METROPOLITAN TRANSPORTATION COMMISSION

Meeting Transcript

METROPOLITAN TRANSPORTATION COMMISSION WORKSHOP

WEDNESDAY, MAY 25, 2022 1:30 PM

ALFREDO PEDROZA, CHAIR: GOOD AFTERNOON EVERYONE MY NAME IS ALFREDO PEDROZA CHAIR OF THE METROPOLITAN TRANSPORTATION COMMISSION ALONG WITH VICE CHAIR JOSEFOWITZ. HOPEFULLY EVERYONE HAS HAD A GOOD LUNCH AND YOU'RE READY TO JUMP INTO THIS WORKSHOP. WE HAVE BEEN WAITING, TALKING ABOUT IT. SO I APPRECIATE THE COMMISSIONERS FOR PARTICIPATING AND THE MEMBERS OF THE PUBLIC FOR JOINING US. THIS IS A CONVERSATION THAT HAS COME UP DURING MEETINGS AND TODAY WE DEDICATED TO HAVING THIS CONVERSATION. I WANT TO CHALLENGE COMMISSIONERS TO PARTICIPATE WHETHER YOU'RE PARTICIPATING VIRTUALLY OR IN PERSON. THANKS TO ALL OF MY FELLOW COMMISSIONERS FOR YOUR TIME I KNOW IT'S HARD TO DEDICATE TIME IN THIS MOMENT BUT I APPRECIATE YOUR ATTENTION TO THIS IMPORTANT TOPIC THAT'S ALSO COMPLICATED. WE WILL BE HEARING A SERIES OF PRESENTATIONS THAT WILL HELP US UNDERSTAND MEGA PROJECT DELIVERY FROM RISK MANAGEMENT WE'LL BE TALKING ABOUT MTC'S ROLE IN PROJECT DELIVERY. I WANT TO EVERYONE TO KEEP AN OPEN MIND ABOUT WHAT IS OUR ROLE AND WHERE IS OPPORTUNITY TO ADD VALUE. I WANT TO CONTINUE TO PLACE EMPHASIS. THIS IS REALLY ABOUT HOW CAN WE ADD VALUE TO DELIVERY AND HELP GET THESE PROJECTS GET DELIVERED IN THE REGION. CONVERSATIONS ARE SIGNIFICANT TO THE REGION'S TRANSPORTATION NETWORK AND POTENTIAL TO TRANSFORM THE WAY WE

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PERFORM BY INCREASING CONNECTIVITY AND REDUCING GREENHOUSE GAS WHICH IS ALL EPITOMIZED IN PLANNED BAY AREA FOR US THERE ARE PROJECTS THAT ARE DIFFICULT, COSTLY TO BUILD AND HISTORICALLY PRONE TO SCHEDULE DELAYS AND COST OVERRUNS. AT THIS UNIQUE MOMENT IN TIME THE BAY AREA NEEDS GREAT TRANSIT MORE THAN EVER AND THE PANDEMIC HAS STRESS THAT FOR US. WE ARE ALSO RECOVERING FROM THE PANDEMIC AND ECONOMIC DOWN TURNS RESPONDING TO CLIMATE IMPACTS SEEKING TO CREATE A FAIR MORE EQUITABLE REGION. ALL OF WHICH REQUIRE PLANNING AND BUILDING A MORE RESILIENT TRANSIT NETWORK. THE BIPARTISAN INFRASTRUCTURE LAW PROVIDES A ONCE IN A GENERATION INVESTMENT IN PUBLIC TRANSIT. MORE MONEY THAN WE HAVE EVER SEEN. PROJECT COST INCREASES ARE ALSO GENERATIONAL RIGHT NOW. WE ARE EXPERIENCING COSTS PRESSURES FROM SUPPLY CHAIN DISRUPTIONS, LABOR FORCE CONSTRAINTS, INFLATION, AND QUITE FRANKLY BUDGET OVERRUNS, DELAYS WERE WITH US BEFORE THE PANDEMIC. I FEEL THAT TO BE TRUE. WITH SOARING PRICE TAGS AND RISK OF MAJOR PROJECTS SEEKING BENEFITS WE WANT TO DO BETTER WE NEED TO DO BETTER WE CANNOT AFFORD TO MAKE MORE INVESTMENTS. AS YOU KNOW MTC IS DEVELOPING A MAJOR PROJECT ADVANCEMENT POLICY DUBBED NAP THAT IS SCHEDULED FOR ADOPTION LATER THIS SUMMER FOCUSED ON DELIVERING THE NEXT GENERATION OF LARGE TRANSPORTATION PROJECTS IN THE REGION. AS WE DO THIS THE COMMISSION MUST LOOK FORWARD AND SEEK ROLES TO PROJECT DELIVERY AND ADDED VALUE. LOOKING FORWARD TO WHAT CAN BE IMPROVED AND LOOKING BACK AT

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WHAT LESSONS CAN BE LEARNED. WHEN WE LOOK BACK IT'S NOT ABOUT CRITICISM OR BLAME IT'S WHAT CAN WE DO BETTER. AGAIN AS WE HEAR FROM PROJECT PRESENTATIONS I WANT TO CHALLENGE THE COMMISSION TO LOOK AT THOSE OPPORTUNITIES OF HOW CAN WE LEARN TO CARRY THAT FORWARD. THIS IS NOT ABOUT A LOOK BACK IN THE REVIEW MIRROR IT'S ABOUT LOOKING FORWARD THROUGH THE WINDSHIELD CHALLENGING OURSELVES AS COMMISSIONERS TO WHERE WE CAN ADD VALUE. THIS IS KEEPING PERSPECTIVES POSITIVE WE'RE NOT HERE TO BEAT UP ON EACH OTHER. WE'RE PROJECTS. I WANT TO UNDERSCORE THAT. THIS IS A COMPLEX DIFFICULT CONVERSATION, BUT ONE THAT NEEDS TO BE HAD. AND I HOPE THAT EVERYONE IS HONEST, PRODUCTIVE, AND, AGAIN, CHALLENGING OURSELVES ADD VALUE. SO, AT THIS POINT, AS WE GET STARTED I WANT TO INTRODUCE KATE WHILE WHO IS GOING HELP US WITH THE WORKSHOP. INTRODUCING HER ROLE SIZE SECRETARY IN BROWN'S PRESENTATION, KATE IS A PLANNING POLICY LEADER IN A SAN FRANCISCO OFFICE. ON SEVERAL ITEMS THAT WARRANT DEEPER COMMISSION DISCUSSION KATE WILL HELP US GUIDE US AND ENSURE EVERYONE IS HEARD ONLINE AND IN PERSON DURING THIS HYBRID WORKSHOP. AGAIN TO MEMBERS OF THE PUBLIC THAT JOINED US THANK YOU FOR BEING PART OF THIS CONVERSATION AND TO THOSE MEMBERS OF THE PUBLIC THAT ARE ATTENDING VIRTUALLY WE'RE GOING TO MAKE SURE YOU HAVE THE OPPORTUNITY TO PARTICIPATE, AND AGAIN TO THE ENTIRE COMMISSION THANK YOU FOR LEADING IN THIS MOMENT AND BEING PART OF THIS CANDID CONVERSATION TO DO BETTER. I THINK IT'S OUR RESPONSIBILITY TO

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HAVE THIS CONVERSATION. AT THIS POINT I'M GOING HAND IT OVER TO KATE FOR A SHORT PRESENTATION ON HOUSEKEEPING ITEMS.

SPEAKER: THANK YOU CHAIR PEDROZA IT'S GREAT TO BE HERE TODAY ON THIS TOPIC THAT IS NEAR AND DEAR TO MY HEART AS A 25 YEAR PLUS BAY AREA RESIDENT WITHOUT A CAR I AM DEPENDENT ON THESE MEGA PROJECTS TO WORK. THANK YOU FOR THE OPPORTUNITY TO FACILITATE TODAY. YOU'RE GOING TO HAVE OPPORTUNITIES TO ANSWER QUESTIONS TO A NUMBER OF SPEAKERS. SO THERE WILL BE A LOT OF TIME FOR CLARIFYING QUESTIONS. WE ALSO HAVE SOME QUESTIONS PREPARED FOR YOU TOO. SO, TO FACILITATE THE DISCUSSION, AND REALLY CALL SOME OF THE QUESTIONS THAT CHAIR PEDROZA WAS JUST QUEUEING UP IN TERMS OF MTC'S ROLE IN TERMS OF LESSONS LEARNED, BEST PRACTICES IN MEGA PROJECT DELIVERY. SO, PLEASE GIVE US YOUR ALL ATTENTION ON TODAY AND TOMORROW, COMMISSIONERS BECAUSE WE'RE GOING TO HAVE SOME GOOD DISCUSSION QUESTIONS. WE'RE GOING HAVE PUBLIC COMMENT PERIOD AT THE END OF THE WORKSHOP TODAY. WE WILL ALSO HAVE SEVERAL OPPORTUNITIES TOMORROW FOR PUBLIC COMMENT, BOTH AT THE, RIGHT BEFORE LUNCH, AND, AGAIN, AT THE END OF THE WORKSHOP TOMORROW AROUND 1:00, 2:00. SO, WITH THAT, ANY OTHER HOUSEKEEPING? KIMBERLY?

CLERK OF THE BOARD: I CAN'T THINK OF ANYTHING. THANK YOU.

SPEAKER: GREAT. SO I'LL HAND IT BACK TO CHAIR PEDROZA.

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ALFREDO PEDROZA, CHAIR: THANK YOU, KATE, FOR JOINING US. I APPRECIATE YOUR TIME, AS WELL. AND, COMMISSIONERS, KNOW THAT AS LEADERSHIP, BOTH VICE CHAIR AND I DID MEET WITH STAFF AND WE DID LAY OUT TODAY'S WORKSHOP IN A SEQUENTIAL WAY TO CHALLENGE US TO HAVE A CONVERSATION BUT ALSO SERVED IN A BASIC WAY OF HOW PROJECTS HAPPEN. WE HAVE BEEN HERE FOR A WHILE AND CAN CITE HOW PROJECTS WORK SOME OF US HAVE A NEWER EXPERIENCE BUT ALSO THAT IS AN EXCITING PERSPECTIVE TO SHARE. WE'RE GOING TO START IN THE A BASIC WAY THEN EVOLVE INTO EXAMPLES AND FOCUS ON VALUE ADD FOR MTC. AT THIS POINT I'M GOING TO TURN DID OVER TO EXECUTIVE DIRECTOR OF MTC POLICY AND ALIX BOCKELMAN WHO IS GOING TO TALK ABOUT THE BAY AREA LONG RANGE PLAN AND THE NEW UNCERTAINTIES THAT HAVE BEEN INTRODUCED TO THE LANDSCAPE AND OUR RECOVERY. ALIX, TAKE IT AWAY.

ALIX BOCKELMAN: THANK YOU CHAIR PEDROZA. AND GOOD AFTERNOON COMMISSIONERS. AS THE CHAIR NOTED I'M GOING TO DO SOME TABLE SETTING, AND IF WE CAN ACTUALLY BRING UP THE PRESENTATION DECK, PLEASE? I'M GOING TO DO SOME TABLE SETTING AND PERHAPS A QUICK WALK DOWN MEMORY LANE FOR MOST OF YOU ON PLANNED BAY AREA 2050. BUT I DO THINK THIS IS IMPORTANT, AS WE SORT OF GO DEEPER INTO TIER ONE MAJOR PROJECTS TOMORROW AS WELL AS THE MAJOR PROJECT ADVANCEMENT POLICY. NEXT SLIDE. WHEN IT COMES TO PLANNING FOR THE FUTURE, PLANNED BAY AREA 2050 IS OUR NORTH

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STAR, AND PROVIDES A ROADMAP FOR OUR ACTIONS, GROUNDED IN RIGOROUS PUBLIC ENGAGEMENT AND ANALYSIS. PLANNED BAY AREA 2050 WAS ADOPTED AS YOU ALL REMEMBER, UNANIMOUSLY BY THIS COMMISSION AND ABAG IN OCTOBER. THE PLAN DEMONSTRATED A PATH TOWARD MEETING THE REGION'S CLIMATE AND EQUITY GOALS. AND I THINK MOST IMPORTANTLY, AND AS HIGHLIGHTED IN THIS SLIDE, IT WAS GUIDED BY DEEP ENGAGEMENT FROM MEMBERS OF THE PUBLIC. NEXT SLIDE. PLANNED BAY AREA 2050 WAS BUILT ON FOUR YEARS' WORTH OF WORK. WORK BEGAN WITH THE HORIZON INITIATIVE WHICH WAS A NEARLY TWO YEAR LONG PRECURSOR EFFORT THAT FOCUSED IN ON UNDERSTANDING HOW STRATEGIES AND INVESTMENTS WOULD FARE IN AN UNCERTAIN FUTURE. AND WE KNOW THAT TO COME TO PASS NOW IN VERY UNCERTAIN TIMES THIS. INCLUDING ANALYSIS OF THREE DIVERGENT FUTURES TO UNDERSTAND THE IMPACTS OF ECONOMIC, TECHNOLOGICAL ENVIRONMENTAL AND POLITICAL FORCES ON THE REGION'S FUTURE AND LAID THE GROUNDWORK FOR PLAN WITH INVESTMENT IN STRATEGIES THAT HAVE BEEN STRESS TESTED IN MULTIPLE VISIONS OF THE BAY AREA'S FUTURE. IN 2020 WORK BEGAN IN EARNEST ON PLANNED BAY AREA 2050 THROUGH THE BLUEPRINT PHASE THROUGH MULTIPLE ROUNDS OF ENGAGEMENT STAFF ITERATEED AN INITIAL SET OF STRATEGY RECOMMENDATIONS AND REFINED STRATEGIES TO A SECOND PHASE FINAL BLUEPRINT AND FINALLY ARRIVES AT A SET OF RECOMMENDATIONS INCLUDED IN PLANNED BAY AREA 2050. THROUGHOUT THE PLANNING PROCESS EQUITY AND RESILIENCE TO UNCERTAINTY WERE GUIDING LIGHTS. NEXT SLIDE. PLANNED BAY AREA 2050'S TRANSPORTATION

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ELEMENT INCLUDES OVER $100 BILLION IN FUNDING OVER THE NEXT 30 YEARS FOR PROJECTS AND PROGRAMS. RANGING FROM INVESTMENTS IN STATE OF GOOD REPAIR TO TRANSPORTATION MEGA PROJECTS. IN ORDER TO IDENTIFY THE TRANSPORTATION PROJECTS THAT WERE THE MOST RESILIENT UNCERTAINTY AND EQUITABLE STAFF UNDERTOOK A YEAR LONG EFFORT TO ASSESS THE YEAR LONG IMPACTS OF EACH HIGH COST PROJECT THROUGH THE PROJECT PERFORMANCE ASSESSMENT PROCESS. NEARLY MORE THAN 100 PROJECTS WERE EVALUATED IN THREE DISTINCT VISIONS OF THE BAY AREA CALLED FUTURES. IN ORDER TO SEE HOW A PROJECT WOULD PERFORMER UNDER VARYING EXTERNAL SOURCES THE THREE FUTURES VARIED IN TERMS OF FEATURES SUCH AS POPULATION, TELECOMMUTE SHARE, AND ECONOMIC CONDITIONS. PROJECTS WERE ASSESSED USING THREE CRITERIA, AND THESE ARE SHOWN ON THE SCREEN: BENEFIT-COST RATIO, QUANTITATIVE EQUITY SCORE, AND GUIDING PRINCIPLES INVESTMENT PROJECTS PERFORMED WELL IN MULTIPLE FUTURES WERE PRIORITIZED FOR INCLUSION IN THE PLAN. NEXT SLIDE. FOLLOWING THE PROJECT PERFORMANCE ASSESSMENT PROCESS WE EVALUATED PACKAGES OF PROJECTS AND POLICIES IN WHAT WERE TERMED OF THE BLUEPRINT PHASE WORKING ITERATIVELY TO UNDERSTAND HOW THE REGION MIGHT MEET CLIMATE AND EQUITY GOALS OUR ANALYSIS SHOWED THAT TRANSPORTATION PROJECTS ALONE WERE NOT ENOUGH TO MEANINGFULLY REDUCE GREENHOUSE GAS EMISSIONS AND IMPROVE ACCESS TO OPPORTUNITY. MAJOR TRANSPORTATION PROJECTS HAVE MUCH GREATER BENEFITS WHEN PAIRED WITH SUPPORTIVE POLICY BASED STRATEGIES. NEXT SLIDE. PLANNED BAY AREA 2050 INCLUDES

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STRATEGIES TO HELP THE REGION MEET ITS CLIMATE AND EQUITY GOALS WORK IS WELL UNDERWAY TO IMPLEMENTATION. LOCAL JURISDICTIONS AND LAND OWNING TRANSIT AGENCIES ARE ALREADY PLANNING FOR MORE HOUSING AND JOBS NEAR TRANSIT SUPPORTED BY OUR MTC AND ABAG PROGRAMS LIKE THE PDA PLANNING GRANT PROGRAM. IN THE TRANSIT SPHERE STAFF FROM MTC AND PARTNER TRANSIT AGENCIES HAVE BEEN MOVING FORWARD WITH A SEAMLESS AND INTEGRATED REGIONAL TRANSIT SYSTEM DEVELOPING UNIFORM WAYFINDING SIGNAGE AND OTHER SEAMLESS MOBILITY IMPROVEMENTS IN ADVANCING FARE PILOTS AND POLICIES. ADDITIONALLY THE CLIPPER START PILOT IS PROVIDING DISCOUNTS FOR RIDER LO RIDERS ON 20 TRANSIT SYSTEMS NATION-WIDE. MTC AND ABAG ARE ALSO SUPPORTING -- CONTINUE TO SUPPORT AND DEPLOY INCENTIVES TO ACCELERATE ELECTRIC VEHICLE ADOPTION. PLANNED BAY AREA 2050 ALSO RECOGNIZES THE NEED FOR BOTTOM-UP PLANNING TO BEGIN TO ADDRESS HISTORIC DISINVESTMENT IN THE REGION'S UNDERSERVED COMMUNITIES. IN THAT AREA WE HAVE DOUBLED THE AMOUNT OF FUNDING FOR THE COMMUNITY BASED TRANSPORTATION PLANNING PROGRAM AND IDENTIFIED NEW FUNDS TO SUPPORT IMPLEMENTATION OF RECOMMENDATIONS FROM THOSE PLANS. FINALLY WITH CONGESTION CREEPING BACK AS RECOVERY FROM THE PANDEMIC CONTINUES EXPLORING NEW OPTIONS FOR MANAGING CONGESTION SUCH AS ALL-LANE FREEWAY TOLLING WILL BE CRITICAL TO ENSURING THE HIGHWAYS REMAIN RELIABLE WHEN PEOPLE NEED IT MOST. NEXT SLIDE. TURNING NOW TO TRANSIT INVESTMENTS INCLUDED IN PLANNED BAY AREA 2050

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THE PLAN ENVISIONS A TRANSFORMATIVE INVESTMENT TO EXPAND AND MODERNIZE ALL MODES OF TRANSIT TO BETTER SERVE FUTURE RESIDENTS. THIS INCLUDES 32 BILLION TO ENHANCE THE FREQUENCY E CAPACITY, AND RELIABILITY OF LOCAL BUS LIGHTED RAIL SERVICES 81 BILLION TO EXPAND AND MODERNIZE THE REGIONAL RAIL NETWORK AND 9 BILLION TO COMPLETE THE EXPRESS LANE NETWORK AND EXPAND EXPRESS BUS SERVICE REGION-WIDE. TOGETHER THE ENVISIONED INVESTMENT OF OVER 100 BILLION OVER THE NEXT 30 YEARS WILL BUILD AN INTERCONNECTED CUSTOMER CENTERED SYSTEM THAT CAN SUSTAIN LONG-TERM MODES OF TRANSPORTATION. NEXT SLIDE. PLANNED BAY AREA 2050 ESTABLISHES STRONG NETWORK OF LOCAL TRANSIT CONNECTIONS TO BETTER SERVE MODERNIZATION INVESTMENTS LIKE BUS RAPID TRANSIT ENHANCEMENTS AND RELIABILITY. EXTENSIONS IN THE FAST GROWING SOUTH BAY PROVIDE IMPROVED TRANSIT CONNECTION. BILLIONS OF DOLLARS FOR LOCAL BUS SERVICE AND LIGHT RAIL SERVICE ROUNDING OUT THE STRATEGY REDUCING WAIT TIMES IN ALL NINE COUNTIES. NEXT SLIDE. THE PLAN ALSO IDENTIFIES A PATH TOWARD A REGIONAL RAIL NETWORK THAT MEETS THE NEEDS OF FUTURE RESIDENTS AND WORKERS. SYSTEM-WIDE FREQUENCY BOOSTS ON TRUNK LINE SERVICE WILL REDUCE WAIT TIMES AND CROWDING AS THE REGION'S POPULATION CONTINUES TO GROW. EFFORTS TO MODERNIZE AND ELECTRIFY CORE SERVICE WILL IMPROVE RELIABILITY ON OPERATORS LIKE BART AND CALTRAIN WHILE ALSO PAVING THE WAY FOR HIGH SPEED RAIL SERVICE. A LIMITED SELECTION OF THE HIGHEST PERFORMING RAIL LINE EXTENSIONS AND NEW RAIL SERVICE IMPROVES

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TRANSIT CONNECTIONS TO LOCATIONS RANGING FROM URBAN CORES TO GROWING HOUSING CENTERS. NEXT SLIDE. THE PLAN ENVISIONS AN EXPRESS LANE NETWORK SPANNING SIX OF THE NINE COUNTIES PROVIDING RELIABLE TRAVEL TIMES FOR CARPOOLS BUSES AND TOLL PAYING SINGLE OCCUPANT VEHICLES. EXPANDED NETWORK OF REGIONAL EXPRESS BUS SERVICE INCLUDING NEW ROUTES AND MORE FREQUENT SERVICE ON EXISTING ROUTES WOULD OPERATE WITHIN THESE CORRIDORS TO CONNECT PEOPLE TO DESTINATIONS ACROSS THE REGION. TRANSIT PRIORITY UPGRADES LIKE BUS QUEUE JUMPS PARK AND RIDE LOTS TRANSIT SIGNAL PRIORITY AND MORE WOULD FURTHER IMPROVE RELIABILITY AND DECREASE TRAVEL TIMES. NEXT SLIDE. AS WE PLAN FOR THE FUTURE OF TRANSPORTATION INVESTMENTS AND CONTEMPLATE POTENTIAL FUTURE REVENUE MEASURES, IT IS CRITICAL TO CONTINUE TO MONITOR EVOLVING PERSPECTIVES ON PUBLIC PRIORITIES AND THE PANDEMIC RECOVERY. A MARCH 2000 -- THIS YEAR -- IN MARCH OF THIS YEAR, A SURVEY OF BAY AREA VOTERS REVEALED THAT HOMELESSNESS AND HOUSING ARE TOP CONCERNS FOR RESIDENTS. WHILE THE PRIORITY PLACED ON SOLVING TRANSPORTATION CHALLENGES HAS FALLEN CONSIDERABLY WHEN COMPARED TO PREPANDEMIC POLLING. HOWEVER, A MAJORITY OF VOTERS SURVEYED SAID THEY FELT TODAY'S DIP IN TRANSIT DEMAND IS TEMPORARY AND THAT MAINTAINING AND IMPROVING TRANSIT INFRASTRUCTURE IS IMPORTANT. AROUND ONE QUARTER OF VOTERS SAID THAT THE PANDEMIC HAS PERMANENTLY ALTERED HOW WE USE TRANSIT AND PLANNING NEEDS TO ADJUST IN RESPONSE TO THAT CHANGE. AS WE CONSIDER HOW FUTURE DEMAND FOR

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TRANSIT MAY BE INFLUENCED BY RETURN TO WORK, AN APRIL SURVEY OF BAY AREA EMPLOYERS REVEALED THAT ONLY 13% OF EMPLOYERS EXPECT THEIR WORKERS TO RETURN TO WORK FIVE DAYS PER WEEK. THE MAJORITY THINK THAT HYBRID WILL BECOME THE NORM WITH WORKERS COMING IN 2 TO 3 DAYS PER WEEK. AND AROUND 20% OF EMPLOYEES ARE EXPECTED TO BE PERMANENTLY REMOTE. NEXT SLIDE. AS TRANSIT AGENCIES CONTINUE THEIR RECOVERY, THERE ARE A NUMBER OF OBSTACLES THAT WILL NEED TO BE OVERCOME. FIRST SERVICE. WITH ONLY 80% OF PRECOVID SERVICE HOURS RESTORED WAIT TIMES ARE LONGER AND SOME ROUTES HAVE YET TO BE REINSTATED RESULTING IN A LESS ATTRACTIVE SERVICE. WITH REVENUE THERE IS A PROJECTED SHORT FALL OF AT LEAST 1 BILLION FOR FISCAL YEAR 2030. STAFFING IS ANOTHER CHALLENGE. TRANSIT AGENCIES ARE STRUGGLING TO RETAIN AND RECRUIT STAFF, MEANING THAT BUSES AND TRAINS ARE BEING CANCELED DUE TO AN OPERATOR SHORTAGE. FINALLY, A HOST OF ECONOMIC UNCERTAINTIES RANGING FROM INFLATION TO HYBRID WORK TO A POTENTIAL RECESSION ALL THREATEN TO LIMIT FUTURE TRANSIT DEMAND. NEXT SLIDE. LOOKING BACK OVER THE PAST TWO YEARS, WE CAN SEE THAT RIDERSHIP RECOVERY HAS BEEN SLOW AND UNEVEN. ALL OPERATORS EXPERIENCED A DEEP DROP IN RIDERSHIP IN MARCH 2020 UPON THE ONSET OF THE COVID PANDEMIC AND ENSUING STAY-AT-HOME ORDERS. TWO YEARS LATER TOTAL TRANSIT RIDERSHIP IS AROUND HALF OF WHAT IT WAS PREPANDEMIC. OPERATORS THAT SERVE PREDOMINANTLY LOCAL TRIPS LIKE MUNI, AC TRANSIT, VTA, AND SAMTRANS HAVE EXPERIENCED STRONGER RIDERSHIP RECOVERY EXCEEDING THE REGIONAL

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AVERAGE. MEANWHILE, OPERATORS THAT PREDOMINANTLY SERVE REGIONAL COMMUTE TRIPS LIKE CALTRAIN BART GOLDEN GATE TRANSIT STRUGGLE TO REGAIN RIDERSHIP FOR OFFICE SPACE WORKERS. NEXT SLIDE. OVERALL THE REGION'S EXPERIENCE PLANNING FOR AN UNCERTAIN FUTURE BE THAT TRANSIT RECOVERY PLANNING WORK WITH A NEAR-TERM FOCUS OR LONG-RANGE PLANNING THROUGH PLANNED BAY AREA 2050 HAVE UNDERSCORED THAT WE MUST CONTINUE TO CONSIDER THE FUTURE LANDSCAPING, QUESTIONING SURROUNDING FUTURE FUNDING AVAILABILITY, TELEWORK PREFERENCES AND TRANSIT DEMAND AND INDIVIDUAL PREFERENCES. BY FOLLOWING THE INVESTMENT STRATEGY LAID OUT IN PLANNED BAY AREA 2050 WE CAN FEEL CONFIDENT THAT THE RECOMMENDED INVESTMENTS HAVE BEEN TESTED FOR UNCERTAINTY VITAL TO CONTINUE TO PRIORITIZE RESILIENCE AND EQUITY AS WE EMBARK ON THE TRANSIT WORKSHOP AND BEYOND. THANK YOU.

