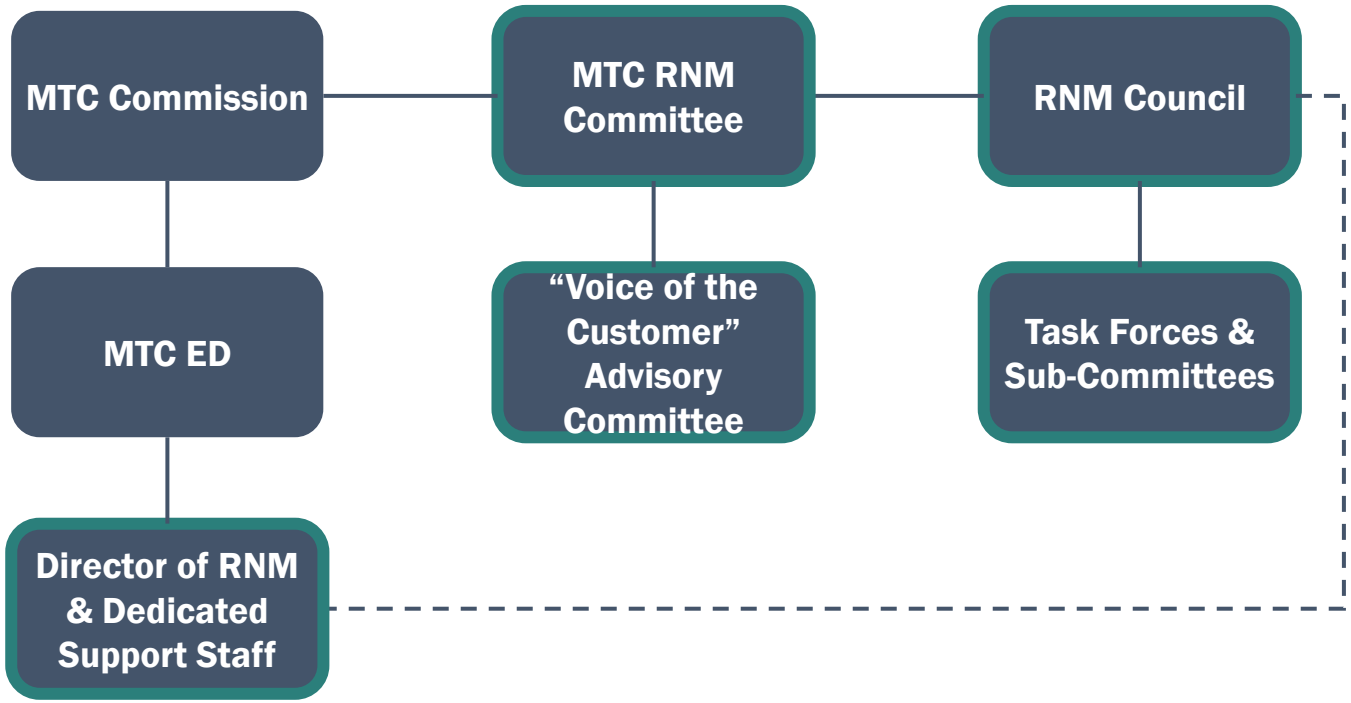
- Elevated Transit Transformation Action Plan (TAP) Sub-Committee with potential refinements to membership to better support the mission and vision of the RNM
- 8 members from MTC's Policy Advisory Council
- 9 stakeholder representatives

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)



KPIs & Priority Initiatives *(Illustrative)*

KPIs

Benefits KPIs

KPIs to track the achieved benefits of regional transit and inform regional transit policy decisions

Customer Benefits

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Examples include:

- Connection times
- Regional commute time
- % of accessible transit stations
- Etc.

Network Management Benefits

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Examples include:

- Regional ridership
- Total regional operating costs
- Regional fare revenue
- Etc.

Other Public Benefits

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Examples include:

- Commute mode choice
- GHG Emissions
- % of income spent on transit
- Etc.

Program KPIs

KPIs to monitor the performance of the RNM and inform RNM evolution

RNM Program Performance

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Examples include:

- % and timeliness of priority initiatives complete
- % of RNM vacancies
- Regional policies implemented
- Etc.

Priority Initiatives

Initiatives identified as priority items for the RNM to address (e.g., BRTF outcomes)

Examples include:

- **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

Performance: To support continuous improvement, KPIs will be established at creation to track RNM performance.

Overall Progress: Every 2 years, the KPIs should be revisited and refined through a formal review.