ALFREDO PEDROZA, CHAIR: THANK YOU, ALIX. GREAT JOB. KIND OF JUST LEVEL SETTING TODAY'S CONVERSATION WITH THE REALITY. I THINK THE CURRENT DATA WHAT WE'RE SEEING IN THE TREND LINES ARE SO HELPFUL FOR TODAY'S CONVERSATION. ANY INITIAL QUESTIONS, COMMENTS? COMMISSIONERS? DO I WANT SEE ANY. KIMBERLY, DO WE HAVE ANYONE VIRTUALLY THAT HAS QUESTIONS?

CLERK OF THE BOARD: I DO NOT SEE ANY RAISED HANDS MR. CHAIR.

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ALFREDO PEDROZA, CHAIR: WE'RE ALL STILL SOAKING IN THE DATA WHICH IS AN INTENDED PURPOSE. COMMISSIONER SPERING?

JAMES P. SPERING: ALIX, ON THE NUMBERS THAT YOU SHOWED, ABOUT PEOPLE NOT RETURNING TO WORK, THAT'S GOING WORK REMOTELY, DO WE KNOW WHAT PERCENTAGE OF THOSE WORKERS USE TRANSIT?

ALIX BOCKELMAN: THE DATA THAT I SHOWED WAS FROM THE BAY AREA COUNCIL WORK THAT'S BEEN RECEIVED FROM EMPLOYERS. THAT HAVE BEEN COLLECTING QUITE A BIT OF DATA THEY MAY HAVE INFORMATION ON WHAT PERCENTAGE OF EMPLOYERS AND EMPLOYEES TOOK TRANSIT BEFORE THE PANDEMIC.

JAMES P. SPERING: IT JUST SEEMS LIKE --

ALIX BOCKELMAN: I'M GETTING A NOD FROM STAFF THAT'S A LITTLE MORE FAMILIAR WITH THE DATA AND THAT I THINK THAT WE DO NOT HAVE THAT DATA.

JAMES P. SPERING: I THINK THAT WOULD BE IMPORTANT TO KNOW. IT'S A PRIORITY, BACK TO TRANSIT. IF THEY'RE NOT GOING TO BE ON THE HIGHWAYS THAT'S GOOD -- [INDISCERNIBLE] AT WORK -- IT WOULD BE GOOD IF WE COULD DO MORE RESEARCH ON THOSE NUMBERS AND FIGURE OUT THE SHIFT AND THE IMPACT THAT IT'S HAVING.

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ALFREDO PEDROZA, CHAIR: THANK YOU, COMMISSIONER SPERING. AND TO THAT POINT, WHAT I WAS REFLECTING O ON, ALIX, AS YOU WERE SPEAKING WE ARE LOOKING AT MIGRATION WHERE PEOPLE ARE MOVING TO, AND TO JIM'S POINT THOSE FOLKS THAT MOVED ARE THEY GOING TO BE NEW TRANSIT USERS IN NEW SYSTEMS AND WE HAVEN'T SEEN THAT YET. ESPECIALLY IN THE NORTH BAY JUST BRINGING THAT PROPER WE SAW A LOT OF NEW RESIDENTS MOVING FROM DIFFERENT REGION THAT IS THE JOB IS NOT NECESSARILY IN THAT NEW COMMUNITY, SO ARE THEY GOING TO TELEWORK? OR ARE THEY GOING TO COMMUTE? THAT'S WHAT WE'RE STILL LEARNING THOSE IMPACTS FROM THE PANDEMIC. I DO THINK THERE IS AN ELEMENT OF THAT, THAT IS PERMANENT BUT WE DON'T KNOW HOW IT'S GOING TO IMPACT TRANSPORTATION. SO THAT'S WHY TODAY'S CONVERSATION IS SO CRITICAL. I DO NOT SEE ANY OTHER COMMISSIONERS WITH QUESTIONS. WE'RE GOING TO PROCEED -- VICE CHAIR JOSEFOWITZ. GO AHEAD.

NICK JOSEFOWITZ, V. CHAIR: SUPER INTERESTING. AND THE OBVIOUSLY WE DIDN'T TAKE INTO -- WHEN WE THROUGH OUR SCENARIO PLANNING FOR PLANNED BAY AREA, THE PANDEMIC SCENARIO, I DON'T REMEMBER THE PANDEMIC BEING ONE OF THEM. AS WE LOOK FORWARD WE HAVE A BUNCH OF FUTURE SCENARIOS. YOU KNOW? WE HAVE THE PREPLAGUE, WE HAVE THAT TRANSIT NEVER RECOVERS. WHEN WE THINK ABOUT THESE INVESTMENTS IN PARTICULAR THAT WE'RE TALKING ABOUT TODAY, NEED TO BE RESILIENT TO KIND OF MULTIPLE DIFFERENT FUTURES IS THAT THE TYPE OF THING THAT YOU'RE THINKING ABOUT?

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THAT WE NEED TO KIND OF, NOT JUST A KIND OF PLANNED BAY AREA FUTURE THAT WE'RE THINKING, BUT ONE OF THE BIG VARIABLES WAS AUTONOMOUS CAR USAGE, MAYBE NOT TOP OF MIND FOR EVERYBODY IN THE SAME WAY AS THE MAIN DRIVER OF TRANSIT USAGE OR TRANSIT DECLINE?

ALIX BOCKELMAN: THANK YOU. THINK YOU'RE RIGHT. WE DIDN'T FORESEE THE PANDEMIC. WE THOUGHT LOOKING AT DIFFERENT FUTURES AND DIFFERENT UNCERTAINTIES THAT MIGHT HAPPEN WAS IMPORTANT FOR THE PLAN. AND, SO, I THINK MY POINT IS THAT THESE PROJECTS HAVE BEEN STRESS TESTED ACROSS DIFFERENT SHOCKS TO THE SYSTEM, TECHNOLOGICALLY, ECONOMICALLY, ET CETERA. BUT, YES, I THINK WHAT WE HAVE LEARNED IS THAT THERE ARE A LOT MORE UNKNOWNS THAN KNOWNS. SO, AS WE EMBARK ON THIS WORK, WE SHOULD FEEL GOOD THAT THESE PROJECTS HAVE BEEN STRESS TESTED. BUT WE HAVE TO ALSO KEEP THINKING ABOUT HOW CAN WE MAKE SURE THAT PROJECTS ARE RESILIENT, THAT THEY RESULT IN EQUITABLE OUTCOMES, THAT SHOULD BE FRONT AND CENTER IN OUR MINDS AS WE THINK ABOUT HOW TO INVEST OUR DOLLARS.

THERESE MCMILLAN: AND IF I COULD JUMP IN, THERESE MCMILLAN, EXECUTIVE DIRECTOR. VICE CHAIR, YOU RAISE A REALLY INTERESTING QUESTION IN TERMS OF HOW DO YOU SHAPE THESE DIFFERENT SCENARIO-BASED PLANNING, AS WE MOVE FORWARD. I THINK, IN ONE WAY, YOU ARTICULATED THERE IS DEFINITELY A FINANCIAL SCENARIO

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PLANNING OUTLOOK, IF RIDERSHIP COMING BACK, IF IT'S ONLY 50%, 60%, 30, THERE IS VERY DEFINITELY A LOOK, AND I THINK THE TRANSIT OPERATORS THEMSELVES, IT'S VERY DEFINITE IT WILL COME BACK. ONE OF THE INTERESTING THINGS, AND REFLECTS ON COMMISSIONER SPERING'S OBSERVATION, AND WE ALWAYS NEED TO BE CAREFUL THAT MULTIPLE ANECDOTES AREN'T NECESSARILY DATA, BUT ONE OF THE INTERESTING THINGS WE HAVE SEEN IS, AS PEOPLE WERE COMING BACK OUT OF THE SHELTER-IN-PLACE, SHIFTING NOT NECESSARILY TO CARS BUT TO ACTIVE TRANSPORTATION, PARTICULARLY IN [INDISCERNIBLE] AREAS. SO AN INTERESTING OTHER FUTURE MIX MAY BE WHAT ARE THE DIFFERENT MODE SPLITS THAT MIGHT EMERGE IN DIFFERENT CONTEXTS IN TERMS OF THE MODE SPLITS FOR WORK TRIPS, THE MODE SPLITS FOR NON-WORK TRIPS. THAT, I THINK, IS ALWAYS A VERY INTERESTED THING FOR US TO THINK ABOUT, PARTICULARLY LOOKING AHEAD TO THE NEXT PLANNED BAY AREA. BECAUSE THAT MAY SPEAK TO A DIFFERENT COMBINATION OF TRANSPORTATION INVESTMENTS IN ADDITION TO JUST WHAT TRANSIT ITSELF MAY BE RESPONDING TO. SO I THINK IT'S JUST A REALLY -- NOT THAT WE HAVE AN ANSWER TO IT, BUT I THINK THAT'S THE TIME OF THINKING WE NEED TO START PULLING TOGETHER AS WE MOVE AHEAD.

NICK JOSEFOWITZ, V. CHAIR: THAT MAKES A LOT OF SENSE I JUST READ TODAY THERE WERE MORE ELECTRIC BIKES SOLD IN AMERICA THAN CARS.

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AMY R. WORTH: ALL BECAUSE OF YOU, NICK.

NICK JOSEFOWITZ, V. CHAIR: [INDISCERNIBLE] AMY.

ALFREDO PEDROZA, CHAIR: WE'RE WARMED UP. I CAN FEEL T THANK YOU ALIX. APPRECIATE YOUR PRESENTATION OF THE WE'RE GOING ITEM THREE DELIVERING TRANSIT PROJECTS AND MANAGING RISK. I'M GOING TO TURN IT OVER TO ANDREW FREMIER DEPUTY DIRECTOR OF OPERATIONS.

CLERK OF THE BOARD: SORRY TO INTERRUPT, I SEE COMMISSIONER GLOVER'S HAND IS RAISED.

ALFREDO PEDROZA, CHAIR: WONDERFUL. LET'S GO BACK TO ITEM TWO. AND LET'S HAVE COMMISSIONER GLOVER CLOSE US OUT. GO AHEAD COMMISSIONER GLOVER.

FEDERAL D. GLOVER: SO, THANK YOU. ONE OF THE THINGS I THINK THAT WE CONTINUE TO OVERLOOK WHEN WE'RE TALKING ABOUT TRANSPORTATION PLANNING IS, WE HAVE A LARGE CONCENTRATION ON THE MEGA REGIONS. AND SOME OF THE SUBURB AREAS NEVER GET ANY OF THE ATTENTION THAT IT NEEDS IN TERMS OF HOW WE'RE MOVING THOSE PEOPLE ALSO. SO I'M VERY CONCERNED ABOUT THAT, IN PARTICULAR. YOU KNOW, WHEN WE ENTER INTO THESE DIALOGUES IT SEEMS LIKE IT'S JUST AN ISSUE THAT'S LEFT OUT, AND, CERTAINLY,

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WHEN I THINK ABOUT THE REGION WHERE I'M A SUPERVISOR OVER, THERE IS JUST A -- YOU KNOW, THERE IS NOTHING THAT'S EVER TALKED ABOUT THAT'S LOOKING AT HOW WE INTEGRATE THAT THERE WHERE WE HAVE, YOU KNOW, THE EMPLOYMENT OPPORTUNITY IS THERE, BUT THERE IS NO JOBS IN THAT AREA. AND, SO, HOW ARE WE GOING TO GET THOSE PEOPLE TO WORK TOWARD OTHER VERY CRITICAL SERVICES THAT THEY MAY NEED? AND I THINK TRANSIT IS REALLY THE ANSWER, BUT STARTING TO LOOK AT THOSE SCENARIOS AWAY FROM JUST THE MEGA REGION AND START TO LOOK AT THOSE SCENARIOS, I THINK IT'S GOT TO BE A PART OF THE CONVERSATION, BECAUSE WE CONTINUE TO GET FARTHER AND FARTHER AWAY FROM DEALING WITH THOSE. AND IF EQUITY IS GOING TO BE A BIG PART OF OUR PLATFORM, THEN WE REALLY HAVE TO START EMBRACING PEOPLE MOVEMENT FROM THOSE PERSPECTIVE ALSO, AND NOT ALWAYS HAVE THE CONCENTRATION WITHIN OUR MEGA REGIONS. JUST WANTED TO THROW THAT OUT THERE FOR PEOPLE TO THINK ABOUT AS WE CONTINUE OUR DIALOGUE AND THESE CONVERSATIONS TODAY.

ALFREDO PEDROZA, CHAIR: THANK YOU, COMMISSIONER GLOVER, FOR SHARING THAT PERSPECTIVE. THAT'S EXACTLY WHAT WE'RE HOPING TO ACCOMPLISH IN THIS SECTION, RAISING SOME POINTS PROVOKING GOOD THOUGHTS AS WE MOVE THROUGH THE DAY WE'RE GOING TO STICK IN THIS SECTION FOR A SECOND. COMMISSIONER PAPAN, GO AHEAD.

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GINA PAPAN: THANK YOU, MR. CHAIR. AND THANK YOU FOR THE PRESENTATION. I DO WANT TO NOTE HERE, WE'RE SEEING A REAL IMPROVEMENT IN BUS SERVICE. SO, AS WE PROGRESS DOWN THESE LINES, LOOKING AT PRIORITIZING THE TRANSIT OPERATIONS THAT ARE COMING BACK MORE QUICKLY AND MORE EFFICIENTLY, AS WE APPROACH ALL THESE MEGA PROJECTS, I THINK MIGHT BE SOMEWHAT IMPORTANT IF WE'RE GOING DOWN CERTAIN PATHS.

ALFREDO PEDROZA, CHAIR: THANK YOU, COMMISSIONER PAPAN.

CLERK OF THE BOARD: COMMISSIONER WORTH ALSO HAS HER HAND RAISED, MR. CHAIR.

ALFREDO PEDROZA, CHAIR: THANK YOU, KIMBERLY, FOR HELPING. COMMISSIONER WORTH?

AMY R. WORTH: SORRY MR. CHAIR. MY COLLEAGUES FROM CONTRA COSTA PROMPTED SOME MORE THINKING ON THE SAME LINES. ONE OF THE THINGS WE HAVE OFTEN TALKED ABOUT IS GETTING A SENSE OF ORIGIN AND DESTINATION. AND, DO WE HAVE THE TOOLS TO BE ABLE TO DO THAT? I THINK ONE THING THAT WOULD BE HEAL HELPFUL TO BE ABLE TO UNDERSTAND, ORIGIN AND DESTINATION BY INDUSTRY, YOU KNOW, BY COUNTY, BY SECTOR, TO ALSO ANSWER THIS -- ASK THIS QUESTION OF WHO IS ON TRANSIT NOW, WHO IS DRIVING NOW, WHO IS WAITING IN THE WINGS. I THINK SO MUCH OF WHAT WE DO IS SORT OF

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ADDRESSED TRYING TO CHASE THIS JOBS/HOUSING IMBALANCE, AND YET WE -- IF WE KNEW KIND OF WHERE PEOPLE WERE GOING IT MIGHT BE, YOU KNOW, MORE HELPFUL. YOU KNOW, WE'RE TRYING TO TACKLE THIS TRAFFIC CONGESTION ON THE RICHMOND SAN RAFAEL BRIDGE AND IT IS -- WE'RE GETTING MORE INFORMATIONS ABOUT THE ORIGIN AND DESTINATION OF WORKERS TO JOBS. AND OBVIOUSLY TWO THIRDS ARE GOING FROM THE EAST BAY TO MARIN COUNTY. AND SO MY REQUEST IS -- AND I DON'T NEED AN ANSWER RIGHT NOW -- I'M JUST THINKING AS WE'RE LOOKING LONGER TERM, LOOKING AT RESILIENCE, LOOKING AT NEXT STEPS, HAVING A REAL GOOD SNAPSHOT OF WHERE EVERYBODY LIVES AND WHERE THEY'RE WORKING MIGHT BE REALLY HELPFUL IN TERMS OF GETTING A COLLECTIVE PICTURE OF THE BAY AREA. SO WE COULD, YOU KNOW, BREAK DOWN BY CORRIDOR, BY JOB SECTOR, BY, YOU KNOW, COUNTY, AND BOTH IN TERMS OF HOUSING, AS WELL AS JOBS. SO, THANK YOU VERY MUCH.

ALFREDO PEDROZA, CHAIR: THANK YOU COMMISSIONER WORTH. COMMISSIONER DUTRA-VERNACI?

CAROL DUTRA-VERNACI: YES. THANK YOU, TO COMMISSIONER'S WORTH'S POINT. WHEN I WAS WALKING -- AND THIS IS JUST A REAL LIFE EXAMPLE -- WHEN I WAS WALKING DOWN THE STREET YESTERDAY THERE WAS SOMEBODY AT END OF THE COURT THEY HAVE NEVER SEEN BEFORE AND I STOPPED TO TALK TO THEM AND HE SAID YEAH HE'S BEEN LIVING THERE A YEAR AND A HALF HE'S A NEWARK POLICE OFFICER

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AND HE'S BEEN LIVING WITH HIS GIRLFRIEND'S PARENTS BECAUSE THEY HAVE BEEN SAVE UP MONEY TO BUY A HOUSE AND HE SAID WE CAN'T AFFORD ANYTHING AROUND HERE SO WE'RE MOVING TO THE VALLEY. TO DO YOUR POINT COMMISSIONER WORTH.

ALFREDO PEDROZA, CHAIR: ONE MORE HAND.

CLERK OF THE BOARD: COMMISSIONER LICCARDO.

SAM LICCARDO: SORRY TO THROW A WRENCH INTO THE WORKS ON TIMING. I JUST REALLY APPRECIATE THIS CONVERSATION, CAROL, AND JIM, AND OTHERS HAVE RAISED AT THIS POINT IN DIFFERENT WAYS. DATA IS VERY DIFFICULT SOMETIMES TO GET BUT I KNOW INTUITIVELY THOSE WORKER WHO IS NEED TO BE AT WORK FIVE DAYS A WEEK OR MORE ARE OVERWHELMINGLY IN THE SERVICE INDUSTRY. IT'S THOSE WHO NEED TO GET TO RESTAURANTS AND HOTELS. I APPRECIATE THE EMPHASIS ON SUPPORTING BUS ROUTES IN PARTICULAR, BUT I THINK MAYBE IF WE COULD DO A QUICK OVERLAY AT LOOKING AT SERVICE INDUSTRY JOBS THAT MAY TELL US AN AWFUL LOT ABOUT WHERE OUR DOLLARS NEED TO GO IN TERMS OF SUSTAINING A SERVICE THAT WILL REALLY SUPPORT TRANSIT DEPENDENT RIDERS. THANKS.

CLERK OF THE BOARD: THANK YOU, AND I SEE, ALIX HAS HER HAND ALSO RAISED.

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ALIX BOCKELMAN: THANK YOU. I JUST WANTED TO APPRECIATE THE COMMENTS ABOUT HOW WE REALLY NEED TO UNDERSTAND KIND OF HOW TRAVEL PATTERNS HAVE CHANGED AND I WANT TO NOTE MTC IS KICKING OFF A NEW HOUSEHOLD TRAVEL SURVEY. AND THIS IS SOMETHING THAT, IN THE PAST, WE HAVE DONE EVERY TEN YEARS, BUT WE'RE REALLY MOVING TOWARDS DOING IT IN A MORE CONTINUOUS BASIS. WE DON'T KNOW WHEN WE'RE GOING TO ARRIVE AT THE NEW NORMAL BUT WE KNOW WE'RE GOING TO BE DOING SOME TRAVEL SURVEY SO WE HAVE DATA ABOUT WHERE WE ARE NOW.

ALFREDO PEDROZA, CHAIR: THANK YOU FOR CLARIFYING THAT, AND COMMISSIONERS I REALLY APPRECIATE YOUR PARTICIPATION AND YOUR QUESTION AND THE REQUEST FOR MORE DATA. THIS'S FUNDAMENTAL. AT THIS POINT WE'RE GOING TO MOVE TO ITEM THREE, DELIVERING TRANSIT MEGA PROJECTS AND MANAGING RISK. AND WE HAVE DUBBED THIS SECTION MEGA PROJECT DELIVERY 101 TO KIND OF GIVE US A HISTORICAL PERSPECTIVE FROM BEGINNING TO END I'M GOING ON TURN IT OVER TO ANDY FREMIER, OUR MTC DEPUTY DIRECTOR OF OPERATIONS. TAKE IT AWAY.

ANDREW FREMIER: THANK YOU ANDREW F DEPUTY DIRECTOR. IN THE MAJOR TRANSIT EXPANSION PROJECTS MEETING GOALS AND OBJECTIVES THE NECK ITEM DESIGNED TO EDUCATE THE COMMISSION ON THE FUNDAMENTALS ON MEGA PROJECT DELIVERY BUT ALSO PROVIDE REAL LIFE EXPERIENCES LEARNED TO SIGNIFICANT REGIONAL PROJECTS

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SIGNIFICANCE FROM BART TO SILICON VALLEY DELIVERY OF THE EAST SPAN OF THE SAN FRANCISCO OAKLAND BAY BRIDGE AND OUR FINAL PRESENTATION WILL COVER SOME SUGGESTED POLICY IMPROVEMENTS FROM EVALUATING A GREATER POPULATION OF CALIFORNIA RAIL PROJECTS. MTC'S MOST DIRECT PROJECT DEVELOPMENT EXPERIENCE IN MAJOR PROJECTS HAS BEEN THE TOLL BRIDGE SEISMIC RETROFIT PROGRAM AND THE NEW BENICIA MARTINEZ BRIDGE. ALL OF THESE PROJECTS WERE DELIVERED USING A STANDARD DELIVERY PROCEDURE CALLED DESIGN BID BUILD IN THESE CASES THE CONTRACTOR BUILDING PROJECTS BIDS ON A COMPLETE SET OF PLANS BUT MANY OF THE MEGA PROJECTS IN THE TRANSIT ENVIRONMENT ARE DELIVERED BY ALTERNATIVE METHODS REFERRED BROADLY TO AS DESIGN BUILD THE MAJOR DISTINCTION THERE IS THE DESIGN BUILD CONTRACTOR DESIGNER COMPLETES THE DESIGN BASED ON THE PARAMETERS SPECIFIED IN THE IMPROVED ENVIRONMENTAL DOCUMENT AND OTHER PRESCRIBED INVESTMENT REQUIREMENTS OF THE OWNER. HISTORICALLY ASSUMPTION IS THAT RISK IS TRANSFERRED TO THE CONTRACTOR AND BOTH DELIVERY METHODS BUT IMPORTANT TO REALIZE THE ACTUAL RISK IS MORE THAN JUST DETERMINING WHICH METHOD YOU CHOOSE FOR PROJECT DELIVERY THE TWO SECTIONS OF SEGMENT THREE WILL SET THE TABLE FOR CONSIDERATION ON HOW BEST TO SECURE THE UPCOMING LIST OF PROJECTS THAT ARE IMPORTANT FOR REGIONAL TRANSPORTATION. FIRST PRESENTATION WILL BE PRIMER EXPLAINING VARIOUS DELIVERY METHODS INCLUDING RISK HANDLE IN EACH CASE, WHICH RISK TRANSFER IS A SPECTRUM AND DEFINED WELL BEFORE A

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PROJECT IS ADVERTISING AS FOR THE OWNER ALSO NOT NECESSARILY ECONOMICAL TO TRANSFER ALL RISK BUT TO ASSUME SOME OF THEM THE CHALLENGE IS TO DETERMINE WHICH RISK TO TRANSFER AND WHICH TO KEEP. I WOULD LIKE TO INTRODUCE JANNET WALKER FORD JANNET IS THE NATIONAL TRANSIT AND RAIL LEADER FOR WSPA JANNET WAS JUST ELECTED AS THE INTERNATIONAL PRESIDENT OF THE WOMEN'S TRANSPORTATION SEMINAR SO CON GRATUITOUS TO THAT. SHE IS FAMILIAR WITH THE BAY AREA AS SHE WORKED FOR MTC IN THE DEVELOPMENT OF THE TRANSLINK NOW CLIPPER PROGRAM. JANNET COULDN'T BE HERE IN PERSON BUT WE'RE HAPPY TO HAVE HER PARTICIPATING IN THE HYBRID ENVIRONMENT BECAUSE FIRMS LIKE JANNET'S ACTUALLY COMPETE ON BOTH SIDES OF THE HOUSE THEY WILL REPRESENT OWNERS IN DIFFERENT MEGA PROJECTS BUT THEY ALSO PURSUE PROJECTS AS A DESIGNER IN THE JOINT VENTURE ENVIRONMENT IN PROJECT DELIVERIES IN THE DESIGN BUILD ARENA. WELCOME JANNET AND THE FLOOR IS YOURS.

JANNET WALKER-FORD: GOOD AFTERNOON AND THANK YOU VERY MUCH, ANDREW, FOR THAT KIND INTRODUCTION AND THOSE REMARKS. MR. CHAIR AND COMMISSIONERS, THANK YOU VERY MUCH FOR ALLOWING ME THE OPPORTUNITY TO PRESENT TO YOU TODAY. I'M THRILLED TO BE ABLE TO SHARE THE PURPOSES FROM WSP AND PERSONAL EXPERIENCE. I AM ALSO JOINED HERE TODAY BY A COUPLE OF COLLEAGUES THAT I MAY CALL ON DURING Q&A. MARK AND KRISTOF, BOTH MEMBERS. MY COLLEAGUES ARE MEMBERS OF THE ULTIMATE DELIVERY TEAM OF WSP

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FROM A NATIONAL ADVISORY PRACTICE PERSPECTIVE AND ALSO JOINED BY COLLEAGUES IN THE AUDIENCE WITH YOU IN PERSON AND --

SPEAKER: SORRY -- WE'RE NOT GETTING --

ALFREDO PEDROZA, CHAIR: IS THERE A PRESENTATION?

ANDREW FREMIER: THERE WILL BE A PRESENTATION. IT WILL COME UP IN A MINUTE. SHE'LL DIRECT THE CONTROL ROOM WHEN TO START.

JANNET WALKER-FORD: YOU CAN PULL THE PRESENTATION UP. THANK YOU. I WAS DANCING JUST A BIT WAITING FOR IT TO COME UP.

ALFREDO PEDROZA, CHAIR: FINE TIME.

JANNET WALKER-FORD: I'M SORRY ABOUT THAT. I THOUGHT IT WAS COMING. THANK YOU, VERY MUCH AGAIN, CHAIR AND COMMISSIONERS FOR BEING HERE LOOKING FORWARD TO THE DISCUSSION JOINED BY COLLEAGUES ONLINE AND WITH THOSE THAT ARE IN THE AUDIENCE WITH ME TODAY JOHN FISHER, ELIZABETH, AND ANDREW, AS WELL. I WOULD LOVE TO TALK ABOUT THE BASICS AROUND TRANSIT PROJECTS AND MANAGING MEGA PROJECTS AND THE RISK, JUST AS IMPORTANTLY ASSOCIATED WITH THAT. NEXT SLIDE PLEASE. SO, THE INTENT OVER THE NEXT 25 OR SO MINUTES IS TO GO THROUGH SOME OF THE COMMON CHALLENGES AND MISSTEPS THAT WE SEE IN THE PROGRAM. I'LL START

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WITH AN OVERVIEW AND BACKGROUND. JUST KIND OF A DEFINITION ABOUT THE TYPES OF PROJECTS, THE TRADITIONAL, AS WELL AS NOW WHAT WE'RE TERMING THE ALTERNATE OR ALTERNATIVE DELIVERY PROJECT. THAT ANDREW LAID OUT. WE'LL TALK ABOUT THOSE VARIOUS METHODS SPECIFICALLY, THE RISK ASSOCIATED WITH THEM, SOME ADVANTAGES AND DISADVANTAGES OF EACH OF THOSE, AS WELL AS KIND OF HOW TO MAKE THOSE DECISIONS. WHAT ARE THE STEPS IN COMING TO A DECISION ABOUT WHAT'S RIGHT FOR YOU, YOUR AGENCY, AND YOUR PARTNERS, AND THEN THERE IS TIME SPENT AT THE END FOR QUESTIONS. NEXT SLIDE, PLEASE. WE HAVE ALREADY DONE THE INTRODUCTIONS. AGAIN, THANK YOU VERY MUCH FOR HAVING ME HERE REPRESENTING WSP AS THE NATIONAL BUSINESS LINE LEADER FOR THE TRANSBAY RAIL SYSTEM. AND FOR THOSE THAT ARE NOT FAMILIAR WITH WSP, WSPA IS AN OPERATING COMPANY OF OUR GLOBAL FIRM WSP AND WE'RE ONE OF THE WORLD'S LARGEST LEADING ENGINEERING AND PROFESSIONAL SERVICE FIRMS. NEXT SLIDE PLEASE. OKAY SO WE'LL GET RIGHT INTO THE DISCUSSION AT HANDS AND THAT BEGINS WITH THE FACT THAT WE ALL RECOGNIZE THAT AGENCIES OFTEN ARE ENCOUNTER SOMETIMES WAY TOO FREQUENTLY CHALLENGES WHILE DELIVERING COMPLEX PROJECTS, PARTICULARLY AS IT RELATES TO ALTERNATIVE DELIVERY METHODS AND THERE ARE A VARIETY OF REASONS, THAT I HAVE HIGHLIGHTED HERE THAT ARE EITHER -- YEAH, THAT ARE ASSOCIATE WITH THOSE CHALLENGES. THE GOOD NEWS IS BY THE TIME WE GET THROUGH THE END OF THE PRESENTATIONS ARE PLAN TO TALK ABOUT HOW TO PLAN TO MITIGATE SOME OF THOSE CHALLENGES

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AND RISKS. FIRST OFF STARTING WITH THE EXECUTIVE SPONSOR OR SPONSORS OF THE PROJECT ITSELF. THEY MAY NOT ALWAYS BE INVOLVED IN A DAY-TO-DAY IMPLEMENTATION OF THE PROJECT. NOW, THIS IS THE CHAMPION IN THE FACE OF THE PROJECT OF THE SO THIS, AS A RESULT OF THAT, NOT BEING INVOLVED IN THE DAY-TO-DAY OF THE PROJECT IT COULD RESULT IN COST OVERRUNS AND SCHEDULE DELAYS DUE TO, SOMETIMES WHAT'S CONSIDERED A LACK OF TRANSPARENCY INTO THE SPONSOR'S ORIGINAL PROJECT INTENT. AND THIS IS INFORMATION FLOWING UP AT THE APPROPRIATE TIME AND AT THE RIGHT LEVEL ABOUT THE PROGRESS. THE REASONING BEHIND THE DELIVERY METHOD SELECTIONS AND HOW TO IMPLEMENT SUCH A DELIVERY METHOD SHOULD BE CLEARLY COORDINATED AT ALL LEVELS, SO THAT THE PROJECT GOALS AND THE PROJECT RISK ARE FULLY ENHANCED AND MITIGATED. RESPECTIVELY THE ROUTE OF PROJECT DELIVERY AND THAT MEANS FROM ACCUMULATOR TO FINAL ACCEPTANCE. ANOTHER CRITICAL, CRITICAL AREA IS DEFINING THE PROJECT'S GOALS AND PROJECT DEFINITION, THE GOALS, AND THE RISK. THEY MUST BE CLEARLY UNDERSTOOD AND BE -- AND ENSURE THAT THEY ARE INVOLVED AND RECOGNIZED THROUGHOUT THE ENTIRE PROJECT. EVERY ASPECT OF THE PROJECT, INCLUDING THE DELIVERY METHOD SELECTION, THE PROCUREMENT, THE DOCUMENT WRITING, TECHNICAL REQUIREMENTS, SELECTION DELIVERY, THOSE KIND OF FACTORS, THEY SHOULD ALL BE REFLECTED UP FRONT. THE PROJECT DEFINITIONS, GOALS, AND THE PROCESS FOR MITIGATING THE PROJECT RISK. THOSE ARE IMPORTANT CATEGORIES. SOME COMMON PROJECT RISKS INCLUDE

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THIRD PARTY DELAYS AND SOMETIMES THESE ARE UNANTICIPATED DELAYS, THERE IS NOT NECESSARILY ENOUGH TIMING INCLUDED TO WORK THOSE, YOU KNOW, TO WORK THROUGH THIRD PARTY AGREEMENTS SO THOSE REALLY NEED TO BE PUT IN PLACE UP FRONT AND NOT AS YOU GET INTO THE PROJECT ITSELF. SO, THE COORDINATION AND THE MOUS ARE REALLY IMPORTANT. THE UNKNOWNS ASSOCIATED WITH THE RIGHT OF WAY IMPACTS IS SOMETHING THAT COMES UP, NOT JUST IN THESE TYPE OF PROJECTS AND PROJECTS IN GENERAL THIS IS A COMMON THEME AND AS ONE OF THE COMMISSIONERS MENTIONED MORE AND MORE TALKING ABOUT THE INTEGRATION OF MODES WHETHER SHARING OF FREIGHT AND TRADITIONAL TRANSIT AND YOU KNOW, OR OTHER AGENCIES THOSE RIGHT OF WAY IMPACTS DO SOMETIMES PROVIDE RISK, PRESENT RISK, AS WELL AS DELAY PROJECTS. PERMITTING COMPLICATIONS, CONSTRUCT ABILITY, AND MORE ARE JUST SOME EXAMPLES THAT WE SEE. AND I BELIEVE THAT MR. CHAIR MENTIONED SUPPLY CHAIN AND THERE IS ALSO MENTION OF LABOR. SO RIGHT NOW, WE CLEARLY ARE IN THE MIDST OF SUPPLY CHAIN CHALLENGES AND RISK AND LABOR SHORTAGE IN JUST ABOUT EVERY ASPECT OF OUR INDUSTRY. THE SELECTIVE DELIVERY METHOD SHOULD MITIGATE THESE RISKS BY REALLOCATING THEM TO THOSE TO BEST SERVE THEM AND WE'LL TALK A BIT ABOUT THAT IN THE COMING SLIDES. A TRADITIONAL DESIGN BUILD DELIVERY METHOD DOES NOT ALWAYS OFFER PROPER RISK REALLOCATION THAT'S ONE OF THE CHALLENGES WITH OUR TRADITIONAL METHOD ADDITIONALLY A POORLY IMPLEMENTED ALTERNATIVE METHOD DOES NOT OFFER PROPER RISK REALLOCATION

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EITHER SO IF THAT'S NOT DID WELL YOU STILL HAVE PROBLEMS WITH RISK ALLOCATION. PUBLIC OUTREACH AND COORDINATION IS ALSO ALWAYS, ALWAYS, EXTREMELY IMPORTANT. PARTICULARLY WITH THIS DELIVERY, WHEN USING THIS TYPE OF DELIVERY PROJECT METHOD. USING ALTERNATIVE DELIVERY METHODS, ESPECIALLY PRESENTS SOMETIMES CHALLENGES WITH WHETHER IT'S THE OPTICS OR PERSPECTIVES AROUND WHETHER OR NOT THE PROJECT, ITSELF, HAS BEEN SOLE SOURCED OR IF THERE IS SOME TYPE OF PRIVATIZATION ASSOCIATED WITH THE PROJECT. SO BEING ABLE TO COMMUNICATE WHY, AND WHAT TYPE OF METHOD YOU'RE USE SUGGEST CRITICAL. SO INVESTS TO MITIGATE THE PUBLIC CRITICISM IT'S IMPORTANT TO EDUCATE AND INFORM THE PUBLIC, THE AGENCY EMPLOYEES, AND THE CONTRACTING COMMUNITY OF THE AGENCY'S INTENT AND THEIR REASONING BEHIND WHY A PARTICULAR DELIVERY METHOD WAS SELECTED. NOW, I'LL TALK ABOUT THE P WORD: POLITICS CAN ALSO -- BELIEVE IT OR NOT, RIGHT -- PLAY A MAJOR ROLE IN ALTERNATIVE DELIVERY METHODS SUCCESS ITSELF. HAVING A UNISON APPROACH HARMONIC MESSAGING AND A TRANSPARENT REASON FOR WHY A PROJECT IS BEING DELIVERED A SPECIFIC WAY WILL LIKELY HELP THE PROJECT IN THE SHORT AND LONG RUN. THIS NEVER HAPPENS, I'M SURE, IN YOUR REGION, BUT RUSHING A PROJECT TO BE COMPLETED BEFORE AN ELECTION OR BEFORE ANOTHER POLITICAL FIGURE TAKES OFFICE IS TYPICALLY NOT A PATH THAT LEADS TO SUCCESS. AND I'M SPEAKING, YOU KNOW, JUST NATIONALLY WHAT SOME OF OUR OBSERVATIONS HAVE BEEN, AND THAT'S WHERE THERE IS ARTIFICIAL SETTING OF PROJECT

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DATE TO COMPLETION WITH CONSIDERATION, SOMETIMES THAT CAN START YOU OUT WITH THOSE TYPE OF RISKS IN THE VERY BEGINNING. PROPER ADEQUATE PROJECT FUNDING IS FINANCING ALSO PLAYS A MAJOR ROLE IN THE DELIVERY METHOD ALTERNATIVE DELIVERY METHODS MAY CHANGE AND TRADITIONAL FUNDING DUE TO INCREASED SCHEDULE CHANGES AND POSSIBLE OVERLAP IN DESIGN AND CONSTRUCTION ACTIVITIES METHODS WE'LL TALK ABOUT ADDITIONALLY DELIVERY MODELS HAVE BEEN POPULAR IN PROJECT FINANCING AND CONSTRUCTION DESIGN UP FRONT HOWEVER THE AGENCY MUST HAVE SUSTAINABLE FUNDING MODELS IN PLACE TO FUND THE FINANCING OVER TIME. OTHERWISE, THE INITIAL FINANCING WILL NOT BE LET. MAY NOT BE LET. AND THEN OPERATIONS AND MAINTENANCE IS ANOTHER COST AS WE THINK ABOUT WHAT SOME OF THE RISKS ARE THAT AREN'T NECESSARILY -- [INDISCERNIBLE] [AUDIO DIFFICULTIES] AND SUBSTANTIALLY, AS WE'RE SEEING INFRASTRUCTURE AGING AND INNOVATION AND TECHNOLOGIES THAT ARE OCCURRING WHEN INFRASTRUCTURE IS ADOPTED, THOSE COSTS ARE NOT ALWAYS QUANTIFIED UP FRONT. SO IT'S IMPORTANT THAT AGENCIES UNDERSTAND THE ENTIRE LIFE CYCLE COST OF A PROJECT DURING PROJECT PLANNING SO THAT PROPER FUNDING CAN BE PUT IN PLACE. SO, WHEN YOU GET INTO OPERATIONS, WE ALL KNOW THAT THAT, INDEED, HAS COST ON ITS OWN, AND WE NEED TO CAPTURE THAT. DELIVERY METHODS WITH OPERATIONS AND MAINTENANCE CONTRACTS CAN HELP AGENCIES OPTIMIZE LIFE CYCLE COST AND HELP AGENCIES GAIN VALUABLE KNOWLEDGE FROM THE PRIVATE SECTOR ON HOW TO PROPERLY OPERATE AND MAINTAIN ASSETS

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WHILE HAVING A PRIVATE ENTITY THAT AT RISK FOR ASSET AVAILABILITY. NEXT SLIDE PLEASE. I WANT TO GET INTO THE SPECIFICS AROUND THOSE METHODS THAT ARE BEFORE US. THE TRADITIONAL METHOD AS ANDREW MENTIONED IS DESIGN BUILD THEN WE'LL TALK ABOUT A FEW OTHER NON-TRADITIONAL METHODS THAT WE'RE CALLING "ALTERNATIVE DELIVERY." NEXT SLIDE PLEASE. STARTING WITH THE TRADITIONAL DESIGN BUILD METHOD IN THIS SCENARIO, THE OWNER CONTRACTS THE TWO SEPARATE -- HAS TWO SEPARATE CONTRACTS AS SHOWN ON THIS SLIDE BEFORE YOU. ONE CONTRACT IS FOR A DESIGN, AND ONE CONTRACT IS FOR CONSTRUCTION. THE DESIGNERS ARE SELECTED BASED ON DESIGNER QUALIFICATIONS THEIR EXPERIENCE THE STRATEGIC APPROACH AND POSSIBLY PRICE ELEMENTS. THE CONTRACTOR IS AWARDED TO THE LOWEST BID ON COMPLETE PLANS AND SPECIFICATIONS SO THAT GETS THE PLANS TO 100%. IT'S IMPORTANT TO NOTE THAT, IN A DESIGN BID BUILD STRUCTURE, THE PROJECT DELIVERY STEPS OCCUR IN SERIES. SO THE DESIGNS NEED TO REACH 100% BEFORE A CONTRACT FOR CONSTRUCTION CAN BE ADVERTISED AS SHOWN IN THE PROJECT DELIVERY TIMELINE ON YOUR SCREEN AT THE TOP THERE TO MY RIGHT. AND, ADDITIONALLY, IN A DESIGN BID BUILD, THE OWNER RETAINS DESIGN CONTROL AND RISK. RIGHT? SO THAT'S GOING TO BE A CLEAR DIFFERENTIATOR TO THE RISK MODEL THAT WE TALKED ABOUT. NEXT SLIDE PLEASE. THE FIRST ALTERNATIVE DELIVERY METHOD APPROACHES OR SCENARIOS WOULD BE WHERE THE OWNER WOULD ENTER INTO A SINGLE CONTRACT WITH A DESIGN BUILDER WHO WOULD THEN DESIGN

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AND CONSTRUCT THE PROJECT AS YOU SEE BEFORE YOU. THE DESIGN BUILDER IS SELECTED BASE ON A COMPETITIVE TWO-STEP PHASED APPROACH. THE FIRST STEP, OR THE -- IT REALLY, I'LL REFER TO IT AS THE RFQ, REQUEST FOR QUALIFICATIONS PHASE WOULD ESTABLISH A SHORT LIST OF DESIGN BUILDERS, EVALUATED AND SELECTED BASED ON QUALIFICATIONS, EXPERIENCE, AND THEIR STRATEGIC APPROACH TO THE PROJECT. AND THAT'S A VERY CRITICAL ELEMENT. I CANNOT OVERSTATE HOW IMPORTANT THE APPROACH CONSIDERATION IS. NOW THEN THE SECOND STEP, ONCE YOU GET TO THE RQ, WHICH WOULD THEN GET INTO THE RFP PROCESS AND GET INTO REQUEST FOR PROPOSALS RELEASING THE RFPS TO THE SHORT LIST OF PROPOSALS INCLUDING A CONCEPTUAL DESIGN PLAN AND SPECIFICATIONS. THEN DEVELOP THE PERSPECTIVE PRICE LIST PROPOSAL AND TECHNICAL PROPOSAL WHICH USUALLY INCLUDES AN ATC ALTERNATIVE TECHNICAL CONCEPT IT'S A 30 TO 50% PLAN STEP PROJECT SCHEDULE AND OTHER COMMITMENTS THAT ARE INCLUDED IN THAT PHASE. THE OWNER THEN WOULD SELECT THE BEST PROPOSAL PROSER AS A DESIGN BUILDER. NOW IT'S IMPORTANT TO NOTE THAT THE REALLOCATION OF RISK BETWEEN THE OWNER AND THE DESIGN BUILDER IS DIFFERENT HERE. COMPARED TO TRADITIONAL BUILDS ON THE METHODS, RIGHT, TYPICALLY CONSTRUCT ABILITY, DESIGN, AND PERMITTING RISK ARE TRANSFERRED TO THE DESIGN BUILDER IN THIS SCENARIO. NEXT SLIDE, PLEASE. SO, NEXT UP, THEN, WOULD BE THE CONSTRUCTION MANAGEMENT, GENERAL CONTRACTOR, OR CONSTRUCTION MANAGER RISK. IT'S YOU ALSO CALLED CMAR, IT WOULD BE CM, GC,

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OR CMAR THAT'S LISTED BEFORE YOU. LET'S TALK ABOUT THIS SCENARIO. THE OWNER CONTRACT SEPARATELY, ONE FOR THE DESIGNER, AND SECONDLY FOR THE CONSTRUCTION MANAGEMENT GENERAL CONTRACTOR SHOWN ON THE SCREEN. THE CM PROVIDES PRECONSTRUCTION SERVICES. THAT WOULD BE THE ROLE OF THE CONSTRUCTION MANAGER. AND THOSE KINDS OF THINGS INCLUDE RISK MANAGEMENT, CONSTRUCT ABILITY REVIEWS, THE ESTIMATING AND SCHEDULE, AND SO FORTH. AS FOR THE DESIGNER IS ADVANCING THE DESIGN OF THE PROJECT. THE CM AND THE DESIGNER WILL BE COORDINATING EFFORTS AS THE PROJECT PROGRESSES THROUGH THIS IS AN ITERATIVE PROCESS WHERE THE COST OF ESTIMATING THROUGHOUT THE PROJECT PHASE IS DEVELOPED ONCE THE OWNER AND CM NEGOTIATE A FIRM FIXED PRICE DESIGN PROJECT THE CONTRACTOR CONSTRUCTS THE PROJECT. NEXT STEPS IS THE DESIGNER SELECTION BASED ON DESIGNER QUALIFICATIONS INCLUDES EXPERIENCE AND ONCE AGAIN STRATEGIC APPROACH AND MAY INCLUDE PRICE ELEMENTS THEN THE CONSTRUCTION MANAGEMENT OR CONSTRUCTION MANAGER AND GENERAL CONTRACTOR SELECTION IS ALSO DONE. AND IT'S ALSO BASED ON QUALIFICATIONS, EXPERIENCE, AND STRATEGIC APPROACH, AND MAY ALSO INCLUDE PRICE ELEMENTS. THROUGH THIS METHOD, SOME OF THE CONSTRUCT ABILITY RISK IS USUALLY TRANSFERRED TO THE PRIVATE SECTOR. HOWEVER, THE OWNER WILL STILL HOLD THE DESIGN RISK IN THIS SCENARIO. THE METHOD -- THIS METHOD WOULD NOT GET THE OWNER TO THE LOWEST BID WHICH IS AN IMPORTANT CONSIDERATION, HOWEVER, IT WOULD OFFER THE OWNER FAIR MARKET PRICING, FAIR

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MARKET VALUE PRICING. THE PRECONSTRUCTION PHASE ALLOWS FOR RISK CONTINGENCY PRICING AND ESTABLISHES WHICH PARTY IS BEST TO MANAGE WHICH RISK. THERE IS AN OFFRAMP WHICH IS GOOD NEWS IN THIS CASE IN THE EVENT THAT THE OWNER AND THE CONSTRUCTION MANAGEMENT AND GENERAL CONTRACTOR TEAMS DO NOT AGREE ON A FIRM FIXED PRICE, THE OWNER WOULD LIFT THE 100% DESIGN AS A DESIGN BUILD, BID BILLION DOLLARS CONTRACT. NEXT SLIDE, PLEASE. IN NEXT SCENARIO IS COINED PROGRESSIVE DESIGN BUILD. THIS SCENARIO IS WHERE THE OWNER CONTRACTS A COMBINED DELIVERY OF DESIGN AND CONSTRUCTION AROUND ONE CONTRACT, UNDER A SINGLE CONTRACT, TO CONTRACT WITHOUT A CONCEPTUAL SET OF PLANS OR SPECIFICATIONS THAT HAVE BEEN PREPARED IN ADVANCE. SO ABOUT THIS ADVANCE, RIGHT, NOT PREVIOUSLY PREPARED. THE PROGRESSIVE DESIGN BUILDER IS SELECTED IN A SINGLE RFQ PHASE AND THIS ONCE AGAIN IS BASE QUALIFICATIONS EXPERIENCE, STRATEGIC APPROACH, AND POSSIBLY PRICE ELEMENTS. THE PROGRESSIVE DESIGN BUILDER SEEKS OWNER INPUT TO DESIGN THE PROJECT AND PERFORM PRECONSTRUCTION SERVICES AND THIS IS SIMILAR TO OUR DISCUSSION ON THE CONSTRUCTION MANAGEMENT GENERAL CONTRACTOR IN THAT RESPECT. RIGHT? ONCE THE OWNER AND THE DESIGN BUILDER NEGOTIATE AND AGREE TO A FIRM FIXED PRICE FOR THE PROJECT, THE DESIGN BUILDER PERFORMS THE REMAINING DESIGN AND CONSTRUCTION. THIS METHOD, AGAIN, WOULD NOT GET THE OWNER A LOWEST BID, HOWEVER, WOULD OFFER THE OWNER A FAIR MARKET VALUE PRICING, AS WELL. THE PRECONSTRUCTION PHASE ALLOWS FOR RISK CONTINGENCY

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PRICING AND ESTABLISHING WHICH PARTY IS BEST TO MANAGE WHICH RISK. THIS, ALSO, HAS AN OFFRAMP IN CASE THE OWNER AND THE PROGRESSIVE DESIGN BUILDER DO NOT AGREE ON A FIRM FIXED PRICE. THE OWNER HAS THE OPTION YET AGAIN TO CONTRACT THE DESIGN ARM OF THE DESIGN BUILDER AND THE 100% DESIGN AS A DESIGN BID BUILD CONTRACT THAT THAT'S THE OFFRAMP WE SEE UNDER PROGRESSIVE DESIGN BUILD. NEXT SLIDE. THE NEXT IS T-3. THERE IS SOME FAMILIARITY WITH THE PUBLIC PRIVATE PARTNERSHIP SCENARIO. WHERE THE OWNER ENTERS INTO A SINGLE CONTRACT WITH THE DEVELOPER UTILIZING OFTENTIMES A VEHICLE CALLED SPB, A SPECIAL PURPOSE VEHICLE WHICH IS A LEGAL ENTITY COMPRISED OF A CORPORATE JOINT VENTURE OR PARTNERSHIP INCLUDING PARTNERSHIPS THAT COVER THE EQUITY AND LENDING COMPONENT OF IT, AS WELL, AND IT'S USUALLY ESTABLISHED A LIMITED TASK. FOR PROJECT DELIVERY, IN THIS INSTANCE CONSISTING WITH DESIGN AND CONSTRUCTION, COULD INCLUDE FINANCING OPERATIONS AND MAINTENANCE AS PART OF A P3 SCENARIO SO THE EQUITY FINANCING PIECE UP FRONT AND THEN ONE OR MORE OF THE OTHERS. A PROCUREMENT PROCESS IS SIMILAR AS WELL AS TO A DESIGN BUILD SCENARIO THE BUILDER IS SELECTED IN A TWO STEP PROCESS IF A P3 ENVIRONMENT THE PROJECT RISKS ARE TRANSFERRED TO THE ENTITY BEST ABLE TO MANAGE THOSE RISKS. TYPICALLY, THE P3 TERMS, WHICH INCLUDES THE LENGTH OF THE FINANCING, MAINTENANCE, OPERATIONS PERIODS, THEY'RE TYPICALLY ABOUT 30 YEARS LONG IN LENGTH SO THEY'RE LONGER TERM IN TERMS OF THESE SCENARIOS. A

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DEVELOPER THAT IS RESPONSIBLE FOR MAINTENANCE AND OPERATIONS, MAINTENANCE OR OPERATIONS WILL TYPICALLY OPTIMIZE LIFE CYCLE DESIGN AND CONSTRUCTION CONSIDERATIONS AND BE AT RISK FOR ASSET PERFORMANCE. A P3 CAN ALSO BE PROCURED UTILIZING A PROGRESSIVE DESIGN BUILD MODEL, AS, YOU KNOW, AS ANOTHER ALTERNATIVE. I WOULD LIKE TO NOW GO TO THE NEXT PHASE OF THIS DISCUSSION WITH THE NEXT SLIDE. WE'RE GOING TO GET INTO MORE DISCUSSION AROUND THE ADVANTAGES, THE RISK, AND THE APPLICATION OF EACH OF THESE DELIVERY METHODS. SO AS WE GET TO THE NEXT SLIDE ON THE ALTERNATIVE DELIVERY METHOD ASSESSING SIZE, AND ASSESSING THE PROJECT GOALS AND THE RISK, THIS SLIDE SPEAKS TO A BETTER UNDERSTANDING OF WHERE THOSE RISKS ARE AND WHERE THEY'RE SHARED BETWEEN THE OWNER AND THE PRIVATE SECTOR AND THE INTERSECTION, AS YOU CAN SEE ON YOUR SCREEN. IT'S RECOMMENDED THAT THE DELIVERY METHOD SELECTION BE BASED ON PROJECT GOALS AND PROJECT RISK, AS WE DISCUSSED IN THE BEGINNING OF THE PRESENTATION, AND OWNERS SHOULD STRIVE TO SATISFY THE PROJECT GOALS BY ALLOCATING THE RISK TO THOSE AS MENTIONED BEFORE, BEST SUITED TO MANAGE THEM THROUGH. THROUGH CAREFUL EVALUATION AN OWNER CAN DETERMINE AND ENHANCE OPPORTUNITY OF MEETING SPECIFIED PROJECT GOALS WHILE EFFECTIVELY ALLOCATING PROJECT RISK. THIS NEXT SLIDE SPEAKS TO WHEN THOSE RISKS SHOULD ACTUALLY BE -- SHOULD BE USED. AND YOU KNOW, I SEE -- I'M NOT GOING TO GO THROUGH EACH OF THESE EXAMPLES, BUT YOU CAN SEE THERE AT THE TOP OF YOUR SCREEN, YOU

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WILL SEE ALL THE VARIOUS OPTIONS THAT WE TACKED ABOUT TODAY, OR SCENARIOS, AND REALLY TRYING TO SUMMARIZE THEM IN TERMS OF THE SCOPE DOLLAR VALUE STRATEGIES FOR MAKING DECISIONS, REALLY IS WHAT THIS IS. SO THE SLIDE SPECIFIES DELIVER METHODS THAT MAY BE MOST BENEFICIAL FOR A GIVEN CLIENT IS WHAT THIS SPEAKS TO. MOST IMPORTANTLY, IT'S IMPORTANT TO NOTE THAT ALTERNATIVE DELIVERY METHODS MAY NOT BE AS BENEFICIAL FOR SMALLER PROJECTS AND THAT'S KIND OF SHOWN ON THE LEFT SIDE OF THIS CHART HERE. PROJECTS WITH UNMANAGEABLE RISK AND THIRD PARTY ISSUES FOR PROJECTS WITH A LIMITED AMOUNT OF ROOM FOR INNOVATION OR OPTIMIZATION OF DESIGN, CONSTRUCTION, AND/OR MAINTENANCE AND OPERATIONS. THOSE ARE NOT TYPICALLY IDEAL PROJECTS FOR THESE MODELS. NEXT SLIDE PLEASE. THE NEXT FEW SLIDES THAT YOU WILL SEE WILL GIVE YOU AN IDEA OF WHEN A DELIVERY METHOD SHOULD BE SELECTED AND THE OPTIMAL WORD IS, "WHEN" THEY SHOULD BE SELECTED. WE'LL GET INTO AN OVERVIEW OF TIMING. AS SHOWN HERE, DELIVERY METHOD SELECTION SHOULD OCCUR EARLY. EARLY, EARLY, EARLY IN THE PROJECT DEVELOPMENT TIMELINE. IF THE CAPITAL PROGRAM IS BEING DEVELOPED, DELIVERY MODELS SHOULD BE ANALYZED AND SELECTED. AND YOU SEE THAT IN THE BOX WITH THE ARROW FROM CAPITAL PROGRAM GOING TO THE IDENTIFICATION OF ALTERNATIVE DELIVERY PROJECTS. THE METHOD SELECTION SHOULD BE INFORMED BY GOALS. AND YOU KNOW, I STRESS GOALS QUITE A BIT. GOALS OF AN OBJECTIVES PROGRAM AS SET FORTH IN THE STRATEGIC PLAN, THAT'S WHY THE STRATEGIC PLAN IS HERE, AND THE OUTCOMES DESIRED FOR