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

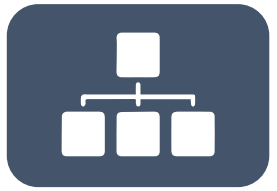
Refine Processes & Enhance Incentives

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



2023 — 0-3 Years — 2026 — 3-10 Years

Note: Illustrative

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)
❑ **Develop initial budget, determine funding requirements, and identify funding sources**	❑ **Align on RNM KPIs**	❑ **Hold first RNM Council meeting**	❑ **Establish KPI reporting process and begin reporting on KPIs**
❑ **Write RNM Director job description / requisition**	❑ **Align on Priority Initiatives**	❑ Hold second Voice of the Customer Advisory Committee meeting	❑ **Issue first Bi-Monthly (Every Other Month) Progress Report to MTC RNM Committee**
❑ **Finalize RNM Charter**	❑ **Begin hiring process for RNM Director**	❑ Hold second MTC RNM Committee Meeting	❑ Hold second RNM Council meeting
❑ Develop draft MOU (or other agreement mechanism)	❑ Begin seeking MOU approval from Transit Boards	❑ **Develop and approve annual RNM budget**	❑ Hold third Voice of the Customer Advisory Committee meeting
❑ Write job descriptions / requisitions for any immediate Dedicated Support Staff (likely 2-3 staff)	❑ Begin hiring process for any immediate Dedicated Support Staff		❑ Hold third MTC RNM Committee Meeting
❑ Identify members for the “Voice of the Customer” Advisory Committee	❑ Identify MTC RNM Committee Members (after new chair of MTC is appointed)		❑ Hold second RNM Council Meeting
❑ Determine mechanism to enable seconded staff	❑ **Hold first MTC RNM Committee meeting**		
❑ **Obtain final approval from MTC Commission on RNM for launch**	❑ **Hold first Voice of the Customer Advisory Committee 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 Members	2-3	$350k - $500k	$700k - $1.5m
			$1.3m - $2.1m

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

Key Considerations

Staff recommends advancing Near-Term RNM with refinement in three areas

Implementation Timeline

Be ambitious but acknowledge transitions: Tie beginning of Implementation Plan (IP) with having new Commission leadership and Executive Director (ED) in place. Approve IP in late March (or late *April*) with launch reset to April 1 (*or May 1*). *Timing to be confirmed based on ED selection timeline.*

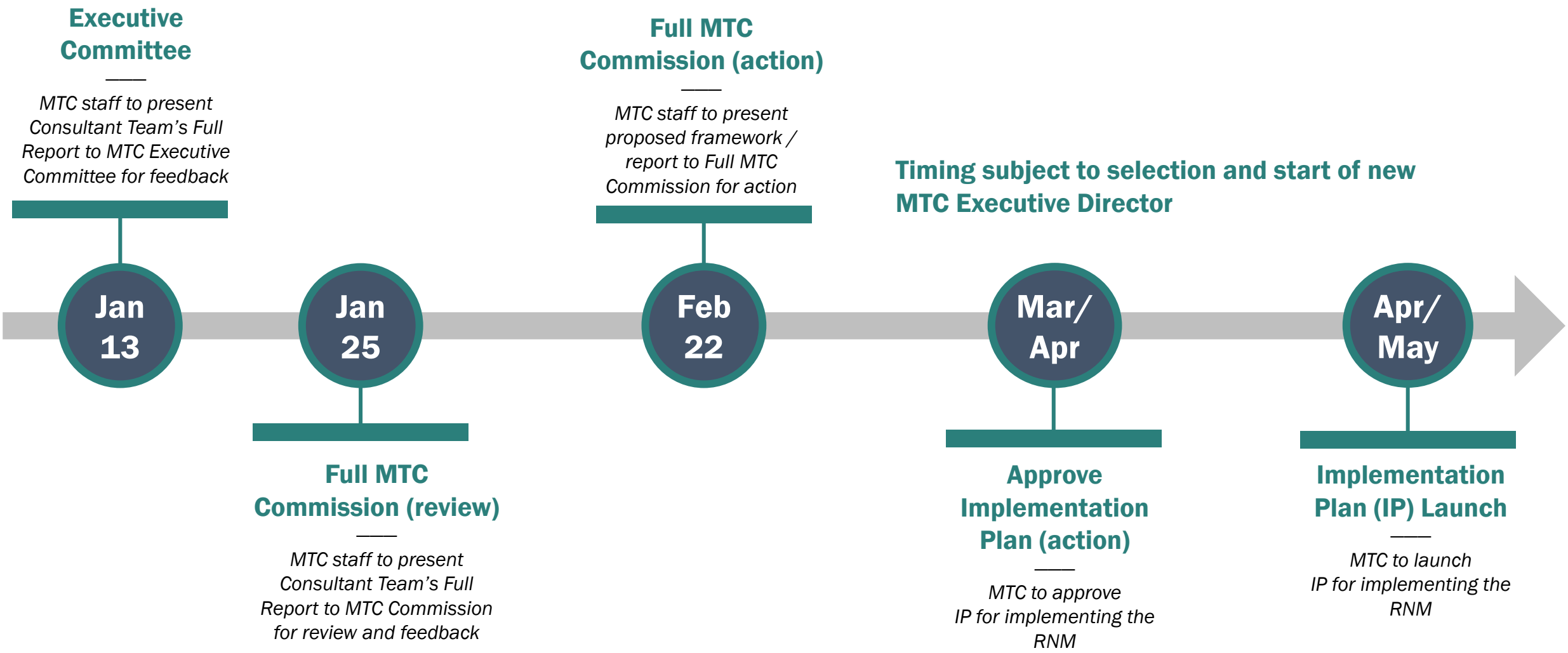
Strategic alignments for budget and organizational changes: Revise 180-Day Plan for establishing Near-Term RNM to align with budget process and other agency organizational changes.

Funding & Resource Confirmation

Confirm funding source and amount to stand up Near-Term RNM until new, ongoing revenue available: Consider a small off-the-top contribution from State Transit Assistance Revenue and Population-Based (~1% or $3 million) to share contributions equitably toward RNM. More information and analysis to be provided in coming month.

Strategic Committee Considerations

Confirm overall approach on committees: Does the Visioning, Steering and Voice of the Customer committee approach resonate with the Commission for Near-Term RNM success

RNM Committee: Consider unique recommendation to add ex-officio transit board representatives on MTC Committee; consider whether to create a new Committee or repurpose existing Committee (e.g. Operations) to RNM with non-relevant items being re-assigned to another standing committee

Next Steps – For Input by Executive Committee