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EACH PROJECT. SO IT SHOULD BE ALIGNED WITH THOSE GOALS AND THE DESIRED OUTCOMES FOR EACH OF THE PROJECTS. IF YOU GO TO THE NEXT SLIDE, THIS IS ANOTHER REPRESENTATION OF THE SAME SCENARIO, IF YOU WILL, IN TERMS OF TIMING. BUT THIS PARTICULAR GRAPHIC JUST SHOWS A MORE LINEAR APPROACH TO THE DELIVERY METHOD SELECTION TIMING AND WHEN IT CAN OCCURS. SO THESE SLIDES ARE MESSAGING ARE ALL MESSAGING BUT PRESENTED IN A DIFFERENT MANNER FOR YOU. AND THE NEXT SLIDE GETS INTO DELIVERY METHOD DETERMINATION A BIT MORE. IT IS A COMPLEX PROCESS, FOR SURE, HOWEVER IT CAN BE SIMPLIFIED INTO THREE MAJOR STEPS. FIRST STEP IS TO CLEARLY DEFINE -- AGAIN, THERE IS THAT GOALS WORD -- BUT CLEARLY ESTABLISHING THE PROJECT GOALS AND IDENTIFYING THE NEXT STEPS. SO THAT'S NUMBER ONE. SECONDLY, PERFORMING A QUANTITATIVE AND QUALITATIVE ASSESSMENT OF THOSE RISKS AND GOALS VERSUS THE POTENTIAL DELIVERY METHODS AVAILABLE TO, LET'S SAY THE MTC OR THE AGENCIES. NEXT IS TO DETERMINE WHETHER DELIVERY METHODS OFFER THE HIGHEST OPPORTUNITY OF ACCOMPLISHING PROJECT GOALS AND MITIGATING OR REALLOCATING PROJECT RINK. AND I'M GOING TO SAY THAT AGAIN IF IT'S OKAY. YOU NEED TO DETERMINE WHICH DELIVERY METHOD OFFERS THE HIGHEST OPPORTUNITY OF ACCOMPLISHING YOUR STATED PROJECT GOALS, AND MITIGATING OR REALLOCATING THE PROJECT RISK. AND THEN ON THE NEXT SLIDE I WOULD LIKE TO QUICKLY WRAP BY TALKING ABOUT SOME OF THE STEPS TAKEN TO BE PROACTIVE WITH THE IMPLEMENTATION. HERE IS A QUICK LIST OF STEPS THAT AN AGENCY

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CAN TAKE TO ESTABLISH ALTERNATIVE DELIVERY PROGRAM. FIRST OF ALL, REVIEWING THE LEGISLATION, REVIEW LEGISLATION AND WHAT LEGISLATIVE POWERS EXIST IN YOUR PARTICULAR AREA, YOUR REGION, YOUR JURISDICTION. IS THERE A LEGAL AUTHORITY FOR THE TYPE OF ALTERNATIVE DELIVERY METHOD, IN A FIGHT FOR THE PROJECT WOULD BE THE FIRST QUESTION TO ASK. ESTABLISH A TASK FORCE, A STEERING COMMITTEE. WE OFTEN CALL IT A TASK FORCE ESTABLISH A LEADERSHIP WITHIN THE AGENCY THAT WILL BE RESPONSIBLE FOR DELIVERING THE ALTERNATIVE PROJECT OR PROJECTS. NEXT, ENSURE THERE IS BUY-IN WITH LOCAL STAKEHOLDERS FOR THE USE OF THE ALTERNATIVE DELIVERY AND THAT PROBABLY GOES FOR ANY PROJECT OR PROGRAM THAT YOU'RE DELIVERING. I KNOW THAT THAT IS SOMETHING THAT IS TAKEN VERY SERIOUSLY IN THE REGION, AND THAT IS DONE REGARDLESS. THAT IS JUST AS IMPORTANT FOR THIS PROCESS. ENGAGE A CONSULTANT TO HELP GUIDE THE MTC THROUGH VARIOUS ASPECTS OF ALTERNATIVE DELIVERY, WHICH, AGAIN, INCLUDES LEGISLATIVE REVIEWS, I REFERENCED THAT EARLIER. BUT THE REVIEW HAS GOT TO BE AN ONGOING PROCESS BECAUSE LEGISLATION DOES CHANGE OVER TIME. SO YOU WANT TO MAKE SURE THAT THAT LEGISLATIVE REVIEW IS CONDUCTED IN YOUR DECISION-MAKING PROCESS. YOU HAVE TO TAKE A LOOK OF TRAINING PROCUREMENT AND DOCUMENT DEVELOPMENT AND PROCUREMENT PLANNING. SO THE CONSULTANT THAT IS SKILLED AND EXPERIENCED IS CRITICAL TO SUCCESS. CAREFULLY AND COLLABORATIVELY IDENTIFY PROJECTS THAT ARE SUITABLE BASED ON THE DISCUSSION WE JUST HAD, AS AN EXAMPLE, FOR, AND THAT COULD

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BENEFIT FROM ALTERNATIVE DELIVERY SO STAYING AWAY FROM THOSE SMALLER PROJECT. AS AN EXAMPLE. PREPARE AND ADOPT DOCUMENTS FOR ALTERNATE DELIVERY, FOR CRACKS, MAKE SURE PROJECT CONSTRUCTION STANDARDS ARE ADAPTABLE SO AL TURN NAT DELIVERY METHODS WOULD BE KEY TRAINING AND TRAINING AGAIN YOU CAN'T UNDERPLAY THE SIGNIFICANCE OF IMPORTANCE OF TRAINING AS A FOUNDATION FOR YOUR AL TER NAT DELIVERY PROJECT AND PROCEDURE FOR YOUR PROJECT TO GET THAT STARTED. AND MR. CHAIRMAN THAT'S THE END OF MY PRESENTATION. I'M HAPPY TO ENTERTAIN QUESTIONS THAT YOU OR THE COMMISSIONERS MAY HAVE.

ALFREDO PEDROZA, CHAIR: THANK YOU FOR THE PRESENTATION. GREAT POWERPOINT. JIM?

JAMES P. SPERING: THANK YOU FOR THE PRESENTATION. THE QUESTION -- I DON'T KNOW IF THIS IS FOR STAFF OR FOR JANNET. FOR ME, ARE WE GOING TO HAVE A DISCUSSION ABOUT WHO OWNS THE MEGA PROJECT AND WHO SHOULD OWN THE MEGA PROJECT AND WHO DETERMINES WHO OWNS THE MEGA PROJECT? YOU KNOW, I USE THE BAY BRIDGE AS THE CLASSIC EXAMPLE, UNTIL MTC GOT INVOLVED, THE PROJECT -- GOING IN FLASHBACKS, BUT, YOU KNOW, IT TOOK MTC TO ACCELERATE THE PROJECT SO WE OWN THE PROJECT. SO IS IT -- TO ME THAT'S KIND OF A FUNDAMENTAL QUESTION AS TO WHO OWNS IT FIRST BEFORE WE GET INTO ALL OF THE THINGS THAT IT JUST PRESENTED. ARE WE GOING TO GET INTO THAT DISCUSSION AT SOME POINT?

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ALFREDO PEDROZA, CHAIR: GO AHEAD.

ALIX BOCKELMAN: I'M GOING TO GET STARTED AND THERESE AND ANDY CAN JUMP IN. ONE OF THE THINGS WE WANT TO HIGHLIGHT ESPECIALLY IN THE PANELISTS YOU'RE GOING TO SEE IN THE NEXT SECTION IS THE COMPLEXITY IN OUR REGION AROUND THAT QUESTION. SO WE HOPE TO BE ABLE TO ASK QUESTIONS ABOUT, AGAIN, WHEN YOU HAVE BEEN NOT EVEN INVOLVING THE DELIVERER, BUT EVEN PUBLIC AGENCIES WORKING TOGETHER AND HOW DO YOU SORT OUT THE ROLES AND RESPONSIBILITIES AND HOW DOES THAT CONTRIBUTE OR, YOU KNOW, OR NOT, TO RISK. THAT'S ONE OF THE THINGS WE WANTED TO EXPLORE AS PART OF THE NEXT SESSION. BUT, YEAH, WE DEFINITELY WANT TO TALK ABOUT THAT. BUT IT'S QUITE COMPLEX AS YOU KNOW.

JAMES P. SPERING: THIS HAS BEEN A GREAT PRESENTATION. I STRUGGLE WHEN I SEE PROJECTS THAT HAVE THESE -- MEGA PROJECTS THAT HAVE THESE HUGE COST OVERRUNS IT'S CHANGING ON ALMOST A DAILY BASIS AND WE HAVE NO CONTROL OVER THEM. WE'RE NOT THE OWNER OF THE PROJECT. AND JEANETTE, I APPRECIATE YOU USING THAT WORD OWNER. THAT, TOO ME, WAS THE RIGHT TERM. WHO OWNS THAT PROJECT AND WHO IS GOING TO DELIVER T SO, I'M JUST HOPING THAT THAT'S GOING TO BE PART OF THIS DISCUSSION AS WE GO ON DURING THIS WORKSHOP. AS ALL OF THE VARIOUS PROCEDURES THAT JUST WERE PRESENTED TO US, THOSE ARE GREAT OPTION AND WE NEED

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TO EXPLORE ALL THOSE, BUT WHO DOES THAT? SO THAT'S THE QUESTION.

THERESE MCMILLAN: IF I COULD ADD TO THAT. COMMISSIONER SPERING, I BELIEVE YOU'RE HIGHLIGHTING SOMETHING THAT MAYBE JANNET COULD COMMENT ON THIS TOO. ONE OF THE REALLY IMPORTANT STEPS IS UNDERSTANDING, AS I LIKE TO TERM IT, THE NOSE TO TAILPIPE LINE PROJECT. AND THERE ARE POINTS WHERE DECISIONS, LIKE, WHO IS THE OWNER, BRINGS MORE OR LESS RISK DEPENDING ON -- AS AN EXAMPLE, TO ME, IN THE BROADEST SENSE, YOU HAVE THE PLANNING FOR A PROJECT, LIKE, ARE YOU GOING TO DO IT AT ALL, RIGHT? THEN YOU GET TO A WHOLE ENVIRONMENT, YOU KNOW, THE WHOLE -- VERY CLASSIC, THE UNITED STATES, AND DEFINITELY CALIFORNIA, THE ENVIRONMENTAL PROCESS, LOOKING AT ALTERNATIVES, AND POTENTIALLY FROM THAT COMING OUT WITH A PREFERRED ALTERNATIVE, AND THEN YOU GET TO A LOT OF WHAT JANNET IS TALKING ABOUT, WHICH IS THEN, ONCE YOU HAVE DECIDED THE PROJECT, AND BASICALLY, IN SOME CASES, THE SCOPE, YOU GET INTO THE DESIGN, THE ENGINEERING, AND THE DELIVERY OF THE PROJECT. BUT THAT EARLY PART OF THE PIPELINE IS SUPER IMPORTANT. THERE IS A LOT OF RISK ATTACHED TO THAT. AND I THINK ONE OF THE KEY QUESTIONS IS UNDERSTANDING WHEN, FOR EXAMPLE, AS YOU SAY, OKAY, WE HAVE DECIDED WE WANT TO DO A PROJECT, WHO IS GOING TO DO IT? WHO IS GOING TO OWN THE ACCOUNTABILITY? WHO HAS GOT THE CAPACITY TO DELIVER IT? THOSE

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ARE THE QUESTIONS, IN MY VIEW, IF NOT ASKED AT THE RIGHT TIME, AND ASKED TOO LATE, RAISES A WHOLE LEVEL OF RISK THAT EVEN BEFORE YOU THINK ABOUT BUILDING, AND I KNOW JANNET WOULD LIKE TO COMMENT ON THAT.

JANNET WALKER-FORD: YOU ARE ABSOLUTELY CORRECT. ABSOLUTELY CORRECT. THERE IS A LOT -- AND THERE IS UPFRONT RISK AND THINGS THAT CAN BE DONE, THOUGH, TO MITIGATE THOSE RISKS THAT WE TALKED ABOUT A LITTLE BIT ALREADY, AND THAT IS, THOSE ARE EVERYTHING FROM THE INTER-AGENCY AGREEMENTS AND TRYING TO GET THAT -- YOU TALK ABOUT THE ENVIRONMENTAL PIECE THIS'S ONE PIECE OF IT BUT IT'S ALSO ESTABLISHING THOSE AGREEMENTS EARLY ON AND GETTING THAT BUY-IN AND LOOKING AT THE RIGHT OF WAY QUESTION AS WELL EARLY ON THOSE ARE THINGS THAT CAN BE DONE TO SHORTEN THAT TIME. PART OF WHAT I'M GOING TO ASK KRISTOF TO WEIGH IN BUT THOSE PIECES THAT ARE PERHAPS UNSEEN AND CAN CREATE RISK AND DELAYS BUT ONCE YOU ALSO DECIDE THAT YOU ARE MOVING FORWARD, IF YOU HAVEN'T THOUGHT THROUGH THOSE FACTORS THAT I MENTIONED IN THE EARLY PART OF THE STAGE, OF THE DISCUSSION, THAT WILL LEAD TO -- AND I THINK THIS IS WHAT ONE OF THE OTHER COMMISSIONERS MENTIONED IT WILL LEAD TO DELAYS IN THE PROJECTS WHICH CREATE COST IMPACTS, CLAIMS, AND DISPUTES AMONGST ENTITY CONTRACTORS AND OTHERS THOSE KINDS OF THINGS HAVE TO BE REALLY FLESHED OUT EARLY ON, BUT THE ENVIRONMENTAL PIECE BEFORE WE ACTUALLY GET INTO THE CONTRACT ITSELF

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OBVIOUSLY DO PROVIDE RISK AND DELAYS. AND KRISTOF, AND THE REASON I'M CALLING ON KRISTOF, HE IS MY COLLEAGUE THAT IS ENGAGED DAY-TO-DAY IN DELIVERING PROJECTS, AND KIND OF GETS THE HAND SHAKE, MS. MCMILLAN WHEN WE FINALLY GET PAST, KRISTOF SEES TO THAT.

KRISTOF VAN WINDEN: SOME OF THE THINGS WE'RE SEEING, TOO, IS LACK OF -- AND LIKE YOU SAID EARLIER, THE TRANSPARENCY OF WHY WE MADE A DECISION AND SELECTED A DELIVERY METHOD AND ENSURING THAT'S CONSISTENT WITH THE PROCUREMENT DOCUMENTS AND ALSO THE CONTRACTING COMMUNITY UNDERSTANDING THAT, AND UNDERSTANDING, ALSO, THE REALLOCATION OF RISKS IN THESE CONTRACTS TO HELP MITIGATE THE CLAIMS ON THE BACK SIDE. YOU KNOW, I DON'T KNOW IF MARK, YOU'RE ON, AS WELL, IF YOU WANT TO ADD ANYTHING?

SPEAKER: I THINK THAT SAYS IT WELL. IT'S, YOU KNOW, IT'S ABOUT THE TRANSPARENCY AND THE COMMUNICATION, AND -- MY GLASSES ARE A LITTLE SHINY THERE -- COMMUNICATION AND TRANSPARENCY, AND, YOU KNOW, REALLY BEING METHODICAL AND UP FRONT WITH THESE THINGS AND MAKING SURE THE ROLES ARE REALLY CLEAR.

JANNET WALKER-FORD: MS. MCMILLAN I HOPE YOU FURTHER RESPONDED TO THE QUESTION YOU ASKED. THANK YOU COLLEAGUES. BUT YOU'RE SPOT ON, THAT ENVIRONMENTAL PIECE CAN DELAY YOU OUT-OF-THE-BOX BEFORE WE GET TO THESE THINGS WE'RE TALKING ABOUT, FOR SURE.

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JAMES P. SPERING: I'M WEARING MY COMMISSIONERS HAT. IF WE'RE ASKED TO PUT OUR POLITICAL ADVOCACY BEHIND A PROJECT, AND, ALSO, ADVOCATE FOR FUNDING, DO EVERYTHING, AND WE HAVE NO CONTROL OVER THE COST OF THIS PROJECT, AND IT'S JUST KIND OF OUT OF CONTROL, AND YOU KNOW, THE EXPOSURE, FOR ME, THERE IS JUST AN ABSOLUTE TOTAL DISCONNECT AND THAT'S WHAT I'M HOPING THAT PART OF THIS WORKSHOP WILL ACTUALLY DISCUSS. YOU KNOW, THE ROLE, THAT THE COMMISSION PLAYS. SO, THAT WAS THE PURPOSE OF MY QUESTION.

JANNET WALKER-FORD: UNDERSTOOD. AND, MR. COMMISSIONER, AND THAT SLIDE THAT WAS REALLY SLIDE FOUR THEY BELIEVE, I PROBABLY SPENT MORE TIME ON SLIDE FOUR THAN THE OTHERS IT WAS REALLY TO ILLUSTRATE THAT THE REASON THAT THERE IS A LOOK AT THESE ALTERNATIVE DELIVERY METHODS IS TO GET AWAY FROM THAT PAST CHALLENGE WHERE THERE IS THAT LACK OF CONTROL, AND THERE IS THAT COST OVERRUN AND SOME OF THE CHALLENGES THAT WE HAVE TRADITIONALLY SEEN AND OBVIOUSLY WE HAVE GOT A LOT OF EXPERIENCE, MR. SPERING, SO I UNDERSTAND EXACTLY WHERE YOU'RE GOING. THESE MODELS THAT WE HAVE IDENTIFIED ATTEMPT TO THEN MITIGATE THOSE RISKS AND PUT TOOLS IN PLACE SO THAT WE CAN AVOID, COST AVOIDANCE RISK MITIGATION METHODS AND PUT MORE DEFINITION IN NOT JUST THE PROJECT ITSELF, BUT THE OWNERSHIP MODEL, AND THE ROLES AND RESPONSIBILITIES AND GOVERNANCE, BUT

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MAKING A DECISION ABOUT WHO IS ON FIRST IS CLEARLY A VERY IMPORTANT COMPONENT OF THIS.

JAMES P. SPERING: THANK YOU.

JANNET WALKER-FORD: YOU'RE WELCOME.

ALFREDO PEDROZA, CHAIR: THANK YOU COMMISSIONER SPERING. COMMISSIONER PAPAN?

GINA PAPAN: THANK YOU VERY MUCH, AND COMMISSIONER SPERING, THANK YOU FOR IDENTIFYING THE OWNERSHIP PART. FOR ME IT GOES BACK TO PROJECT DEFINITIONS. BECAUSE, I THINK, THINGS GET OUT OF CONTROL VERY, VERY QUICKLY BECAUSE OF THE LACK OF TRANSPARENCY. PEOPLE GO INTO A GOAL AND THEN ALL OF A SUDDEN, WELL, THAT'S NOT WHAT WE THOUGHT. IT BECOMES PROBLEMATIC FOR THOSE OF US WHO ARE STUCK IN THE MIDDLE OF MAJOR PROJECTS LIKE THIS. SO, THAT'S A CONCERN FOR ME. AND THEN WHEN -- I THINK IT GETS PROBLEMATIC, YOU HAVE IDENTIFIED THE RISK, THAT'S GREAT, BUT THE MOMENT LIABILITY STARTS TO BECOME A REALITY, THAT'S WHERE THINGS GET MORE COSTLY, PEOPLE PASSING OFF RESPONSIBILITY, AND COST, AND ALL OF THAT. AND, I DON'T KNOW WHERE WE SOLVE THAT PROBLEM. I MEAN, I HAVE BEEN TRYING TO HOPE THAT LEGISLATION HOLDS OPERATORS MORE RESPONSIBLE AND MAYBE THAT'S SOMETHING WE'LL BE LOOKING AT, TOO, HERE. BUT

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WHEN WE'RE TALKING MULTIPLE JURISDICTIONS, MULTIPLE OPERATORS, IS MEGA PROJECTS, I YOU THINK JIM CALLED IT; THE OWNERSHIP. IF WE DON'T HAVE ONE OWNER, THEN YOU ARE JUST HAVING DIFFERENT CONFLICTS, INSTEAD OF COORDINATION. SO, THOSE ARE THE COMPLEXITIES THAT I HOPE WE CAN RESOLVE WHEN WE DISCUSS ALL OF THIS. BUT, REALLY, DEFINITIONS, TRANSPARENT -- THE ROLES AND RESPONSIBILITIES HAVE TO BE FIRST AND FOREMOST SO THAT WE'RE NOT MAKING MISTAKES OR COVERING UP MISTAKES AND MOVING AHEAD. THANK YOU

ALFREDO PEDROZA, CHAIR: THANK YOU COMMISSIONER PAPAN. I'LL JUST SAY, AS I WAS HEARING COMMISSIONER SPERING AND COMMISSIONER PAPAN SPEAK, I AGREE WITH THEM. FROM THE SPONSOR TO THE PROJECT DEFINITION WE TALK ABOUT RISK. BUT WE'RE ASSUMING THAT THEY KNOW THE RISK, WHOEVER "THEY" IS, AND THERE IS INDICTMENT UNINTENTIONAL KNOWLEDGE OF DECISIONS THAT ARE COMPOUNDED BY COMPLEX ISSUES AND I THINK THAT'S WHAT I'M INTERESTED IN LEARNING MORE AND TALKING MORE ABOUT THAT STAGE IT'S CRITICAL MATCHING CAPACITY AND SKILL SET WITH OUTCOME. FOLKS ARE HERE FOR A REASON TO DELIVER PROJECTS WELL INTENDED BUT WHEN WE HAVE DISCONNECTS IT'S NOT KNOWN BY THE TIME IT'S KNOWN IT'S A COMPOUNDED ISSUE AND COMPOUNDED RISK.

JANNET WALKER-FORD: MR. CHAIRMAN ON THAT POINT YOU'RE ABSOLUTELY RIGHT ON THAT DECK WHERE WE TALKED ABOUT THE

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EXECUTIVE CHAMPION PIECE WHAT WE SEE NATIONALLY IS A COMMON CHALLENGE IT'S EITHER, ONE, UNINTENTIONAL RISK ISN'T THERE SO IT DOESN'T GET RAISED TO THE RIGHT LEVEL AND MITIGATED AND TO THE EFFECT OF TRANSPARENCY SOMETIMES THERE IS SCENARIOS WITH FOLKS IN THE PROJECT TEAM BELOW A CERTAIN LEVEL THEY MAY DECIDE HEY WE HAVE GOT IT WE'RE GOING TO RESOLVE IT ON OUR OWN BY THE TIME IT BUBBLES UP IT'S TOO LATE, COST DELAYS OR THERE IS FEAR FACTOR. AND AGAIN THIS IS KIND OF SOME OF THE SCENARIOS WE HAVE SEEN AROUND THE COUNTRY AS TO WHY THAT INFORMATION DOESN'T COME UP TO THE EXECUTIVE SPONSOR OR THE CEO, OR THE BOARD, EVEN, AT A CERTAIN TIME, BUT YOU KNOW SOMETIMES IT'S BURIED BELOW THE PROJECT. BUT THAT'S SOMETHING TO AVOID, IF THERE IS A CULTURE AND ENVIRONMENT WHERE THAT INFORMATION FLOWS UP, WITH BAD NEWS AND THE STEERING COMMITTEE OR TASK FORCE THAT IS THERE TO BE APPRISED OF WHAT'S GOING ON AND THEY'RE THERE TO MAKE DECISIONS.

ALFREDO PEDROZA, CHAIR: THANK YOU JANNET. ANDY?

ANDREW FREMIER: THANK YOU CHAIR PEDROZA. AND TO COMMISSIONER SPERING'S QUESTION, MTC IS IN A TOUGH PLACE BECAUSE THE QUESTION IS YOU ONLY OWN THIS BUILDING IN THAT CASE WE CAN MAKE ALL THE DECISIONS ON HOW TO PROCURE THE PROJECT, WE HAD SOME CHALLENGES BUT IT WAS OVERALL SUCCESSFUL THAT'S ON YOU WE'RE DOING THE SORT OF DEVELOPMENTS THAT WE HAVE BEEN DOING

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TO CONTINUE IN THE BUILDING. THE BAY BRIDGE IS SORT OF THE NEXT EXAMPLE WHERE WE WERE THE FUNDER FOR THE MAJORITIES OF THE PROJECT, AND IN THIS CASE I THINK SOME OF THE LESSONS WE LEARNED, AND I HATE TO TELL THAT YOU YOUR FLASHBACKS ARE BEHIND ME AND HE'S GOING TO COME AT YOU IN FULL FORCE AFTER THE BREAK. WE WERE SEPARATE FROM SOME OF THE DECISIONS IN THIS CASE WE WERE AT THE TABLE AND WE WERE INVOLVED IF A LOT OF DECISIONS AS THE BANK BUT ULTIMATELY THE OWNER OF THE CONTRACTS IS THE DEPARTMENT OF TRANSPORTATION AND I THINK WE LEARNED LESSONS AS WE DEVELOPED THE DUMBARTON ANTIOCH WHERE WE TOOK SOME OF THE SHARED RESPONSIBILITIES AND OWNERSHIP ON SOME OF THE CONTRACTS. WE HAVE CHOSEN DTX WITH SIGNIFICANT AMOUNT OF REGIONAL MEASURE THREE MONEY TO GET AT THE TABLE WITH THE MOU AND WORKING DIRECTLY WITH PARTNERS TO TRY TO HAVE A SEAT AT THE TABLE BUT THE CHALLENGE IN FRONT OF YOU WHERE YOU HAVE THIS FINANCIAL RESPONSIBILITY BUT NOT AN OWNERSHIP DEFINITION THAT IS THE BIG CHALLENGE. BUT IF YOU LOOK AT SOME OF THE JOINT VENTURES, THE BAY BRIDGE IN PARTICULAR, WHERE AMERICAN BRIDGE WAS REALLY THE ENGINEER AND THEIR PARTNER WAS THE BANK AND THEY CREATE A JOINT VENTURE AGREEMENT WHERE IT DEFINES RESPONSIBILITIES AND IF YOU CAN GIVE DEFINED RESPONSIBILITIES TO EACH OF THE PARTNERS I THINK YOU HAVE OPPORTUNITY TO BE MUCH MORE SUCCESSFUL IN SOME OF THOSE DECISIONS BUT YOU NEED CREATE A NEW SPACE BECAUSE MTC DOESN'T OWN ANY OF THE FACILITIES.

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ALFREDO PEDROZA, CHAIR: THANK YOU MR. FREMIER. ALL RIGHT LET'S DO ONE MORE ROUND THEN WE'RE GOING TO GO VIRTUAL AS WELL. VICE CHAIR JOSEFOWITZ?

NICK JOSEFOWITZ, V. CHAIR: YEAH, I KIND OF WANTED TO PILE ON, I THINK, YOU KNOW, I THINK, YOU KNOW, THE DIFFERENCE IS -- LIKE HOW PROGRESSIVE YOUR DESIGN BUILD IS AND ALL THIS STUFF CLEARLY THAT'S AN IMPORTANT DECISION TO MAKE BUT IT DOES FEEL IF YOU ARE AN AGENCY THAT HAS NEVER DELIVERED A BIG RAIL PROJECT OR NEVER DELIVERED A BIG DRT PROJECT WHATEVER ACRONYM OF PROJECT DELIVER METHOD YOU CHOOSE YOU'RE GOING [EXPLETIVE] IT UP. I HOPE YOU WILL EXCUSE MY LANGUAGE.

SPEAKER: IT'S A TECHNICAL TERM.

NICK JOSEFOWITZ, V. CHAIR: IT'S A TECHNICAL TERM AND I THINK THAT GETS TO THE OWNERSHIP AND THE PROJECT DEFINITION THAT WE NEED TO HAVE IN THIS REGION. YOU KNOW, AND IT DOESN'T NEED TO BE MTC, FROM MY PERSPECTIVE, BUT WE NEED TO HAVE OUR BIGGEST PROJECTS DELIVERED BY OUR MOST COMPETENT PEOPLE AND OUR MOST COMPETENT ORGANIZATIONS WHO HAVE DONE THIS BEFORE, WHO KNOW HOW TO DO IT, WHO CAN DO ALL OF THE THINGS THAT WAS LAID OUT AS BEST PRACTICES, NOT BECAUSE SOMEONE HAS SHOWED THEM HOW TO DO IT ON A POWERPOINT SLIDE BUT BECAUSE THEY HAVE DONE IT

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BEFORE AND THE PEOPLE WORKING ON IT HAVE DONE IT BEFORE AND WE SEE THIS IN OUR INDIVIDUAL ROLES WHETHER IT'S SOMEONE WHO PREPARING TAXES FOR THE FIRST TIME IS PROBABLY NOT THE PERSON YOU WANT DOING A MEGA COMPLEX TAX RETURN. AND I THINK THAT IS SORT OF ESSENTIAL. AND BY THE TIME WE'RE DOING THE KIND OF, PICKING WHICH ALPHABET SOUP WE WANT TO GO WITH IT'S OFTEN TOO LATE TO SALVAGE THAT PROJECT ON THE PROJECT DEFINITION SIDE. IF WE WANT TO BUILD KIND OF LIKE A SOARING TRAIN STATION THAT LOOKS LIKE AN AIRPORT TERMINAL, AND IT'S GOING TO COST US $300 MILLION, WELL, YES, WE SHOULD MAKE SURE IT DOESN'T COST US $400 MILLION BUT WE'RE NEVER GOING TO GET IT TO COST US $15 MILLION, WHICH IS MORE WHAT THE E BART STATION COSTS AND THAT'S MORE WHERE WE SHOULD KIND OF BE AIMING FOR. I HOPE THAT'S SOMETHING WE CAN -- AND I HOPE THOSE ARE THE SORT OF THINGS THAT MTC DOESN'T HAVE TO OWN BUT CAN HAVE AN ENORMOUS INFLUENCE ON. AND THAT'S WHAT I REALLY HOPE THAT WE'RE FOCUSING ON. BECAUSE, I THINK ONCE WE'RE IN THE ALPHABET SOUP I'M NOT SURE THAT MTC HAS THAT MUCH TOO ADD OR NECESSARILY AT THAT STAGE, OTHER THAN THE KIND OF, MAYBE AN OVERSIGHT OR A STAGED GATE ROLE MAKING SURE THAT THE KIND OF PROJECT IS -- THAT THE PROJECT SPONSOR IS NOT SORT OF TAKING SHORTCUTS OR ANYTHING LIKE THAT.

ALFREDO PEDROZA, CHAIR: THANK YOU, VICE CHAIR JOSEFOWITZ. AND, AGAIN, WE'RE GOING TO HAVE A VERY INSIGHTFUL CONVERSATION

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TOMORROW, I CAN ALREADY GLEAN THAT BY THE QUESTIONS AND COMMENTS. LET'S GO VIRTUALLY AND THEN GO BACK TO BOARD CHAMBERS. KIMBERLY I'M GOING TO ASK IF YOU CAN ASSIST ON CALLING THE COMMISSIONERS?

CLERK OF THE BOARD: LICCARDO AND COMMISSIONER WORTH.

SAM LICCARDO: THANK YOU, KIMBERLY. REALLY APPRECIATE THE PRESENTATION, JANNET. VERY THOROUGH, AND IT'S A GREAT PRIMER FOR ALL OF US. I THOUGHT THE SLIDE THAT YOU PRESENTED THAT COMPARED SOME OF THE COSTS AND BENEFITS I WAS HOPING THAT MAYBE WE COULD GO BACK TO THAT CHART. THAT WAS VERY INFORMATION-RICH. I KNOW YOU WERE PRESSED BY TIME, AND COULDN'T GET THROUGH ALL OF IT IN THE TIME THAT WOULD NEED TO EXPLAIN THE CONCEPTS. COULD WE GO BACK TO THAT SLIDE FOR A MOMENT.

ALFREDO PEDROZA, CHAIR: THEY'RE GOING TO TEE IT UP COMMISSIONER.

SAM LICCARDO: GREAT. THANK YOU. MAYBE WHILE YOU'RE DOING IT, I WILL POSE THE QUESTION. UNDOUBTEDLY THERE ARE ASSUMPTIONS THAT EACH AGENCY NEEDS TO MAKE BEFORE THEY DECIDE ON THE PROJECT DELIVERY METHOD. THOSE ASSUMPTIONS MAY WELL CHANGE OVER TIME. I THINK ALFREDO MADE MENTION OF THAT. AND YOU KNOW, THIS IS

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ACTUALLY NOT IN THE MEGA PROJECT CATEGORY I'M THINKING OF A DIFFERENT PROJECT THAT DOES NOT FIT IN THE MEGA PROJECT CATEGORY. I'M THINKING FOR EXAMPLE, ABOUT A P3 PROJECT WHERE UNDOUBTEDLY IS PROBABLY ONE OF THE ASSUMPTIONS THAT YOU BELIEVE A PRIVATE SECTOR PARTY THAT THE MARKET IS WILLING TO FINANCE SOME SUBSTANTIAL AMOUNT OF THE CAPITAL COST OR AT LEAST THE OPERATING COST OF THIS. AND IF WHAT YOU LEARN IS THAT, THAT MARKET DOESN'T EXIST. IT'S JUST NOT THAT FEASIBLE FINANCIALLY. IN THIS CONTEXT OR ANY OTHER, I'M JUST ASKING A QUESTION GENERALLY, ABOUT CHANGE HORSES MID-TREATMENT. CAN YOU ENLIGHTEN?

JANNET WALKER-FORD: IS IT SLIDE 13?

SAM LICCARDO: IT WAS THE ONE WITH THE GRID. I THINK.

JANNET WALKER-FORD: IS THIS CORRECT?

SAM LICCARDO: IT'S NOT CRITICAL TO THE POINT THEY THOUGHT THIS WAS THE MOST -- YEAH. AND, SO, SOME OF THESE, YOU KNOW, FIELDS ARE FILLED IN, OBVIOUSLY ARE DEPENDENT AN AWFUL LOT ON ASSUMPTIONS, ON MANAGEABLE RISK, AND, OBVIOUSLY, THOSE UNDERSTANDINGS CHANGE OVER TIME, AS WE LEARN MORE ABOUT A PROJECT. AND WHATEVER THE LATEST DISASTER S BECAUSE INEVITABLY MAJOR PROJECTS HAVE AT LEAST A FEW. IS IT EVER SENSIBLE JUST

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TO SAY, LET'S HIT THE BRAKES AND LET'S CHANGE COURSES IN TERMS OF OUR METHOD? AND IF SO, WHAT CONSIDERATIONS SHOULD BE PART OF THAT DECISION?

JANNET WALKER-FORD: SURE. YOU KNOW, I REFERENCED THOSE A COUPLE OF TIMES, CHANGING HORSES WHERE THERE IS BREAK DOWN ON GETTING AGREEMENT BETWEEN THE OWNER AND CONTRACT ON THE FIXED PRICE EXAMPLES AND THERE WAS DECISIONS TO GO TO AT THAT POINT, CONVERT TO DESIGN BUILD IN THOSE SCENARIOS. SO, YOU ABSOLUTELY DO HAVE AN OFFRAMP AS REFERENCED IN THOSE MODELS, PROGRESSIVE DESIGN WAS ONE. THOSE OPTIONS ARE THERE WHICH IS BENEFICIAL BECAUSE YOU'RE RIGHT IT DOES HAPPEN. AND WE WANT TO GIVE -- I DON'T WANT TO GIVE EXAMPLES AND NAMING NAMES, BUT KRISTOF IS THERE ANYONE IN PARTICULAR, NOT ANY PARTICULAR NAME OF A PROJECT, BUT AN EXAMPLE WHERE YOU HAVE SEEN GENERICALLY, THIS OCCUR?

KRISTOF VAN WINDEN: YEAH PERHAPS WHERE IT HAS OCCURRED WELL AS OPPOSED TO POORLY.

ALFREDO PEDROZA, CHAIR: GOOD POINT.

SPEAKER: YEAH, I MEAN JUST IN TERMS OF, I THINK, THERE WERE A LOT OF ISSUES, ACTUALLY, AS YOU PRESENTED YOUR QUESTION. AND, SO I JUST WANT TO HIT, KIND OF -- YOU KNOW --

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JANNET WALKER-FORD: MARK THIS WAS ONE IN PARTICULAR WHERE WE GET INTO THE ISSUES BUT I MENTIONED THERE'S AN OFFRAMP A DECISION, THIS APPROACH THIS, SCENARIO, JUST NOT WORKING THE WAY WE THOUGHT IT WOULD, YOU KNOW, LET'S GO IN A DIFFERENT DIRECTION. AND MY ANSWER WAS YES THOSE OFFRAMPS ARE RIGHT WHEN YOU SWITCH MODELS.

MARK: WHERE IT'S WORKED WELL, YOU HOPE YOU DON'T HAVE ON GET TO THE OFFRAMP. AND MOST OF THE TIME, IF IT'S DONE WELL, YOU DON'T HAVE TO USE THE OFFRAMP. BUT YOU ALSO WANT TO MAKE SURE THAT THE OFFRAMP IS DOCUMENTED VERY WELL THAT IT'S, LIKE, A VERY GOOD ROADMAP STEP FOR STEP FOR HOW THAT'S GOING TO WORK. HOW ARE THE PARTIES THAT HAVE BEEN NEGOTIATING, YOU KNOW, ARE THIS SOLE CONTRACTOR THAT'S BEEN CHOSEN, YOU KNOW, HOW ARE THEY GOING TO DISENTANGLE THEMSELVES, AND THEN HOW IS THE AGENCY GOING TO, YOU KNOW, QUICKLY PIVOT AND GET ANOTHER, YOU KNOW, ANOTHER CONTRACTOR ON BOARD WHETHER YOU'RE USING A PROGRESSIVE DESIGN BUILD OR CMGC. THOSE ARE THE ONES WITH THE COLLABORATIVE NEGOTIATING APPROACH. SO WE HAVE SEEN IT HAPPEN WELL WHERE THAT PROCESS IS WELL DOCUMENTED. AND SOMETIMES THERE IS HESITANCY. FOLKS WANT TO OPTIMISTIC AND THINK EVERYTHING IS GOING TO GO WELL AND TO SAY OH WELL WE'LL PUT IN AN OFFRAMP BUT WE DON'T NEED TO DETAIL IT OR SAY WHO GETS WHAT OR WHAT'S THE AGENCY GOING TO DO OR WHAT'S THE AGENCY GOT

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RIGHTS TO, THAT'S VERY IMPORTANT. AND WHERE THAT HAPPENS, THE OFFRAMP IS IMPORTANT AND WHERE THE AGENCY IS ABLE TO GET RIGHT BACK ON TRACK VERY QUICKLY WITH THE NEXT, YOU KNOW, WITH THE NEXT CONTRACTOR.

JANNET WALKER-FORD: DOCUMENTATION. YOU SAID IT TWICE, MARK, BECAUSE IT'S ALMOST LIKE YOU, HATE TO SAY THIS, YOU'RE DOING A DETERMINATION, IT'S THE ANALOGY, YOU WANT TO MAKE SURE YOU HAVE EVERYTHING DOCUMENTED BEFORE YOU GET TO TERMINATION AVOID GETTING TO LITIGATION, OR DISPUTE CONTRACT YOU WANT TO BE CRYSTAL CLEAR AS TO DECISION GOING IN DIRECTIONS TO BREAK DOWN THAT DOCUMENTATION TO AVOID DISPUTES CONTRACTS TO AVOID THOSE TO OCCUR.

SPEAKER: ANOTHER IMPORTANT THING IN THE OFFRAMP THERE IS CONCERN IN THE DELIVERY METHODS WHERE YOU DO PICK ONE PARTY TO NEGOTIATE A CONTRACT WITH, ESSENTIALLY, RIGHT, YOUR SHORT LISTING TO ONE. AND THAT'S A BIG CHANGE FOR A LOT OF AGENCIES. BUT, DEVELOPING A REALLY STRONG OFFRAMP THAT, YOU KNOW, THAT BENEFITS THE AGENCY, IS REALLY IMPORTANT TO GIVE EVERYBODY WITHIN THE AGENCY THE PROCUREMENT OFFICE, PARTICULARLY, AND, ALSO, THE STAKEHOLDERS OF THE AGENCY COMFORT THAT, YOU KNOW, THERE ARE PROTECTIONS FOR THE AGENCY, THAT THE AGENCY ISN'T JUST LOCKED IN AND IS NOT A HOSTAGE TO WHATEVER THAT CONTRACTOR COMES UP WITH. AND I THINK THAT ALSO GOES BACK TO

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SOME OF THE EARLIER CONCERNS THAT HAVE BEEN EXPRESSED TODAY, YOU KNOW, JUST IN THIS SESSION, ABOUT, YOU KNOW, ABOUT HAVING CONTROL OVER PROJECTS AND CONTROL OVER THE PROCESS, AND NOT HAVING MAJOR OVERRUNS AND THAT KIND OF THING.

SAM LICCARDO: THANK YOU FOR THAT INSIGHT.

ALFREDO PEDROZA, CHAIR: COMMISSIONER WORTH.

AMY R. WORTH: IT'S GREAT TO SEE YOU BACK IN THE BAY AREA IT'S GREAT TO WORK WITH YOU. FOLKS ARE STILL ON THE FERRIES.

JANNET WALKER-FORD: THANK YOU.

AMY R. WORTH: AS A GRANDMOTHER TO TWO LITTLE BOYS, THEY LOVE THE FERRIES. I HAVE A COUPLE OF QUESTIONS, CALIFORNIA, AND MAYBE THIS IS TRUE IN OTHER PLACES, WE TEND TO APPROACH THESE PROJECTS IN A LAYER CAKE POINT OF VIEW, THE FOLKS FROM CALIFORNIA EXPECT HIGH SPEED RAIL DELIVERY FOR $10 MILLION, EVERYBODY IN YOUR PROFESSION KNEW THAT WAS NOT FEASIBLE YET THERE ARE EXPECTATIONS. THAT'S THE FIRST THING ARE WE MAKING MISTAKES WITH OUR LARGE PROJECTS IN THE BAY AREA THAT WE UNDERESTIMATE ESSENTIALLY WHAT THEY'RE ULTIMATELY GOING TO COST. THESE PROJECTS AND PROBLEMS. THE SECOND PART OF MY QUESTION, FEEL FREE TO ANSWER EITHER/OR NONE OR BOTH AS YOU

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WOULD LIKE. AS WE FIND THESE PROJECTS THAT ARE PARTICULARLY COMPLEX, AND IT IS THAT WHEN YOU FIND THAT YOU NEED TO MAKE A DETERMINATION ABOUT WHICH -- WHAT KIND OF APPROACH TO TAKE, WITH A PARTICULAR PROJECT, YOU KNOW, FOR EXAMPLE, THE BRIDGE, WE'RE GOING TO HEAR ABOUT THE BAY BRIDGE, GIVEN THE NATURE OF THE BAY AND THE MUD, AND THE BEDROCK, WE HAD TO MAKE CERTAIN DECISIONS, AND THERE WAS A LOT OF DISCUSSION ABOUT THAT, ARE WE LACKING SORT OF THE CANDOR TO DISCUSS THE DOWNSIDES OF EACH APPROACH OR DESIGN? AND RECOGNIZING, HELPING ELECTED OFFICIALS UNDERSTAND THAT THERE IS NO PERFECT SOLUTION? SO, AS YOU GO FORWARD WITH A PROJECT, SAY, MAKE A DECISION, AND THEN, SORT OF, THE IMPERFECTIONS OF THAT APPROACH, WHICH PEOPLE, YOU KNOW, POP-UP. AND, SO THEN YOU START TO HAVE THE SECOND GUESSING WHICH SLOWS DOWN THE PROJECT AND THINGS LIKE THAT. WE NEED TO DO MORE KIND OF INFORMING PEOPLE IN THE VERY BEGINNING? AND YOU TALKED ABOUT THE TRANSPARENCY OF THAT DECISION-MAKING PROCESS, SO THAT WHEN THOSE ISSUES COME UP DOWN THE ROAD THERE IS A CLEAR UNDERSTANDING THAT YES WE DISCUSSED THAT WE UNDERSTAND THAT MIGHT BE AN ISSUE BUT WE DECIDED TO GO THIS WAY BECAUSE THE BENEFITS OUTWEIGHED THOSE RISKS.

JANNET WALKER-FORD: YOU'RE -- COMMISSIONER WORTH, IT'S WONDERFUL TO SEE YOU, THANK YOU VERY MUCH. I HOPE YOU'RE DOING WELL. YOU'RE SPOT ON. THAT UP FRONT, WE'RE CANNOT -- YOU KNOW,

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UNDERSCORE THAT UP FRONT PIECE ENOUGH BECAUSE THAT IS WHERE YOUR FOUNDATION FOR WHAT YOU'RE LIVING WITH IN YOUR PROJECT WITH TERMS OF YOUR APPROACH. WE TALK ABOUT EXECUTIVE SPONSOR, CHAMPION, FACE, WHATEVER THAT ENTITY IS, THAT ENGAGEMENT AND TRANSPARENCY, USING THAT WORD AGAIN, BECAUSE THERE WILL BE CHALLENGES ALONG THE WAY WITH A MEGA PROJECT AND FRANKLY ANY DIFFICULT PROJECT AND HOW THAT BUBBLES UP. THOSE ARE IMPORTANT, THE BUY INS, BEGINNING, THE CLEAR, YOU MENTIONED THE ELECTED OFFICIALS AND YOU MENTIONED THE DESIRE FOR A PARTICULAR DELIVERY. SO CLEARLY DEFINING AS CLEAR AS POSSIBLE WHAT THAT EXPECTATION IS AND DEFINING THE PROJECT AND ITS GOALS, AND THEN YOU KEEP COMING BACK TO THAT. BECAUSE THERE WILL BE, ALONG THE WAY, SCOPE, CALL IT CHANGE ORDERS, CALL IT, YOU KNOW, WE DIDN'T THINK ABOUT THAT, YOU HAVE TO BE VERY CAREFUL TO UNDERSTANDING WHAT THE IMPACTS RISKS ARE OF THOSE CHANGES, WHAT THE MARKETS OF COST ARE AND MARKETS OF TIMELINE. WE BRING THAT BACK, THE COMMISSIONERS SAID STAGE GATE, THE DECISION-MAKING WHEN THESE THINGS BUBBLE UP VERSUS DECISIONS IT MAKE THE CHANGE, THAT DISCIPLINE, I'LL USE THAT WORD, ONCE YOU HAVE MADE THOSE DECISIONS UP FRONT, DISCIPLINE IS REALLY CRITICAL TO THE SUCCESS OF THE PROJECT.

AMY R. WORTH: THANK YOU.

JANNET WALKER-FORD: YOU'RE WELCOME.

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ALFREDO PEDROZA, CHAIR: THANK YOU, COMMISSIONER WORTH.

CLERK OF THE BOARD: NO ADDITIONAL HANDS.

ALFREDO PEDROZA, CHAIR: NO ADDITIONAL HANDS?

CLERK OF THE BOARD: NO. WAIT. NO. NO ADDITIONAL HANDS.

ALFREDO PEDROZA, CHAIR: ALL RIGHT. I'LL BRING THAT BACK TO THE COMMISSIONERS IN THE ROOM. ANY FINAL QUESTIONS? THOUGHTS? WE'RE ALREADY BEHIND SCHEDULE BUT I FEEL THAT'S COMPLETELY OKAY GIVEN THE TYPE OF CONVERSATION WE'RE HAVING AT THE MOMENT. COMMISSIONERS THANK YOU FOR YOUR THOUGHTFULNESS. AND JANNET THANK YOU FOR A VERY THOUGHTFUL PRESENTATION. WE'RE GOING TO TAKE THAT POWERPOINT HOME AND STUDY IT A LITTLE BIT MORE. SO, I THINK WE HAVE ACCOMPLISHED THE OBJECTIVE IN THE SECTIONS. THANK YOU FOR LAYING IT OUT THIS WAY. COMMISSIONERS WE'RE GOING TO TAKE QUICK BREAK.

JANNET WALKER-FORD: THANK YOU. THANK YOU FOR HAVING US.

ALFREDO PEDROZA, CHAIR: BE BACK AT 315, AND THEN WE'RE GOING TO HEAR FROM SOME SPEAKERS THAT WILL TALK ABOUT PROJECT

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DELIVERY AND THEIR PERSPECTIVES AT THIS POINT. RECESS FOR A QUICK BREAK. BACK AT 3:15. [BREAK]

ALFREDO PEDROZA, CHAIR: KIMBERLY, DO WE HAVE EVERYONE ONLINE?

CLERK OF THE BOARD: I SEE THEIR NAMES. SO I'M HOPING THEY'RE ALL PRESENT.

ALFREDO PEDROZA, CHAIR: ALL RIGHT. TELL ME WHEN WE CAN BEGIN.

CLERK OF THE BOARD: AT YOUR PLEASURE, MR. CHAIR. I THINK MOST OF THEM HAVE THEIR VIDEOS HIDDEN THROUGHOUT THE DISCUSSION.

ALFREDO PEDROZA, CHAIR: TRAFFIC CONTROLS GIVING US A THUMBS UP. READY TO GO. WELCOME BACK. WE'RE GOING TO CONTINUE WITH WHAT'S BEEN A VERY INSIGHTFUL WORKSHOP. OUR NEXT ITEM IS 3B, THREE PROJECT DELIVERY PERSPECTIVES WE'RE GOING HAVE FOUR SPEAKERS. WELCOME BACK EVERYONE. AND, AGAIN, AS YOU LISTEN TO THESE PRESENTATIONS, LOOK AT IT THROUGH RISKS AND CHALLENGES PRESENTED THAT ARE LIKELY TO COME IN THE FUTURE AS WE TALK ABOUT THE NEXT PROJECT DELIVERY. THIS IS IN THE A LOOK BACK IT'S A LOOK FORWARD. I CHALLENGE US TO KEEP AN OPEN MINDS. AFTER WE HEAR FROM THESE PRESENTATION, WE'RE GOING TO BE GUIDED THROUGH A FACILITATED DISCUSSION ABOUT WHAT OUR TAKE-AWAY'S WERE AND WHAT WE MIGHT LEARN FROM PAST PROJECTS AND

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MOVING FORWARD. WITH THAT I'M GOING TO HAND IT OVER TO ANDY FREMIER WHO IS GOING TO INTRODUCE OUR SPEAKERS.

ANDREW FREMIER: THANK YOU CHAIR PEDROZA ANDREW F DEPUTY DIRECTOR. ITEM 3B IS A LOOK BACK AT EXPERIENCES WE HAVE FACED IN THE BAY AREA IN DELIVERING MEGA PROJECTS. AS YOU KNOW COST SCHEDULE AND TECHNICAL PROBLEMS HAVE AFFECTED MANY OF OUR PROJECTS. OUR LINE UP OF PRESENTATIONS ARE DESIGNED TO LOOK BACK AT THESE PROJECTS IN ORDER TO LEARN LESSONS ABOUT MOVING FORWARD LOOKING BACK WE SEE MANY SIMILARITIES PROBLEMS THAT CONSISTENTLY GIVE US TROUBLE AS WELL AS SURPRISES. WHERE WE SEE PATTERNS WE WOULD LIKE TO FIND TECHNICAL IMPROVEMENTS, AND WHERE WE ARE, ALSO, STRIVING TO IDENTIFY AREAS THAT SOMETIMES ARE OUT OF OUR CONTROL, BUT STILL REQUIRE A DISCIPLINED APPROACH TO RESOLVE. THIS ITEM IS NOT DESIGNED TO CRITIQUE A PARTICULAR PROJECT BUT BE BALANCED AND REFLECT ON THE EVALUATION OF THE NEXT ROUND OF MEGA PROJECTS. WE EXPECT THIS WILL OFFER LESSONS AND WILL LAY GROUNDWORK FOR ANALYZING OUR FUTURE. OUR FIRST PRESENTATION IS FROM CARL HOLMES, THE BART ASSISTANT MANAGER AND TAKIS PROGRAM MANAGER THEY WILL PRESENT ON THE BART TO SILICON VALLEY PROJECTS AND THEIR OBSERVATIONS APPLYING LESSONS LEARNED FROM PHASE ONE TO PHASE TWO. I DON'T SEE THE BOARD, SO I ASSUME, KIM, THE BOARD IS THERE, AND THE FLOOR IS THEIRS.

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CARL HOLMES: THANK YOU.

TAKIS SALPEAS: THANK YOU, MR. CHAIRMAN. MY NAME IS TAKIS SALPEAS, THE PROGRAM CHAIR FOR VTA. I AM JOINED BY MY COLLEAGUE, CARL HOLMES. WE HAVE SLIDES FOR YOU THAT WE WILL TAKE YOU THROUGH BY ONE. NEXT SLIDE. THIS IS THE PROJECT WE'RE TALKING ABOUT. IT'S A 16 MILE SIX STATION EXTENSION. WE OPENED TWO YEARS AGO. THE FIRST TEN MILES AND TWO STATIONS, AND WE ARE WORKING, NOW, TO GET TO CONSTRUCTION ON THE LAST SIX MILES THROUGHOUT DOWNTOWN SAN JOSE, WITH THE FOUR STATIONS. WE KNOW THIS EXTENSION WHEN DONE IT WILL BE PRACTICALLY ONE 7TH OF THE ENTIRE BUS SYSTEM I WOULD SAY 15%, OF THE ENTIRE BUS SYSTEM. AND HERE VTA IS THE BUILDER, DESIGNER AND BUILDER, AND BART OWNER IS MAINTAINER OF THE SYSTEM THOSE TWO HAVE TO COME TOGETHER FROM THE BEGINNING. BUT TODAY WE'RE GOING TO TAKE YOU THROUGH FOR A FEW MINUTES TO SEE HOW CARL AND I, HOW VTA AND BART WORK TOGETHER FOR THE SUCCESS OF THIS PROJECT. CARL, NEXT PAGE.

CARL HOLMES: YES. GOOD AFTERNOON, MR. CHAIR, VICE CHAIR, COMMISSIONERS, AND EXECUTIVE DIRECTOR. CARL HOLMES WITH BART ASSISTANT GENERAL MANAGER. THIS SLIDE IS HERE TO GIVE A PRESENTATION OF HOW BOTH PUBLIC AGENCIES WORK TOGETHER IN REGARDS TO THE PARTNERSHIP THAT WE HAVE, AND, SO AS IT SHOWS HERE, SANTA CLARA COUNTY IS NOT PART OF THE THREE COUNTY BART

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DISTRICT, AND, SO, THERE WERE TWO DOCUMENTS THAT WERE THE GUIDING PRINCIPLES OF THE PARTNERSHIP. ONE IS THE COMPREHENSIVE AGREEMENT, WHICH WAS EXECUTED IN 2001. AND THAT WAS ORIGINALLY SETUP WHEN THIS EXTENSION WAS INTENDED TO BE JUST ONE PROJECT, NOT NECESSARILY TWO PHASES, WHICH IS WHAT YOU ARE -- YOU SAW IN THE PREVIOUS SLIDE. AND THEN WE HAVE THE OPERATIONS AND MAINTENANCE AGREEMENT, WHICH WAS EXECUTED IN 2020. AND THAT WAS JUST SHORTLY BEFORE GOING INTO REVENUE SERVICE, WHICH WAS IN JUNE OF 2020. SO, UNDER VTA, THE LEFT SIDE OF THIS SLIDE, YOU WILL SEE THAT VTA IS RESPONSIBLE FOR PAYING FOR ALL THE COST ASSOCIATED WITH THE EXTENSION, AS WELL AS THE CONTRACTING OUT AND PROCUREMENT OF ALL OF THE ELEMENTS FOR BOTH PHASES. AND THEN VTA IS RESPONSIBLE FOR DESIGNING AND CONSTRUCTING TO EITHER BART'S FACILITY STANDARDS, OR THE INDUSTRIES STANDARDS, CODES, AND REGULATIONS. AND THEN VTA ALSO OWNS THE INFRASTRUCTURE IN REGARDS TO GOING BACK TO PAYING FOR ALL OF THE ELEMENTS. AND THEN BART, WE HAVE THE RESPONSIBILITY FOR THE TECHNICAL REQUIREMENTS GIVEN THAT WE ARE THE AGENCY THAT IS SET TO OPERATE AND MAINTAIN THE EXTENSIONS. BUT THE IDEA IS TO OPERATE THE EXTENSIONS JUST AS WE DO OUR CORE BART SYSTEM. SO, THE EXPECTATION IS THAT ONCE THE EXTENSIONS ARE IN REVENUE SERVICE, IT'S JUST ANOTHER LEG OF BART AND SHOULD BE OPERATED NO DIFFERENTLY. AND THAT ALSO INCLUDES THE SERVICE PLANNING THAT WE HAVE IN REGARDS TO MAKING SURE THAT THE RIDERS KNOW WHEN THE TRAINS WILL ARRIVE

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AND DEPART SO THEY COULD PLAN THEIR DAY. NEXT SLIDE. SO THIS SLIDE IS INTENDED TO SHOW A LITTLE BIT MORE DETAIL IN REGARDS TO THE RESPONSIBILITY. SO, YOU WILL SEE, UNDER THE BUILDS AND OWNS COLUMN THAT VTA IS RESPONSIBLE FOR MOST OF IT WITH THE EXCEPTION OF THE ROADWAYS, WHICH ARE OWNED BY THE CITY, WHETHER IT'S THE CITY OF SAN JOSE OR CITY OF SANTA CLARA, DEPENDING ON WHICH AREA OF THE EXTENSION. AND THEN IN REGARDS TO THE OPERATIONS AND MAINTENANCE, VTA IS RESPONSIBLE FOR WHAT WE TYPICALLY SAY, ANYTHING OUTSIDE OF THE DRIP LINE OF THE STATION, WHETHER IT'S THE PLAZAS, THE LANDSCAPING, OR ANY OTHER SURFACE AND STRUCTURAL IMPROVEMENTS, PARTICULARLY THE PARKING. AND THEN, BART, WE ARE RESPONSIBLE FOR OPERATING AND MAINTAINING JUST ABOUT EVERYTHING ELSE. SO, RANGING FROM THE GUIDEWAYS OR THE TRACK, TO THE YARDS AND SHOPS, THE STATION BUILDINGS, ROLLING STOCK, TRACK EQUIPMENT, SPARE PARTS, OF THE GAMUT, DRIP LINE AS WELL AS ANYTHING THAT IS WITHIN THE RIGHT OF WAY FENCE LINE. AND THEN FROM A SAFETY AND SECURITY PERSPECTIVE, IT'S SIMILAR TO THE OPERATION AND MAINTENANCE ROLES AND RESPONSIBILITIES. NEXT SLIDE. I'LL HAND IT OFF TO TAKIS.

TAKIS SALPEAS: THIS IS NOW TO SHARE WITH YOU HOW THIS PROJECT, THE OVERSIGHT OF THIS PROGRAM, AND WHO IS WATCHING IT, AND WHO IS ASKING QUESTIONS; WHO WE REPORT TO. AS CARL SAID, WE HAVE TWO AGENCIES WITH CLEAR RESPONSIBILITIES AND ACCOUNTABILITIES

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BASED ON WELL-EXECUTED AGREEMENTS AND NOW AS THE PROJECT PROGRESSES TO COMPLETION, HOW THE SCRUTINY, HOW TRANSPARENCY OCCURS. FOR THAT, OF COURSE, THE VTA BOARD OF DIRECTORS, BUT THE VTA BOARD OF DIRECTORS MEETS FREQUENTLY, I SAILED, WITH A JOINT VTA BART BOARD WORKING COMMITTEE. THAT YOU CAN SEE UP THERE. THE POLITICAL LEADERS AND THE LEADERSHIP IN GENERAL, THEY TALK, AND THEY PROVIDE GUIDANCE ACCORDINGLY. THE VTA BOARD HAS AN AUDITOR GENERAL WHO'S GOING TO WATCH EVERYTHING WE DO AND HOW WE ARE SPENDING THE PUBLIC MONEY AND SO ON. WE KNOW THE BOARD OF DIRECTORS, THE GENERAL MANAGER, MY BOSS, HAS AN EXECUTIVE GOVERNING COUNCIL, AND THAT COUNCIL, I BELIEVE IS THE GENERAL -- I KNOW IT'S THE GENERAL COUNCIL, THE CFO, AND THE DEPUTY GENERAL MANAGER, WHO, THEY OVERSEE THE DAILY OPERATIONAL ISSUES, IF YOU LIKE, OF THE PROGRAM. AND AS WE'RE MOVING DOWN, BEFORE I SHOW YOU THE OTHER TWO ANGLES. TRIANGLE, TO THE LEFT, IS WHAT WE CALL AT THE PAC MEETING, PROCUREMENT, AUDIT, AND COUNCIL. THAT IS HOW ALL THE CONTRACTOR ARRANGEMENTS, ALL THE COST, AND OF COURSE, ALL OF THE LEGALITIES ARE WORKED OUT TO GET THE GREEN LIGHT TO BE ABLE TO PROCEED. AND TO THE RIGHT, WE HAVE THE VTA BART JOINT EXECUTIVE STEERING COMMITTEE AND WE'RE GOING TO TALK ABOUT THIS IN A SECOND. WHILE ALL THESE THINGS ARE HAPPENING, FTA HAS A FULL-TIME PROJECT MANAGEMENT OVERSIGHT CONTRACTOR, SOME 12 PEOPLE, I WOULD SAY, WORKING AROUND HERE, PRACTICALLY DAILY, AND THEY ARE PRODUCING MONTHLY REPORTS WITH QUESTIONS

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AND CONCERNS, AND I'M PRETTY SURE YOU'RE ALL FAMILIAR WITH HOW THE FEDERAL PROGRAM MANAGEMENT OVERSIGHT PROGRAM WORKS. NEXT PAGE PLEASE. THIS IS A COMMITTEE, WHICH ARE TWO GM'S HAVE ESTABLISHED FOR US. TWO PEOPLE FROM MY SIDE AND TWO PEOPLE IN CARL'S SIDE. THE TWO PEOPLE FROM MY SIDE IS MYSELF AND OUR CFO, AND FROM CARL'S, IS CARL AND THE CHIEF OPERATIONS OFFICER, EDWARDS. BELOW US, WE HAVE ESTABLISHED A RAIL SYSTEM ORGANIZATION. AND YOU'RE GOING TO SEE IT IN A MINUTE. AND WE'RE GOING TO EXPLAIN IT TO YOU A LITTLE BIT FURTHER. FOR THAT, WHAT IS HAPPENING HERE WHEN THE STAFF BART HAS DEDICATED PEOPLE WORKING HERE, THEY ARE WORKING SHOULDER TO SHOULDER WITH PEOPLE IN OUR OFFICES, AND WHEN SOMEHOW, THEY GO TO CARL'S LEVER, THE EXECUTIVE COMMITTEE COMES TOGETHER AND WE MAKE A DECISION. WE MAKE A DECISION ON SELECTING CONTRACTORS TOGETHER. CARL'S IN THE SAME SEAT VALUATION COMMITTEE AND BASE ON THAT, WE SELECT THE CONTRACTORS, AND MAKE DECISIONS. I WANTED YOU TO KNOW. SOMEHOW IF CARL AND I DON'T AGREE ON SOMETHING DEFINITELY THAT GOES TO OUR GMS AND IT'S UP TO THEM TO AGREE OR DISAGREE AND TAKE IT TO THEIR RESPECTIVE BOARD OF DIRECTORS. NEXT PAGE PLEASE. HERE WE WANT TO PAUSE FOR A COUPLE OF MINUTES TO TALK TO YOU, BECAUSE THIS IS VERY IMPORTANT. I HEAR THE PREVIOUS DISCUSSIONS, BRINGING EXPERIENCED PEOPLE TO WORK AND ALL OF THE GOODS STUFF YOU WERE TALKING. THIS IS A TYPICAL DELIVERY ORGANIZATION. THIS IS SUCCESSFUL PROJECTS IN USE AROUND THE COUNTRY. SOME OF YOU

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KNOW I'M THE GUY WHO DELIVERED THE BART EXTENSION TO THE SAN FRANCISCO AREA. WE HAD THE SIMILAR ORGANIZATION THERE THE ONLY DIFFERENCE WAS I WORKED FOR BART BUT ON TOP OF ME OF THE CHIEF OF OPERATIONS. BECAUSE EVENTUALLY I WOULD DELIVER THE PROJECT. HERE WE HAVE TO GO A LITTLE BIT FURTHER, CARL AND I STASHED WHAT WE CALL THE RAIL SYSTEM ORGANIZATION AND WE BOTH ASSIGNED CHIEF TO EACH OF THEM BUT WE CALL IT AN OFFICER. AND THESE PEOPLE TO THE RIGHT, THE RAIL SYSTEMS ORGANIZATION, ARE RESPONSIBLE FOR EVERYTHING RELATED TO DESIGN IDEAS, STANDARDS, AND QUALITY APPROACH TO DELIVER A SUCCESSFUL PROJECT. TO THE LEFT WE HAVE EXTERNAL AFFAIRS FUNCTIONS, WHICH ARE RESPONSIBLE TO STAKEHOLDERS AND WE HAVE PROGRAM ADMINISTRATION. EVERYTHING WHICH IS NOT ENGINEERING SECTION, COMES OUT IN PROGRAM ADMINISTRATION. ALL OF THE FTA REQUIREMENTS ALL THE PROCEDURES AND INTERNAL CONTROL AND SO ON TO THE BOTTOM OF IT AS YOU CAN SEE WE HAVE ENGINEERING SERVICES. WE HAVE FOUR BIG MAJOR FIRMING WORK HERE WSP, MECHANIC DONALD, ALL THERE IN A COORDINATED FASHION, WE CALL IT SILICON VALLEY TRANSIT CONSULTANTS. THEY ARE NOT FLAGS AND STAKES HERE THEY ALL WORK TOGETHER TO HELP US DELIVER THE PROJECT. AND THE RIGHT IN THE MIDDLE, THEY ARE THE DELIVERABLES. FIRST IS SYSTEMS DELIVERABLE CONTRACT SECOND IS GUIDEWAY IN OUR CASE HERE THE GUIDEWAY IS A TUNNEL AND HAS A TRACKING SITE. YARD RAIL WE BUILD MAJOR CARS THERE WITH A MAINTENANCE SHOP AND EVERYTHING

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AND THEN THE THREE STATIONS, THE THREE UNDERGROUND MAJOR STATIONS THAT'S THE DELIVERERS. NEXT PAGE. CARL?

CARL HOLMES: IF WE CAN GO BACK TO THE PREVIOUS SLIDE. I WANT TO SAY A LITTLE BIT ABOUT IT AS WELL. I KNOW IT'S A COMPLEX SLIDE, BUT I NEED TO JUST CALL OUT FROM MEMORY THAT AT THE OPENING, THE RIBBON CUTTING FOR PHASE ONE MOST IN ATTENDANCE WERE CELEBRATING THE OPPORTUNITY TO SEE THE REVENUE SERVICE IN OPERATION, TAKIS AND I WERE OFF TO THE SIDE TRYING TO SORT THROUGH WHAT COULD WE DO BETTER COMING FROM PHASE ONE INTO PHASE TWO. AND PART OF IT IS THAT CENTER SECTION OF THIS ORG CHART WHICH SHOWS THE FOUR CONTRACT PACKAGES. AND YOU CAN SEE, SO IT'S THE GREEN, GRAY, LIGHT BLUE, AND RED. SO, EACH OF THOSE CONTRACT PACKAGES HAS A VTA REPRESENTATIVE ON THE TOP, AND THEN BENEATH IS A BART SME OR SUBJECT MATTER EXPERT. AND THE IDEA BEHIND THAT WAS TO MAKE SURE THAT EACH CONTRACT PACKAGE HAD A VTA REP, AS WELL AS A BART REP THAT WAS HAND IN HAND IN TERMS OF BEING RESPONSIBLE FOR THE DELIVERY OF THE CONTRACT PACKAGE. AND THEN AS TAKIS SAID ON THE RIGHT, THE RAIL SYSTEMS ORGANIZATION IS SOMETHING THEY REALLY WANTED TO MAKE SURE THAT THOSE FOUR BOXES, FOR THE CONTRACT PACKAGES, ALSO MADE SURE THAT THEY WERE, LET'S SAY, COMPLYING WITH EITHER THE BART FACILITY STANDARDS OR ANY INDUSTRY CODES AND REGULATIONS. AND THERE IS AN ORGANIZATION THAT WAS -- THAT WAS PROMINENT ENOUGH TO BE ABLE TO NOT BE THE JUDGE AND JURY, BUT

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TO HELP FACILITATE WHEN THERE WERE QUESTIONS OR CONCERNS, OR REQUESTS FOR WAIVERS OF ANY OF THE CODES AND STANDARDS SO THAT THE PROJECT COULD BE DELIVERED TIMELY. WE CAN GO TO THE NEXT SLIDE NOW. THANK YOU. SO, THIS LAST SLIDE IS INTENDED TO JUST GIVE AN EXAMPLE OF WHAT THE RAIL SYSTEM ORGANIZATION SET OUT TO DO. AND ONE OF THE FIRST TASKS WAS TO COME UP WITH A DESIGN CRITERIA AND REQUIREMENTS MANUAL. AND A MAJOR FACET OF THIS IS, WITH THE TUNNEL CONFIGURATION, GIVEN THAT MOST OF OUR -- JUST ABOUT ALL OF OUR TUNNELS ARE TWIN BORE ON, SO IT WASN'T APPLICABLE TO HAVE A SET OF REQUIREMENTS IN A DESIGN CRITERIA THAT'S ALREADY IN OUR LEDGER. SO, WE HAD TO CREATE SOMETHING THAT WE COULD HELP GUIDE THE DESIGN BUILD TEAM TO BE ABLE TO SAY THAT THEY COULD PROPOSE ON SOMETHING THAT THEY HAD SOME LEVEL OF CONFIDENCE THAT THERE WAS AGREEMENT BETWEEN BART AND VTA. AND, SO WE WERE ABLE TO ACHIEVE THAT AND THAT'S WHAT THE GUIDANCE OF, AS YOU SEE ON THE FAR RIGHT, TOP RIGHT, KRISTIAN AND OTHERS TO COME UP WITH DESIGN CRITERIA THAT'S IN EACH OF THE FOUR PROCUREMENT PACKAGES. SO I'M PLEASED, AND I KNOW TAKIS IS AS WELL TO PRESENT ON THIS PHASE TWO PROJECT AND WE'RE HAPPY TO TAKE ANY QUESTIONS. I BELIEVE THIS IS THE LAST SLIDE.

TAKIS SALPEAS: IF I COULD ADD SOMETHING TO WHAT CARL WAS SAYING, FROM THE GET GOING RESPECTABLE WE ALL KNOW WHO WE WORK FOR MY PAYCHECK CAME FROM VTA AND I KNOW THE SAME THING WHEN

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MY PAYCHECK CAME FROM BART. CARL RECOGNIZES, THE ARGUMENT, EVERYTHING WE DO IS THE BART OPERATION'S CHIEF THAT'S WHAT WE'RE DOING GIVING A PROJECT, WE CANNOT DEVIATE FROM THE CRITERIA, WE CANNOT CHANGE IS THE STANDARD IF I HAVE ONE MESSAGE TO PASS TO EVERYBODY IDENTIFY WHO THE OPERATOR IS, BRING THE OPERATOR TO BE AT THE TABLE WITH YOU FROM THE GET GOING. WITH SOME 500 PEOPLE WORKING HERE PART-TIME, FULL-TIME, AND SO ON AND WE HAVE PEOPLE FROM VTA AND FROM BART WORKING TOGETHER ON THE SAME BUILDING. FOR THAT, THE MESSAGE IS, DO NOT START NEW PROJECTS BEFORE YOU HAVE AN OPERATORS, BEFORE YOU KNOW WHAT TECHNOLOGY AND WHO IS GOING TO OPERATE IT, AND FROM THE MOMENT YOU ARE IDENTIFYING THAT, BRING THE OPERATOR AND THE SKILLS AND THE KNOWLEDGE AVAILABLE WITH THE PROJECT MANAGEMENT TEAM. OR IF YOU DON'T DO THAT, YOU'RE GOING TO REGRET IT DOWN THE PIKE.

CARL HOLMES: AND AS THE OPERATOR, WE ALSO HAD TO MAKE SURE THAT WE DIDN'T TAKE THAT AUTHORITY FOR GRANTED. SO, IF SOMETHING WAS NOT IN ACCORDANCE WITH OUR STANDARDS OR REGULATIONS OR CODES, WE SHOULD NOT BE THE TYPE OF ORGANIZATION THAT JUST SAYS NO, IT DOESN'T WORK. WE HAVE TO SAY, NO, BUT HERE IS WHAT WE CAN WORK THROUGH IN ORDER TO TRY TO ACHIEVE SOME TYPE OF SOLUTION. SO THAT'S SOMETHING THAT WE CONTINUOUSLY HAVE TO WORK THROUGH, AS WELL AS GIVEN THAT THE VTA IS THE AGENCY THAT PAYS FOR ALL OF THE COST, IT'S STILL

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TWO PUBLIC AGENCIES WORKING TOGETHER. NOT A ONE AGENCY AND AS THE OWNER AND THE OTHER AGENCY AS A CONSULTANT OR CONTRACTOR. IT'S TWO PUBLIC AGENCIES WORKING TOGETHER. BUT WE HAVE TO REMIND OURSELVES OF WHAT THE ROLES AND RESPONSIBILITIES ARE FOR THE SAKE OF THE PROJECT. THE RIDERS DON'T CARE WHO OWNS AND OPERATES AND WHO BUILDS. THEY JUST WANT THE FACILITIES TO BE BUILT AND READY FOR OPERATIONS. SO WE ALWAYS HAVE TO TAKE THAT INTO CONSIDERATION.

TAKIS SALPEAS: ONE MORE COMMENT HERE. TO REMIND YOU ALL, WHEN I WAS WORKING WITH BART AND WE DID B.A.R.T. SFO, WE HAD A REPRESENTATIVE OF THE CHIEF OPERATIONS, BART CHIEF OPERATIONS OFFICER WITH 12 PEOPLE LEADING WITH ME DAILY, IN ADDITION TO THAT, I HAD CALTRAIN OPERATIONS, SEVEN PEOPLE FROM CALTRAIN WORKING IN THE -- UNDER THE SAME ROOF WITH ME AND MY STAFF. WHY? BECAUSE WE WERE BUILDING THE BART SUBWAYS NEXT TO CALTRAIN AND WE WERE BUILDING THE MILLBRAE STATION, WHICH IS A JOINT STATION BETWEEN BART AND CALTRAIN. AND I THOUGHT WE'RE GOING TO STOP THERE AND WE DID NOT. CALTRANS ASSIGNED FIVE PEOPLE WHO WORK WITH US, FULL-TIME, IN MILLBRAE, BECAUSE FOR THE FIRST TIME, A RAIL BRIDGE CROSSED 101. AND AS SOON AS WE CROSS THAT BRIDGE, WE HAD TO [INDISCERNIBLE] WITH THE AIRPORT IN THE LA BASIN. SO TO THAT, TO ASK FOR US WHO DO THIS FOR A LIVING WE RESPECT THE OPERATOR AND ALONG THE LINES. IF THAT IF

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WE CAN PASS ON ONE LESSON LEARNED IS THAT RESPECT TO THE OPERATOR, BRING THEM ON BOARD FROM THE GET GOING. RIGHT CARL?

CARL HOLMES: EXACTLY. AND THAT'S IN THE PROCUREMENT PROCESS AS WELL, IT'S NOT JUST WAITING FOR THE FACILITY TO BE BUILT AND TO START WITH THE TESTING AND COMMISSIONING, IT'S BEING INVOLVED ALONG THE WAY SO THAT WE CAN REDUCE ON THE DURATION OF TIME FOR THE TESTING AND COMMISSION. AND THAT'S REALLY INCREASES THE CREDIBILITY OF BOTH AGENCIES AS WELL AS THE PROJECT.

TAKIS SALPEAS: ANY QUESTIONS? I DON'T THINK WE HAVE MORE SLIDES.

ANDREW FREMIER: THANK YOU. I THINK WE'LL DO QUESTIONS AT THE END. LOOKING AT THE CHAIR.

ALFREDO PEDROZA, CHAIR: SURE. NON-VERBAL.

ANDREW FREMIER: THE NEXT PROJECT IS GOING TO BE PRESENTED BY STEVE HEMINGER. STEVE IS THE FORMER DEPUTY EXECUTIVE DIRECTOR OF MTC AND THE CURRENT SAN FRANCISCO MTA BOARD MEMBER AS WELL AS THE CHAIR FOR THE BOARD OF CALTRAIN. AS YOU MAY RECALL STEVE MANAGED THE SEISMIC PROGRAM FOR BATA AND THE ENTIRE -- FOR THE ENTIRE PROGRAM, WHILE NAVIGATING SEVERAL CHANGES IN

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LEADERSHIP AT THE CALIFORNIA TRANSPORTATION COMMISSION AND CALTRANS, WHICH IS ACTUALLY A VERY IMPORTANT CONSIDERATION IN MAJOR PROJECT DELIVERY IS THE CHANGING OF PERSONNEL. HE'LL BE PRESENTING ON THE DELIVERY OF THE EAST SPAN OF THE SAN FRANCISCO EAST OAKLAND BRIDGE. MR. HEMINGER.

STEVE HEMINGER: LONG TIME NO SEE. I DON'T HAVE A GRAPHIC DEPARTMENT ANYMORE SO A BROUGHT ALONG A PICTURE THAT THEY GAVE TO ME. WHEN ALIX CALLED ME ABOUT APPEARING IN A WORKSHOP ON PROJECT DELIVERY, I THOUGHT I MIGHT NEED TO BRING A PRIEST OR A LAWYER. I BROUGHT ENGINEER ONE BUT I'M HERE TO CONFESS ANYWAY THEY HAVE PERPETRATED A MEGA PROJECT. AND THAT IS THE SAN FRANCISCO OAKLAND BAY BRIDGE'S NEW EAST SPAN AND BY THE WAY IT'S NOT SO NEW ANYMORE IT'S GOING TO BE TEN YEARS OLD NEXT YEAR. SO, COMMISSIONER SPERING, PREPARE FOR HOT FLASHES. HERE THEY COME. I DO WANT TO CONVEY WHAT I THINK ARE THREE SYSTEMIC LESSONS FROM THAT EXPERIENCE. BUT FIRST I WANT TO GIVE YOU A COUPLE OF CAVEATS ABOUT THE UNIQUENESS OF THE PROJECT. BECAUSE I THINK IT IS IMPORTANT TO DRAW A DISTINCTION BETWEEN COMPLEXITY AND MALFEASANCE. A LOT OF THE THINGS WE BUILDS IN THE BAY AREA ARE INCREDIBLY COMPLEX. MOSTLY BECAUSE THE EXPECTATIONS THAT OUR PUBLIC HAVE IS THAT YOU'RE GOING TO REPLACE THE BAY BRIDGE AND IT WILL NEVER BE CLOSED FOR CONSTRUCTION. AND, YOU KNOW, WHERE I GREW UP IN OHIO AND MICHIGAN, YOU KNOW, THE STATE DEPARTMENT OF TRANSPORTATION

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WOULD THINK NOTHING OF SHUTTING DOWN THE INTERSTATE ALL SUMMER LONG. BECAUSE THAT WAS THEIR CONSTRUCTION SEASON. SO WE HAVE A VERY HIGH-LEVEL OF EXPECTATIONS HERE ABOUT HOW WE WILL BUILD PROJECTS. AND JUST TO REMIND YOU OF THIS PICTURE, AND TWO, IN PARTICULAR, COMPLEXITIES OF THIS PROJECT, YOU WILL SEE THAT STRETCH IN WATER BETWEEN THE SKYWAY AT THE TOP OF THE PICTURE AND THE I WOULD AT THE BOTTOM, THAT'S FALSE WORK. BECAUSE UNLIKE A TRADITIONAL SUSPENSION BRIDGE, OUR SELF ANCHORED SUSPENSION BRIDGE REQUIRED FALSE WORK FIRST AND THEN YOU BUILD THE BRIDGE ON TOP OF IT, AND THEN YOU ATTACHED IT TO THE CABLE, BECAUSE IT WAS SELF ANCHORING. IT ANCHORED TO ITSELF. SO ALL OF THAT FALSE WORK WAS NECESSARY, BUT VERY UNUSUAL IN A PROJECT LIKE THAT. THE BIGGER DEAL WAS GETTING BACK TO THIS QUESTION OF EXPECTATIONS. YOU CAN SEE THAT WE'RE IN THE MIDDLE OF AN OPERATION HERE ON THIS SLIDE WHERE WE'RE MOVING A PIECE OF THE OLD BRIDGE AWAY TO PUT A NEW PIECE OF THE BRIDGE IN ITS PLACE. SO, ESSENTIALLY, WE HAD TO BUILD A BRAND-NEW BRIDGE THAT MET SEISMIC STANDARDS IN ORDER TO GET TRAFFIC ON TO THAT DETOUR SO THAT WE COULD PLUG THE NEW BRIDGE INTO THE OLD TUNNEL. AGAIN, A PIECE OF COMPLEXITY THAT YOU'RE NOT GOING TO SEE IN A DIFFERENT KIND OF PROJECT. BUT IT WAS REQUIRED. WE ACTUALLY STUDIED FOR A WHILE WHETHER OR NOT WE COULD SHUT THE BRIDGE. AND JUST GO, YOU KNOW, HELL FOR LEATHER ON GETTING THE THING BUILT AND WE NEVER GOT IT BELOW A YEAR. AND WE JUST DIDN'T THINK THE PUBLIC WOULD TOLERATE A YEAR. SO WE DIDN'T DO

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IT. AND THAT COST US SOME MONEY. BACK TO THE LESSONS. THE FIRST ONE I WOULD LABEL "BEWARE THE UNKNOWN UNKNOWNS." AND I THINK YOU'RE ALL PROBABLY FAMILIAR WITH THE FACT THAT DONALD RUMSFELD COINED THAT PHRASE, AND I THINK WHAT IT MEANS IS WHAT YOU DON'T KNOW YOU DON'T KNOW THAT KILLS YOU AND THERE ARE A LOT OF MOMENTS LIKE THAT ON MEGA PROJECTS AND THERE WERE A LOT OF MOMENTS LIKE THIS ONE. WHAT YOU DON'T KNOW THAT YOU DON'T KNOW IT. ANOTHER WAY OF LOOKING AT IT, TO ME, IS TO SHOW SOME HUMILITY. YOU KNOW, SOME OF MY BEST FRIENDS ARE ENGINEERS, BUT THEY'RE NOT EXACTLY KNOWN FOR BEING HUMBLE. AND THEY WILL TEND TO WANT TO BRING YOU A PROBLEM AFTER THEY HAVE SOLVED IT ALREADY. WHICH IS NOT ALWAYS THE HEALTHIEST THING TO INTERACT WITH. THE BEST EXAMPLE I HAVE HEARD OF DOING IT THE RIGHT WAY WAS THE APOLLO SPACE PROGRAM WHICH CAME IN UNDER BUDGET WHICH IS IMPOSSIBLE TO BELIEVE. HOW DID THEY DO IT? THEY HAD A 40% UNCOMMITTED CONTINGENCY WHEN THEY STARTED. WHY DID THEY DO THAT? BECAUSE NO ONE HAD LANDED ON THE MOON BEFORE. AND SO THEY HAD THE PROPER AMOUNT OF HUMILITY THAT THEY WERE GOING TO FIND OUT A LOT OF THINGS THAT THEY DIDN'T KNOW THEY DIDN'T KNOW, IS THAT I WANTED TO RESERVE ADEQUATE FUNDING TO COVER. NOW, IT'S TOUGH TO COME INTO YOUR BOSS OR YOUR BOARD MEETING OR WHATEVER IT IS AND SAY, HEY, YOU KNOW, WE HAVE GOT A CONTINGENCY THAT'S LONGER THAN YOUR ARM. BUT, IT SERVED THEM WELL, AND EVENTUALLY, ON THE BAY BRIDGE IT SERVED US WELL. I THINK SOME OF YOU ARE SORELY FAMILIAR WITH THE FOLLOWING

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FACTS. THE BAY BRIDGE EAST SPAN HAD FOUR COST OVERRUNS EACH OF THEM WERE WORTH BILLIONS. FINALLY WITH THE LAST FUNDING FIASCO IN 2,000 FAVOR WE INSISTED BATA ON A $1 BILLION UNCOMMITTED CONTINGENCY. WE SHOULD HAVE HAD SOMETHING, PROBABLY LARGER, TO START THE PROJECT, BUT WE AT LEAST WERE ABLE TO STAUNCH THE BLEEDING. WE SPENT ALMOST ALL OF THAT CONTINGENCY, BY THE WAY, BUT WE STUCK TO THE SAME 2005 BUDGET THROUGH EIGHT YEARS OF HEAVY OVER CONSTRUCTION. SO, I THINK THAT'S THE LESSON WE LEARNED. AND I WOULD ENCOURAGE YOU TO LEARN IT FOR ANY PROJECT. AND, CONVENTIONALLY WE DEFINED A MEGA PROJECT AS ANYTHING MORE THAN A BILLION. WE HARDLY BUILD ANYTHING MORE IN THE BAY AREA THIS'S LESS THAN A BILLION DOLLARS, IT SEEMS. THE SECOND ONE, THE TITLE IS A LITTLE HOMIER, AND THAT IS, "DID YOU FINISH THAT KITCHEN REMODEL ON TIME?" CONSTRUCTION ALWAYS TAKES YOU LONGER THAN YOU THINK. WE'RE SITTING IN AN EXAMPLE OF THAT, BY THE WAY. AND I USED TO JOSH WITH ANDY THAT HE WAS LATE BUT ALWAYS WORTH THE WAIT. AND, I THINK THAT'S CERTAINLY TRUE WITH THIS PROJECT. BUT, HOW LATE YOU'RE GOING TO BE HAS A MATERIAL EFFECT, NOT ONLY IN HOW LONG IT'S GOING TO TAKE TO YOU BUILD THE PROJECTS BUT WHETHER YOU'RE GOING TO RUN INTO STUFF THAT YOU SHOULD HAVE BEEN DONE BY NOW AND YOU WEREN'T EXPECTING OR THE FACT THAT TIME IS MONEY. RIGHT? SO IF YOU ARE LATE, IT'S GOING ON COST YOU MORE. MY GOOD FRIEND JOHN PICARI WHO WORKED FOR THE OBAMA ADMINISTRATION, HE OFTEN LIKENED MEGA PROJECT CONSTRUCTION TO A SERIES OF NEAR DEATH EXPERIENCES.

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AND I THINK THAT IS ABOUT RIGHT. AND WE HAD HIM ON THIS JOB. THE FIRST SCHEDULE WE GOT FROM CALTRANS ON THIS PROJECT WAS THAT THEY WOULD BE FINISHED IN 2007. GUESS WHAT? IT TOOK US SIX MORE YEARS. AND THAT'S SIX YEARS WORTH OF ESCALATION. BY THE WAY IT WAS AT A TIME WHEN STEEL PRICES WORLDWIDE WERE GANGBUSTERS. SO WE WERE COMPETING IN THAT MARKET FOR ALL THE STEEL THAT WE NEEDED AS WELL. SOME OF THAT DELAY, TO BE CANDID WAS CAUSED BY A CERTAIN MAYOR AND A CERTAIN GOVERNOR. BUT WHY DIDN'T WE SEE THAT COMING? PETE WILSON DID, IF YOU REMEMBER. HE WAS THE GOVERNOR WHO DECIDED TO BUILD A NEW BRIDGE INSTEAD OF PATCH UP THE OLD ONE. BUT WE HEMMED AND HAWED ON THAT DECISION FOR SEVERAL MONTHS BECAUSE HE WAS WORRIED THAT IF HE GAVE THE BAY AREA THE CHANCE TO GO THROUGH A DESIGN PROCESS WE WOULD GAB UNTIL THE COWS CAME HOME. I THINK HE WAS ABSOLUTELY RIGHT AND MADE THE RIGHT DECISION BECAUSE IF YOU REMEMBER DURING CONSTRUCTION THE OLD BRIDGE STARTED POPPING APART AND BARS STARTED FALLING PART AND THAT WAS THE ONE WE WERE GOING TO PATCH AND MAKE LAST FOR YEARS. I THINK WE MADE THE RIGHT DECISION AND WORRIED ABOUT THE RIGHT THING WHICH IS ESCALATION COULD KILL US. SO WHAT I WOULD LIKE YOU TO DO IF NOTHING ELSE THAT YOU REMEMBER FROM THIS PRESENTATION IS REMEMBER THREE WORDS. AND I THINK THEY'RE A LITTLE BIT MAGICAL WHEN IT COMES TO CONSTRUCTION AND PROJECT DELIVERY. ONE IS "CONTINGENCY" WHICH YOU HAVE ALREADY HEARD ABOUT AND THE SECOND WHICH I JUST MENTIONED IS "ESCALATION" AND IF YOUR PROJECT BUDGET DOES NOT

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HAVE ADEQUATE AMOUNTS TO COVER BOTH OF THOSE WORDS IT'S WORTHLESS. I'M HERE TO TELL YOU IT'S JUST WORTHLESS. THE THIRD POINT I WANT TO MAKE IS ABOUT EXTRA EYES AND THE IMPORTANCE OF EXTRA EYES. AND THE WORD ASSOCIATED WITH THAT, OBVIOUSLY, IS "OVERSIGHT" THE EAST SPAN ITSELF IS REALLY A TALE OF TWO PROJECTS. THE FIRST ERA I WOULD CALL SORT OF CALTRANS HOME ALONE AND THE SECOND ONE WAS THE TOLL BRIDGE PROGRAM OVERSIGHT COMMITTEE THAT WAS CREATED BY STAKE LAW TO REMEDY THAT PROBLEM." THE CONTRAST REALLY IS STARK. THE FIRST ERA RACKED UP A SIX-YEAR DELAY IN A $5 BILLION OVERRUN. AND THE SECOND HALF WAS ON BUDGET, INCLUDING THAT $1 BILLION CONTINGENCY, AND ON THE SCHEDULE THAT WE SHOWED THE LEGISLATURE WHEN THE DEAL WAS CUT IN 2005. SO, WE HELD THE LINE ON SCHEDULE, AND WE HELD THE LINE ON COST. INSTEAD OF HIDING PROBLEMS, THAT OVERSIGHT COMMITTEE DAY LIGHTED IN MANAGING THEM. INSTEAD OF ALWAYS HOLDING THE LINE ON COST, WE ALSO, SOMETIMES, SPENT MORE MONEY TO SAVE TIME. ONE OF OUR GREATEST CHALLENGES ON THAT PROJECT -- I KNOW COMMISSIONER SPERING WILL REMEMBER THIS -- IS WE HAD TO KEEP REMINDING PEOPLE THAT THIS WAS A SAFETY PROJECT. WE DIDN'T KNOW WHEN THE EARTHQUAKE WAS GOING TO HAPPEN. WE WERE RACING TO THAT DATES. AND GOD BLESS US, WE MADE IT AND GOT THE NEW BRIDGE OPENED BEFORE THE EARTHQUAKE, BUT THERE WAS NO CERTAINTY OF THAT GOING INTO IT. AND WE CONSTANTLY HAD TO FIGHT THAT BATTLE. THIS PROJECT MANAGEMENT INNOVATION IS BEING COPIED, AND I THINK YOU HAVE HEARD ABOUT THAT TODAY ABOUT THE

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DOWNTOWN CALTRAIN EXTENSION, DTX. BUT, I'LL TELL YOU, I THINK IT'S EASIER TO HAVE THREE PARTNERS INSTEAD OF A HALF DOZEN OR MORE. AND I DO WORRY ABOUT SOME OF THE COMPLEXITY THAT HAS MIGRATED TO THE OVERSIGHT PROCESS BECAUSE IF YOU HAVE TOO MANY OVERSEERS THEY'RE GOING TO START TRIPPING OVER EACH OTHER AND GIVE YOU DIFFERENT ANSWERS ABOUT WHAT YOU WANT TO WORRY ABOUT. THE BRIDGE OVERSIGHT COMMITTEE WAS TWO AGENCIES THE CALIFORNIA TRANSPORTATION COMMISSION WAS THERE TO BREAK TIES. BUT IT WAS REALLY THE BANKER AND THE BUILDER WHO WERE IN A BIT A STRUGGLE TO GET THE PROJECT MOVING AND TO GET IT ACROSS THE FINISH LINE. THE FOURTH THING I WANT TO SAY IS ON SUBJECT, BUT, ALSO OFF. SO, LET ME APOLOGIZE FOR THAT. AND I'LL SAY THAT THIS IS A SPECIAL WORD FOR MY FELLOW BOARD MEMBERS. YOU KNOW, I USED TO JOKE HERE THAT MTC'S SUCCESS WAS DUE TO BEING STAFF DRIVEN. AND SINCE I'M A BOARD MEMBER NOW YOU MAY EXPECT ME TO HAVE CHANGED MY TUNE, BUT I HAVE NOT. I WILL SAY, THOUGH, THAT TO BE EFFECTIVE AND CREDIBLE, STAFF OWES THEIR BOARD MEMBERS A SOLID PLAN ON THE THREE KEY INGREDIENTS I HAVE MENTIONED, OVERSIGHT, CONTINGENCY, AND ESCALATION. FOR EXAMPLE, THE CENTRAL SUBWAY, WHICH I HAVE SOME FAMILIARITY WITH NOW, AS A MEMBER OF THE SFMTA BOARD, BEGAN CONSTRUCTION WITH LESS THAN A 10% CONTINGENCY. THEY WERE DOOMED TO FAIL AND THEY DID. AFTER ALL WHAT COULD GO WRONG TUNNELLING UNDER SAN FRANCISCO, RIGHT. OR AS MAYOR LICCARDO WILL SUDDENLY FIND OUT TUNNELLING UNDER SAN JOSE. I THINK THE STAFF ALSO OWES THE BOARD MEMBERS AND

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THE PUBLIC THE OPPORTUNITY TO DO MOST OF THIS OVERSIGHT WORK IN THE OPEN AND NOT IN CLOSED SESSION. THIS HAS BEEN A REAL SOURCE OF FRUSTRATION TO ME ON BOTH THE CENTRAL SUBWAY AND THE CALTRAIN ELECTRIFICATION PROJECT, BECAUSE IN BOTH CASES, WE SORT OF SPENT THE WHOLE DARN TIME IN CLOSED SESSION BECAUSE SOMEONE WAS WORRIED ABOUT SOMEBODY ELSE SUING THEM. AND I THINK THAT OVERSTATES THE PROBLEM. YOU KNOW, I KNOW THERE ARE WORRIES ABOUT PLAYING POKER WITH THE CONTRACTOR, WITH THE AGENCIES CARDS FACE-UP, BUT I DO THINK IT'S OVERRATED, AND I THINK ANDY HELPED TEACH ME THIS LESSON. THE CONTRACTOR USUALLY KNOWS MORE ABOUT CONTRACT COST AND PROVISIONS THAN THE PUBLIC AGENCY DOES, BECAUSE THEY ARE PLAYING THE GAME WITH THEIR OWN MONEY. THE PUBLIC AGENCY STAFF IS PLAYING WITH HOUSE MONEY. AND THERE IS NOTHING THAT S MOTIVATES YOU KNOW THAN KNOWING WHETHER YOUR PAYCHECK IS COMING IF YOU DELIVER THE PROJECT LONG. WE HAVE GOT SOME SYMMETRY IN THE INCENTIVES MAKING THEIR WAY THROUGH THE SYSTEM THAT WE NEED TO DEAL W I ALSO WANT TO KNOCK DOWN THE SENSE THAT I HAVE HEARD FROM SOME PEOPLE AND IT'S SORT OF LIKE DUMBING DOWN EXPECTATION MISS THE CASE OF THOSE TWO PROJECTS THE CENTRAL SUBWAY AND ELECTRIFYING CALTRAIN THEY EACH HAD ONLY A 20% -- ONLY -- A 20% OVERRUN, WELL, WHEN YOUR PROJECTS COST A BILLION OR $2 BILLION, THAT'S 200 TO 400 MILLION BUCKS. AND WE ARE LUCKY AS CAN BE TO LIVE IN THE BAY AREA WHERE OUR VOTERS ARE SO GENEROUS WITH THEIR MONEY IN PAYING FOR THESE PROJECTS, BUT IN A WAY THEY'RE

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ALMOST TWO GENEROUS BECAUSE WE COULD ALWAYS FIND A WAY, WE HAVE ALWAYS FOUND A WAY WHEN A PROJECT IS IN EXTREME US AND IS IN NEED OF MONEY THAT ISN'T DONE YET TO RIDE TO THE RESCUE. THE DISCUSSION YOU WERE HAVING EARLIER THE ROLE OF BANGER PRIMARILY BANKERS CAN HAVE A PRETTY IMPORTANT ROLE IN ANYTHING THEY DO BECAUSE USUALLY THE PERSON THEY'RE DEALING WITH NEED THEIR MONEY. SO I WOULD ENCOURAGE YOU TO ENGAGE YOURSELF IN THAT QUESTION IN EARNEST, BECAUSE I THINK THE TRACK RECORD WE HAVE IN THE BAY AREA, NOT JUST ON THE BAY BRIDGE, AT LEAST OF THE FIRST HALF OF IT, IS NOTHING TO WRITE HOME ABOUT. AND I LOOK FORWARD TO YOUR DISCUSSION LATER TODAY.

ANDREW FREMIER: OUR LAST PRESENTATION IS FROM ETHAN ELKINS DIRECTOR OF CLIMATE PROGRAM BERKELEY LAW CENTER FOR LAW ENERGY AND ENVIRONMENT AND HE'S GOING TO PRESENT ON THE POLICY SOLUTIONS TO IMPROVE RAIL PROJECTS. WELCOME.

ALFREDO PEDROZA, CHAIR: YOU HAVE GOT TO HIT THE BUTTON.

SPEAKER: IT'S LIKE THE EQUIVALENT OF THE MUTE BUTTON IT'S WEIRD TO BE AWAY FROM MY COMPUTER SCREEN GOOD TO BE IN PERSON TO TALK ABOUT THIS SUBJECT. ONE OF MY FAVORITE PROJECTS BECAUSE IT'S CRITICAL FOR MOBILITY AND QUALITY OF LIFE AND CLIMATE. MY WORK IN THE METRORAIL PROGRAM AND POLITICS AND INTERESTING MISHAPS AND ET CREATIVE THINGS THAT HAPPENED IN

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GETTING THAT SYSTEM BUILT RECENTLY WE RELEASED A REPORT, WITH CENTER FOR LAW ENERGY AND ENVIRONMENT AND COAUTHORED, WE RELEASED A REPORT CALLED GETTING BACK ON TRACK LOOKING AT FIVE CASE STUDY HERE IN CALIFORNIA. CALIFORNIA IS IN LINE WITH THE REST OF THE UNITED STATES IN BEING PRETTY BAD AT BUILDING MEGA PROJECTS I SAY BAD BECAUSE OUR COSTS ARE TWICE AS MUCH AS WE SEE FROM PEER COUNTRIES, EUROPE, CANADA, AUSTRALIA ET CETERA IN TERMS OF GETTING THESE PROJECTS BUILT WE'RE ALSO WERE SLOWER AT BUILDING THEM THIS IS NOT TO POINT FINGERS AT ANY ONE PARTICULAR PERSON MY SORT OF TWO THEORYS ON THIS AS BORNE OUT IN THE RESEARCH WE HAVE DONE IS THE KEY FACTORS HERE IS WE DON'T BUILD A LOT OF RAIL TRANSIT PROJECTS SO WE DON'T HAVE THAT SAME BUILT UP EXPERIENCE NATION-WIDE THAT YOU MIGHT SEE IN A NATION THAT IS MORE TYPICALLY BUILDING THESE KINDS OF PROJECTS ON A REGULAR BASIS AND HOW THAT MANIFESTS ITSELF HERE IN THE BAY AREA, AS VICE CHAIR JOSEFOWITZ'S POINTS EARLIER THAT WE HAVE CHALLENGES BUILDING UP THAT EXPERTISE EVEN WITHIN THE BAY AREA AND OUR DIVERSE TRANSIT AGENCIES HERE. I'LL TALK ABOUT THAT IN A MINUTE. THE SECOND POINT I'LL MAKE JUST AS A BROAD CONTEXTUAL POINT IS THAT WE HAVE A VERY CENTRALIZE GOVERNMENT SYSTEM HERE IN CALIFORNIA THAT PROVIDES A LOT OF THESE PROJECTS AND WHEN YOU'RE TRYING TO DESIGN THESE PROJECTS AND GET THEM BUILT WITH A LARGE COMMITTEE ANY POTENTIAL VETO POINT, THAT'S WHEN YOU GET PROJECTS THAT ARE NOT DESIGNED MOST EFFICIENTLY NOT BUILT MOST EFFICIENTLY AND CREATING A LOT OF

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CHALLENGES SPENDING OUR PUBLIC DOLLARS WISELY. JUST A COUPLE OF CONTEXTUAL COMMENTS. I HAVE A SLIDE TO PUT UP ON THE SCREEN. NEXT SLIDE. PERFECT. THIS IS THE COVER OF THE REPORT GETTING BACK ON TRACK IN THE FIVE CASES WE TALK ABOUT SAN FRANCISCO SUBWAY, CENTRAL SUBWAY SAN FRANCISCO TROLLEY, LA PURPLE LINE BART BERRYESSA EXTENSION AND ALSO TALKED ABOUT CALIFORNIA HIGH SPEED RAIL FOR PURPOSES OF THE DISCUSSIONS TODAY I WANT TO FOCUS ON THE SAN DIEGO MID-COAT TROLLEY EXTENSION AND THE SAN FRANCISCO CENTRAL SUBWAY AND B.A.R.T. BERRYESSA EXTENSION. NEXT SLIDE I'LL TALK ABOUT KEY FINDINGS HERE. WE FOUND SOME OF THE KEY THEMES AND RECOMMENDATIONS WERE FIVE FOLD FIRST FOCUSED ON IMPROVING PROCUREMENT CONTRACTING METHODS SECOND WE NEED TO DO ADVANCED AND ONGOING MULTI-AGENCY COORDINATION THAT WAS PARTICULARLY AN ISSUE WITH THE BART BERRYESSA PROJECT AND FIRST-DEGREE MURDER IS MEGA PROJECT MANAGEMENT CAPACITY AND EXPERTISE AND I'LL TALK ABOUT THAT WITH A COUPLE OF THESE PROJECTS AND LAST BUT NOT LEAST PROJECT SCOPE AND DESIGN AND NEED FOR COMPREHENSIVE STAKEHOLDER OUTREACH. I'LL GO THROUGH THE OUTREACH IMPORTANCE, PROCUREMENT CONTRACTING METHOD AND GETTING THESE MEGA PROJECTS DONE RIGHT AND SECONDLY THE OPPORTUNITIES PRESENTED BY MORE COLLABORATION AND MORE CENTRALIZING OF EXPERTISE TO GET THESE PROJECTS DONE SUCCESSFULLY. NEXT SLIDE. I'LL KICK IT OFFER WITH SAN DIEGO IT'S NOT IN OUR JURISDICTION IT'S A NICE PLACE AND WE ALL LOVE SAN DIEGO I'M SURE. THIS IS A PROJECT THAT JUST OPENED AND AS

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YOU CAN SEE IN THE CHART IT MAY BE HARD TO SEE THERE FROM A COST PERSPECTIVE THIS PROJECT DID NOT DO THAT WELL IT CAME IN 2 TO 3 TIMES SORT OF TO YOUR POINT EVER COMPARISON MORE EXPENSIVE THAN IT MIGHT COMPARE TO PEER PROJECTS THAT WE EVALUATED IN CALIFORNIA AND THE U.S. AND PEER NATIONS A BROAD. HOWEVER NOTABLE ABOUT THIS PROJECT IS IT WAS BUILT IN HALF THE TIME THAT WOULD BE EXPECTED COMPARED TO COMPARABLE PROJECTS AND THE REASON IS THAT FOLKS THAT WE TALKED TO IN GETTING THIS PROJECT BUILT CITED WHY THIS WAS ABLE TO BE BUILT QUICKER IS BECAUSE OF THEIR CONTRACTING METHOD THEY USED THE GENERAL CONTRACTOR CONTRACT RISK CMAR METHOD PROCUREMENT WHERE BASICALLY THEY PUT THE RINK ON THE CONTRACTOR TO DELIVER IT WITH A MAXIMUM PRICE. SO I THINK, IN A WAY, THE CHART THAT SHOWS HOW THEY CAME IN AT A PRETTY EXPENSIVE RATE BUT AT A VERY FAST PACE I THINK REALLY SPEAKS TO THE POTENTIAL UPSIDE AND POTENTIAL DOWNSIDE OF USING THIS KIND OF METHOD THAT ON ONE HAND THEY WERE ABLE TO GET FINISHED ON BUDGET AND ON TIME BUT THEY HAD TO LOCK IN A MAXIMAL PRICE THAT A TRADEOFF WHEN YOU WANT TO SHED THE RISK YOU ARE SHEDDING LEVERAGE AND YOU HAVE TO PAY FOR THAT. I WANTED TO POINT THIS OUT BECAUSE THIS IS A GOOD SUCCESS STORY THAT THEY FELT WORKED WELL FOR THEM AND FOR MTC TO ADOPT ANY SORT OF POLICY AROUND MEGA PROJECTS GOING FORWARD JUST BEING AWARE OF THOSE TRADEOFFS THERE IS A BIG UPSIDE OF NOT SHOULDERING THAT RISK OF THINGS GOING ON BUT THEN YOU HAVE THE COST CONTAINMENT QUESTION. BUT THIS METHOD

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CAN WORK SUCCESSFULLY IF YOU HAVE THE RIGHT TEAM IN PLACE AND THE RIGHT NEGOTIATING UP FRONT. NEXT SLIDE, PLEASE. SO JUST SOME QUICK HIGHLIGHTS HERE IN TERMS OF SOME OTHER PROCUREMENT THINGS TO THINK ABOUT IS THIS ACTUALLY COMES OUT OF THE SF CENTRAL SUBWAY PROJECT FIRST BREAKING INTO CONTRACTS. YOU HAVE BREAKING DOWN INTO SMALLER PIECES, THE CENTRAL SUBWAY TUNNELLING WAS ON TIME AND ON BUDGET WHAT WENT OVER WERE THE STATION CONTRACTS AND RATHER THAN HAVING ONE CONTRACTOR TO DO ALL THAT WORK YOU BREAK UP SOME OF THAT WORK AND POTENTIALLY YOU DON'T LOSE LEVERAGE OVER THE CONTRACTORS. BUT I HAVE A COUPLE OF OTHER POINTS IN HERE TOO ABOUT MANAGEMENT CONSIDERING ADVANCED UTILITY REMOVAL CONTRACTS MANY OF THE PROJECTS WE LOOKED AT IT'S THE UTILITY RELOCATION THAT GUMMED UP THE WORKS, THE CMGC CMAR APPROACH AND STATE LEGISLATION AUTHORIZING THE APPROACH FOR AGENCIES. SAN FRANCISCO CENTRAL SUBWAY YOU CAN SEE FROM OUR COST COMPARISON AND TIMELINE COMPARISON ACTUALLY NOT TOO BAD ON COST COMPARED TO THE U.S. AS A WHOLE ALTHOUGH PRETTY BAD COMPARED TO A SIMILARLY SITUATED PROJECT OF THAT LENGTH AND MODE AND TECHNOLOGY TO OUR INTERNATIONAL PEERS IN TERMS OF THE TIME OF CONSTRUCTION THOUGH OBVIOUSLY MAJOR DELAYS THERE AND AGAIN I THINK THE KEY POINT IS THAT YOU LOST LEVERAGE OVER THE CONTRACTORS, COULD HAVE BROKEN THINGS UP INTO SMALLER PIECES WHICH MIGHT HAVE HELPED BUT I ALSO THINK THERE WAS AGENCY EXPERTISE QUESTION HERE IN THE BAY AREA WE HAVE SO MANY DIFFERENT TRANSIT

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AGENCIES OPERATING IN LITTLE AREAS WHETHER BART VTA, SFMTA IN THIS CASE IT BECOMES HARD OVER TIME ONE RECOMMENDATION TO PURSUE IS THE IDEA OF HAVING A BAY AREA WIDE IF NOT A STATEWIDE ENTITY THAT CAN HOUSE THAT EXPERTISE ON AN ONGOING BASIS SO THAT EVERY TIME AN AGENCY HAS TO FOR THE FIRST TIME EMBARK ON BUILDING A NEW RAIL TRANSIT PROJECT THEY HAVE A STABLE EVER EXPERTS OF THE PUBLIC SECTOR SIDE THAT CAN ESSENTIALLY TAKE ON A LOT OF THE MANAGEMENT AND NEGOTIATION RESPONSIBILITIES. AND MAYBE AS ONE KIND OF MINI EXAMPLE OF THIS, IN LA COUNTY WHEN THEY FIRST STARTED BUILDING RAIL THEY HAD A LOT OF THE SAME CHALLENGES THAT WE HAVE SEEN THE MEGA PROJECTS HERE IN THE BAY AREA, AND AS THE DECADES WENT BY BECAUSE THEY STARTED BUILDING RAIL DOWN THERE IN THE 1980s AS DECADES WENT BY AND THEY STARTED HAVING RELIABLE FUNDING STREAMS THE AGENCY HAS BUILT UP A GOOD BENCH OF PEOPLE TO GET THESE PROJECTS DONE I'M NOT SAYING LA HAS FIGURED THIS ALL OUT BUT I THINK THIS'S DEFINITELY ONE OF THE ADVANTAGES THEY HAVE, IS HAVING THAT STAFF THAT HAS THAT INSTITUTIONAL MEMORY AND EXPERTISE. THAT'S DEFINITELY A POINT THAT SAN FRANCISCO SUBWAY IS POTENTIALLY AN EXAMPLE OF THAT. NEXT SLIDE PLEASE. BART BERRYESSA EXTENSION WE HEARD FROM MY COPANELIST ABOUT VTA AND BART WORKING TOGETHER ON THAT AND A COUPLE OF POINTS TO OBSERVE ABOUT THIS PROJECT ONE BECAUSE IT WAS BROKEN INTO TWO PARTS ESSENTIALLY WHAT WE HAVE SEEN ON THE FIRST PART WHICH GENERALLY PERFORMS WELL BY OUR METRICS IN TERMS OF COST AND

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TIMING IS THEY HAVE KIND OF BUILT THE EASY PART FIRST THIS IS THE PART IN THE EXISTING RIGHT OF WAY NOT GETTING INTO THE DENSE URBAN PART OF DOWNTOWN SAN JOSE AS A RESULT THEY HAVE BEEN ABLE TO SEE SUCCESSES AND I THINK IT'S GOING TO BE MORE OF AN OPEN QUESTIONS OF THE NEXT DIFFICULT PHASE ABOUT GOING THROUGH THE URBAN CENTER OF DOWNTOWN SAN JOSE. BUT THERE OBVIOUSLY WAS A REAL CHALLENGE AT THE END IN TERMS OF TESTING THE SYSTEMS AND COORDINATING AMONG THE AGENCIES INVOLVED, AND IS AGAIN, IS HAVING BAY AREA WIDE OR STATEWIDE BENCH OF EXPERTS TO COME IN AND POTENTIAL TAKE ON SOME OF THIS ROLE, AND NOT HAVE THE AGENCIES FIGURE THIS OUT BY THEMSELVES OR ARBITRATE SOME OF THE DISPUTES THAT MIGHT ARISE BETWEEN THE AGENCIES INVOLVED. SO JUST SOME OF THE TAKE HOME POINTS THAT WE TOOK FROM THIS BART BERRYESSA EXTENSION CASE STUDY. NEXT SLIDE PLEASE. SO I THINK REGIONAL COLLABORATIVES WITH PERMANENT EXPERTISE, WHEN YOU HAVE CAPACITY ALIGNED WITH THE SCALE OF THE PROJECT, AND STATEWIDE REGIONAL MEGA PROJECT DELIVERY TEAMS, I THINK, PARTICULARLY FOR MTC HERE, I THINK THAT KIND OF APPROACH WOULD MAKE A LOT OF SENSE FOR THE BAY AREA JUST GIVEN HOW THIEFDOMS AND FUTILE AREAS WE HAVE AROUND THE REGION HERE, AND HOW MANY DIFFERENT AGENCIES WE HAVE, I THINK THAT'S ONE ROLE THAT MTC CAN PLAY IN ADDRESSING THAT SORT OF FIRST PART OF THE BROADER INTERNATIONAL CHALLENGES IN TERMS WE DON'T BUILD A LOT OF RAIL THAT'S WHERE WE COULD DO A BETTER JOB WITH THE EXPERTISE WE DO HAVE AND THE SECOND THING

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AROUND INFRASTRUCTURE IT'S NOT SOMETHING WITHIN MTC'S WHEELHOUSE WE HAVE A LOT OF LOCAL GOVERNMENTS COUNTIES THE BAY AREA IS CHOPPED UP AND LOCAL POWER CENTERS THAT HAVE TO BE DETAIL WITH THERE IS PURCHASING POWER DECISION-MAKING POWER TO TRY TO CENTRALIZE MORE OF THE PERMITTING FOR EXAMPLE, MORE OF THE DECISION-MAKING THAT WILL HELP ADDRESS THE OTHER BIG CHALLENGES WE HAVE NOT JUST HERE IN THE BAY AREA OR CALIFORNIA BUT NATION-WIDE IN TRYING TO BUILD THESE REALLY IMPORTANT MEGA PROJECTS. NEXT SLIDE. SO YOU CAN FIND MORE INFORMATION ON THE -- ON THIS SUBJECT, ON THE WORK THAT WE HAVE DONE ON IT AT OUR WEB SITE UP THERE, AND I LOOK FORWARD TO THE QUESTION AND ANSWER SESSION IF THERE ARE ANY QUESTIONS. AND MY COLLEAGUE WILL BE AVAILABLE TO ANSWER QUESTIONS AS WELL. THANK YOU.

ALFREDO PEDROZA, CHAIR: I BELIEVE THAT CONCLUDES OUR SPEAKERS. CORRECT? ALL RIGHT. SO, COMMISSIONERS, WE ARE GOING TO HAVE A FACILITATED DISCUSSION WITH KATE WHITE IN A SECOND OR IN A FEW MINUTES BUT BEFORE WE DO THAT I WANT TO SEE IF WE HAVE INITIAL QUESTIONS FOR ANY OF OUR PRESENTERS? COMMISSIONER PAPAN?

GINA PAPAN: THANK YOU EVERYONE FOR ALL THE PRESENTATIONS HERE. ONE THING I WANT TO POINT OUT, AND I THINK IT WAS EMPHASIZED IS REALLY OVERSIGHT. AND I THINK WE NEED TO ADD IN ACCOUNTABILITY. ONE SPEAKER MENTIONED, YOU KNOW, REALLY, IF SOMETHING GOES WRONG WE'RE UP -- EVERYBODY KNOWS AND WE'RE

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DEALING WITH IT. THE -- I'M TRYING TO BE PRODUCTIVE HERE. HAVING SEEN SOME BART AGREEMENTS AS TO OPERATIONS, DO NOT ALWAYS CONTINUE ON, OR DON'T -- THEY'RE NOT MAINTAINED THROUGHOUT DELIVERY AND THINGS LIKE THIS. SO WHEN WE'RE DOING MEGA PROJECTS, AND WE PUT ALL THESE THINGS ON THE TABLE HERE, IT SEEMS LIKE OBLIGATIONS ARE ONGOING. AND THEY NEED TO BE ONGOING IN ORDER TO MAKE THE WHOLE SYSTEM WORK. SO I WAS VERY INTERESTED IN THE AGREEMENT, AS FAR AS THE EAST BAY AND GOING INTO SAN JOSE HERE. THAT'S BEAUTIFUL, BUT I CAN SHOW YOU AGREEMENTS THAT ARE NOT BEING MAINTAINED HERE. SO, I JUST WANT TO POINT OUT IF WE'RE GOING TO DO MEGA PROJECTS, AND WE STILL HAVE MEGA PROJECTS TO DO, THREE STATIONS WITH HIGH SPEED RAIL, DIRIDON, MILLBRAE AND SAN FRANCISCO HERE, THESE OBLIGATIONS AND THE UNDERSTANDINGS NEED TO BE CONSISTENT THROUGHOUT IN ORDER TO MAKE THEM SUCCESSFUL. SO I'M HOPING THAT WE CAN SOMEHOW FIGURE OUT WHERE THE OVERSIGHT IS. I KNOW THE VTA WAS MENTIONED AS OVERSIGHT. IT'S IMPORTANT IN ORDER FOR US TO BE VERY PRODUCT YOU MOVING FORWARD HERE. SO I'M HOPING WE CAN INCLUDE SOME OF THAT IN OUR DISCUSSION. THANK YOU

ALFREDO PEDROZA, CHAIR: THANK YOU, COMMISSIONER PAPAN. JUST A QUESTION FOR STEVE. YOU KNOW, STEVE, WHEN YOU TALKED ABOUT OVERSIGHT, I STARTED THINKING ABOUT HOW DO YOU MATCH THAT WITH THE UNKNOWN OF THE UNKNOWN AND WHEN YOU DO IT AND WHO DETERMINES THAT. IN PUTTING ALL THAT TOGETHER AS YOU WERE

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SAYING THAT, AND LOOKING AT THAT BRIDGE I'M THINKING WHO WAS DETERMINING, AND I WAS THINKING HAD YOU DONE THAT BEFORE AND AT WHAT JUNCTURE WOULD YOU WANT TO DO THAT?

STEVE HEMINGER: AT THE BEGINNING. AND LET ME GIVE YOU CONTRAST BECAUSE AS I MENTIONED IN MY TESTIMONY, THE BAY BRIDGE WE REALLY ONLY GOT IT HALF RIGHT WE HAD GRUNTED THROUGH THE WORST OF THE WORST BEFORE WE GOT TO 2005 AND GOT AN OVERSIGHT STRUCTURE PUT IN PLACE WHAT WE DID AT THE FIRST PART WAS THAT SAME ARRANGEMENT WE APPLIED THAT OVERSIGHT AND PEER REVIEW APPROACH ASKING FOR OUTSIDE OPINIONS TO RETROFITTING THE DUMBARTON AND ANTIOCH BRIDGES. YOU MAY REMEMBER THAT THOSE BRIDGES ARE FAIRLY NEW AND THERE WAS SOME THOUGHT THAT WE DIDN'T NEED TO RETROFIT THEM AT ALL WHEN THE STATE WENT THROUGH AND DID ALL OF THE BRIDGES AFTER LOMA PRIETA, BUT THEY TOLD US TO STAY OUT OF THE WATER, DO NOT GET ANYWHERE NEAR THE WATER DO ALL OF THIS ABOVE SO YOU'RE NOT MESSING WITH THE FOUNDATIONS AND OF THE REST OF IT. THAT ADVICE SAVED US HUNDREDS OF MILLIONS OF DOLLARS AND ALL OF THOSE PROJECTS CAME IN UNDER BUDGET AND AHEAD OF SCHEDULE. SO THAT'S A CASE, TO ME, WHERE IF YOU GET IN ON THE GROWN FLOOR AND YOU CHALLENGE, YOU KNOW, INITIAL ASSUMPTIONS ABOUT WHAT A PROJECT IS FOR AND HOW WE COULD GO ABOUT ACHIEVING THAT OBJECTIVE THROUGH SOME ALTERNATE STRATEGY OF RETROFITTING, IN THIS CASE, THAT'S WHERE THE BIG MONEY -- THAT'S WHERE THE BIG GAME RECOMMENDS ROAMS,

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IS HOW WE WOULD PUT IT. IF YOU ARE ACKNOWLEDGE TO THE END AND MOST OF THE TROUBLES, AND THERE ARE LAWSUITS PENDING YOU'RE GOING TO DO DAMAGE REPAIR AND NOT GOING TO GET THE KIND OF SAVINGS YOU CAN GET AND FRANKLY THE KIND OF ACCOUNTABILITY YOU CAN GET IF YOU GET TO IT EARLY AND STICK TO IT.

ALFREDO PEDROZA, CHAIR: I APPRECIATE YOU BRINGING CLARITY AND I LIKE HEARING YOU SPEAK IT CONTINUES TO EMPHASIZE THE NEED FOR OVERSIGHT ON THE FRONT END AND BRING THE EXPERTISE.

STEVE HEMINGER: THE FRONT END, AS ALIX POINTED OUT IS YOUR PLAN THAT'S WHERE YOU START IF YOU WERE TO SLAP ON 20% CONTINGENCY OWE EVERY PLAN AND PROJECT AND SAY THIS IS WHAT THE BAY AREA HAS PERFORMED, AND SO EVERYONE IS GOING TO GET THIS PENALTY UNTIL WE PERFORM BETTER. THEN AT LEAST YOU WOULD HAVE MAYBE A FIGHTING CHANCE I DON'T KNOW WHETHER IT'S TEN OR 20 OR 40 OR WHATEVER THE NUMBER S THAT IS ONE WAY, WITHIN YOUR JURISDICTION FOR YOU TO HAVE, I THINK, A MEANING OF IMPACT ON HOW THOSE PROJECTS ARE EVALUATED, HOW THEY COMPARE AGAINST EACH OTHER AND GIVE YOU A RUNNING START TO DEAL WITH, AT LEAST THE KNOWN KNOWS, BEFORE YOU GET TO DONALD RUMSFELD.

ALFREDO PEDROZA, CHAIR: [LAUGHTER] VICE CHAIR JOSEFOWITZ?

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NICK JOSEFOWITZ: I HAD A SIMILAR QUESTION AND MAYBE YOU COULD TALK ABOUT IT IN THE TRANSIT CONTEXT AS THE BRIDGE CONTEXT WHICH IS YOU TALK ABOUT HIGH EXPECTATIONS IN THE BAY AREA AND SOME OF THOSE ARE PROBABLY GOOD AND SOME OF THOSE ARE PROBABLY TOO HIGH. AND I WAS JUST WONDERING IF YOU COULD KIND OF ELABORATE ON THAT? BECAUSE IF YOU KIND OF ARE GUILT PLATING ALL OF YOUR PROJECTS EVEN IN THE BEST CIRCUMSTANCES YOU'RE GOING TO HAVE TO PAY FOR A LOT OF GOLD AND YOUR EXPERIENCE WITH THAT AND HOW WE THINK WE CAN TRY AND SOLVE THAT BETTER.

STEVE HEMINGER: ONE OF THE BIG PROBLEMS THAT ANY PROJECT HAS IS DEALING WITH THE UNFORESEEN. AND, FRANKLY, IN THE CASE OF THE BAY BRIDGE, DEALING WITH POLITICAL INTERFERENCE. YOU KNOW, I WAS SURPRISED, I FORGET WHO WAS MENTIONING IT IN THE EARLY THING, IT WAS JANNET, I GUESS, THE -- RISK THAT PUBLIC OFFICIALS WILL WANT TO INTERVENE? A PROJECT TO MAKE SURE IT'S DONE FASTER. I WISH WE HAD THOSE PUBLIC OFFICIALS HERE. BECAUSE IT'S ALWAYS THE OTHER WAY. RIGHT, LITERALLY WE HAD A GOVERNOR SCHWARTZENEGGER CAME INTO THE BAY BRIDGE IT WAS UNDER CONSTRUCTION AND DECIDED IT WOULD BE A GOOD IDEA TO REDESIGN AND START OVER. WORTH A COUPLE HUNDRED MILLION DOLLAR OF ESCALATION. WE NEED MORE SELF DISCIPLINED AND RUN A LEGISLATIVE WIDE RANGING PUBLIC INVOLVEMENT PROCESS YOU DON'T SPEND THE NEXT THREE YEARS IN A PROJECT DEVELOPMENT

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RELITIGATING EVERY ISSUE YOU THOUGHT YOU HAD SOLVED. YOU STICK TO YOUR GUNS.

NICK JOSEFOWITZ, V. CHAIR: I WOULD LIKE YOU TO TALK ABOUT -- ON THE BAY BRIDGE -- AND I WASN'T INVOLVED. THANK GOD, I WAS STILL IN HIGH SCHOOL -- ONE OF CRITICISMS IS THAT IT WAS YOU DON'T NEED TO DO A SELF ANCHORED, OR WHATEVER IT'S CALLED, SUSPENSION BRIDGE IN THE FIRST PLACE. IT LOOKS BEAUTIFUL. AND I THINK ONE CAN GO TO MANY OF THE MEGA PROJECTS AROUND THE REGION AND IN HINDSIGHT BE LIKE DID WE REALLY NEED TO BUILD THE WARM SPRINGS STATION THE WAY WE BUILT IT, TERMINAL SEVEN ET CETERA. I'M WONDERING IF YOU COULD SPEAK TO THAT IF THAT'S A REAL PROBLEM AND SPEAK TO THAT FROM YOUR PERSPECTIVE.

STEVE HEMINGER: YOU'RE GETTING BACK TO THE DISTINCTION I WAS TRYING TO DRAW BETWEEN COMPLEXITY AND MALFEASANCE IN THE CASE OF SOME OF THE COMPLEXITY WORK WE HAVE IN THE WORK WE DO IN THE BAY AREA NOT JUST ON OUR HIGHWAY SYSTEM BUT ON THE TRANSIT SYSTEMS AS WELL SOME OF THAT COMPLEXITY IS LEGITIMATE. AND, YOU KNOW, YOU DO NOT WANT TO TAKE LINES OUT OF SERVICE FOR TOO LONG. AND THAT SORT OF THING. I WILL SAY, THOUGH, THAT, ON THE REHABILITATION SIDE, AS AN EXAMPLE, YOU KNOW, MUNI USED TO JUST WAIT UNTIL THEY WERE -- IT WAS KILLING THEM TO DO ANY WORK ON THE RIGHT OF WAY, BECAUSE THEY WOULD HAVE TO SHUT DOWN SERVICE. AND WHAT THEY'RE EVOLVING TO NOW IS A REGULARLY

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SCHEDULED SERVICE WINDOW. I KNOW WASHINGTON METRO HAS STARTED THIS AS WELL WHERE YOU BASICALLY SET-ASIDE THE TIME AND YOU EDUCATE YOUR CUSTOMERS THAT IF YOU WANT THIS THING TO WORK, USUALLY, YOU HAVE GOT TO LET US TAKE IT OFFLINE CONSTANTLY AND REGULARLY, SO WHEN YOU TAKE IT OFFLINE YOU DON'T EXPECT IT SO YOU EXPECT SOME OUTAGES AND EXPECT THE BENEFIT OF BETTER SERVICE AND WE HAVEN'T QUITE MADE THAT DEAL WITH THE BAY AREA BUT I THINK WE HAVE GOT A COUPLE OF OPERATORS WHO ARE TRYING.

ALFREDO PEDROZA, CHAIR: COMMISSIONER SPERING?

JAMES P. SPERING: EITHER ETHAN OR BOTH, TAKE THIS, DO YOU SEE ANY ROLE FOR MTC IN THE DELIVERY OF THESE MEGA PROJECTS WITH THE EXPERIENCE YOU HAVE LOOKING AT THE PROJECTS AND DELIVERING THEM?

SPEAKER: THE QUESTION IS, IS MTC CAPABLE OF DOING THESE KINDS OF PROJECTS.

JAMES P. SPERING: COULD THEY BECOME CAPABLE OR ARE THEY THE RIGHT AGENCY TO DO THIS OVERSIGHT WITH THE VERY ELEMENTS OF THESE PROJECTS YOU'RE TALKING CENTRALIZING EXPERTISE.

SPEAKER: IT WOULD BE REGIONAL, AND IT WOULD BENEFIT HAVING STATE GUIDANCE THERE IS NO NEED FOR MTC TO REINVENT THE WHEEL

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ON OVERSIGHT, WHEN YOU HAVE REGIONS AROUND THE STATE ALSO TRYING TO BUILD MEGA PROJECTS. SO AT THE SAME TIME, MTC COULD TAKE A LEADERSHIP ROLE SHOWING THE STATE HOW IT COULD BE DONE PROPERLY. THAT'S MY THOUGHT ON IT.

JAMES P. SPERING: DID YOU HAVE AN COMMENTS ON THAT?

SPEAKER: WAS THERE A QUESTION?

CLERK OF THE BOARD: IT WAS FOR TAKIS.

JAMES P. SPERING: WHO DO WE HAVE?

ALFREDO PEDROZA, CHAIR: I BELIEVE THE QUESTION WAS FOR --

JAMES P. SPERING: THAT'S FINE.

ALFREDO PEDROZA, CHAIR: LET'S SEE IF TAKIS CAN COME BACK. MAYBE HE IS STILL JOINING US.

ANDREW FREMIER: CHAIR, CARL JUST POPPED UP.

ALFREDO PEDROZA, CHAIR: CARL. GO AHEAD.

TAKIS SALPEAS: I'M HERE.

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ALFREDO PEDROZA, CHAIR: TAKIS, GO AHEAD. WERE YOU ABLE TO HEAR THE QUESTION FROM COMMISSIONER SPERING?

TAKIS SALPEAS: NO.

JAMES P. SPERING: WITH YOUR EXPERIENCE GOING THROUGH THE PROJECT DELIVERY, DO YOU SEE A ROLE MTC COULD PLAY OR COULD HAVE PLAYED IN DELIVERY OF THESE MEGA PROJECTS.

TAKIS SALPEAS: WE STUDIED THAT BACK IN 1993, '94. I BELIEVE THE LEADERS, AT THAT TIME, MAYBE THERESA REMEMBERS, THEY WERE THINKING OF BAY AREA MTA, BECAUSE MY EXPERIENCE SERVES ME IF YOU DON'T HAVE THE OPERATOR WORKING FOR YOU WON'T BE SUCCESSFUL AS ANOTHER OVERSIGHT BODY. BUT IF YOU HAVE THE RAIL OPERATORS, FOR EXAMPLE, WORKING FOR YOU, THEN YOU COULD THINK THAT. THAT IMMEDIATELY MAKES YOU AN LA, MTA, IF YOU ARE WILLING TO GO THERE, THEN YOU HAVE SOME MODEL YOU COULD FOLLOW. THAT'S MY PERSONAL EXPERIENCE.

JAMES P. SPERING: GOOD OBSERVATION.

ALFREDO PEDROZA, CHAIR: THANK YOU. I'M GOING TO GO TO COMMISSIONER AHN, THEN GO TO COMMISSIONERS VIRTUALLY.

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EDDIE AHN: I WANT TO FOCUS ON A THEME BROUGHT UP BY ETHAN, THE NOTION BREAKING DOWN MEGA PROJECTS TO SMALLER CONTRACTS. I FIND INTERESTING AND PARTICULARLY CENTRAL SUBWAY YOU MENTIONED THAT WAS BROKEN DOWN BETWEEN THE STATION AND TUNNELLING AND YOU MENTIONED POSSIBLY BREAKING IT DOWN INTO FURTHER PIECES I WAS WONDERING WHAT YOU MEANT BY THAT. AND AS A SECOND FULL UP I WOULD LOVE FOR STEVE TO COMMENT ON THAT NOTION AS WELL AND AS AN ASIDE I WOULD LIKE TO RECOGNIZE YOU FOR YOUR VOTE ON SFMTA FOR MAKING SURE CHINATOWN STATIONS OF THE NAMED THE ROSE [INDISCERNIBLE] CHINATOWN STATION WHICH PRIOR THAT WAS A MASSIVELY CONTROVERSIAL ISSUE AT SFMTA IT PROBABLY TOOK WAY LONGER THAN IT SHOULD HAVE I MYSELF WAS INVOLVED IN THAT AS A NON-PROFIT ADVOCATE IS LAWYER PRIOR TO COMING TO MTC COMMISSION I WANT TO RECOGNIZE YOU SPECIFICALLY FROM THE DAY AS, IF YOU COULD RECOGNIZE BREAKING UP INTO SMALLER PIECES?

SPEAKER: MY UNDERSTANDING WAS THEY HAD THE TUNNELLING CONTRACT AS ONE PIECE AND THE REST WAS BASICALLY A DESIGN BUILD CONTRACT. SOME STAFF WE TALKED TO FELT THAT SACRIFICED A LOT OF THE LEVERAGE WHEN THINGS WENT WRONG AT THE STATIONS AND IF THEY HAD FURTHER BROKEN UP THE WORK AFTER THE TUNNELLING AND SEPARATED THE STATIONS OUT FROM OTHER PIECES OF THE PROJECT THAT WOULD HAVE PREVENTED WHAT SOME STAFF THOUGHT WOULD LEVERAGE THE CONTRACT WHEN THINGS STARTED GOING WRONG AND YOU COULD AVOID THAT BY BREAKING UP THE PROJECTS INTO SMALLER

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CHUNKS IT'S A DIFFERENT MODEL AND WHEN WE TALK ABOUT THE DISTINCT DIFFERENT PROJECTS THERE'S NOT A ONE SIZE FITS ALL MODEL. IN SAN DIEGO GIVEN THE CONTRACT WORTH RISK TO GET IT DONE, AND THE CONTEXT OF THE CHALLENGING CONSTRUCTION ENVIRONMENT TO DIVIDE UP INTO SMALLER APPROACHES AND TIES INTO THE IDEA OF HAVING EXPERTISE BRINGING FOLKS IN FOR MODELING WORKING BEST FOR DIFFERENT TYPE OF CONSTRUCTION ENVIRONMENT SUPERVISOR TYPOLOGIES.

STEVE HEMINGER: I GUESS WHAT I WOULD SAY IS THAT IT DEPENDS. THERE ARE PROBABLY INSTANCES WHERE IF YOU CAN BREAK OFF WORK YOU CAN PROMOTE COMPETITION IS MAYBE DRIVE DOWN PRICE BUT THEN YOU'RE ALSO PUTTING MORE STRESS, I'LL CALL IT, ON THE GENERAL CONTRACTOR. RIGHT? BECAUSE HE'S GOT MORE MOUTHS TO FEED IS MORE PEOPLE TO COORDINATE. SO I THINK YOU HAVE GOT TO WORRY ABOUT THAT. MY OLD FRIEND TAKIS MIGHT REMEMBER BUT MY MEMORY IS ON THE BART AIRPORT EXTENSION THEY DID BREAK IT UP INTO LINE AND STATION CONTRACTS. SO, I THINK -- I'M ACTUALLY -- I WAS ACTUALLY SURPRISED WHEN I LEARNED THAT THAT'S NOT HOW THE MUNI DID IT ON THE CENTRAL SUBWAY.

TAKIS SALPEAS: YOU ARE CORRECT. THE SAME MODEL I USE HERE IS THE SAME MODEL WE HAD AT SFO, LINEUP AND TRACK WORK AND SYSTEMS CONTRACT AND THE THREE STATIONS AND THE PIECE GOING INSIDE THE AIRPORT, STEVE.

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ALFREDO PEDROZA, CHAIR: ALL RIGHT. THANK YOU COMMISSIONER AHN. LET'S GO VIRTUALLY FOR COMMISSIONER WHO IS HAVE QUESTIONS. KIMBERLY IF YOU CAN HELP IDENTIFY THOSE COMMISSIONERS.

CLERK OF THE BOARD: OF COURSE. I SEE COMMISSIONER LICCARDO'S HAND RAISED.

SAM LICCARDO: GREAT. I JUST HAD TWO QUESTIONS. ONE, FORGIVE ME, I DO NOT RECALL THE NAME OF THE LAST PRESENTER. BUT I KEPT SEEING ON THE SLIDE ABOUT SAN DIEGO AND THE BERRYESSA STATION THAT CALIFORNIA CONSTRUCTION COSTS WERE LOWER THAN THE NATIONAL AVERAGE, WHICH SEEMS WONDERFUL BUT HARD TO BELIEVE. COULD YOU HELP US UNDERSTAND HOW IT IS THAT OUR CONSTRUCTION COSTS ARE ACTUALLY LOWER?

SPEAKER: YEAH, AS WELL, THANK YOU MAYOR LICCARDO FOR BRIDGE BRINGING THAT UP. ETHAN HERE. WE COMPARED THE DATABASE IN CALIFORNIA TO OTHER SIMILARLY SITUATED PROJECTS ACROSS THE STATE AND COUNTRY AND LOOKING AT OUR PEER COUNTRIES ABROAD THERE WERE CHALLENGES THERE. I WOULDN'T TAKE THOSE AS GOSPEL NECESSARILY THOSE WERE SPECIFIC PROJECTS THAT IN SOME CASES DID OUT PERFORM THE STATE OR NATIONAL AVERAGE. THE CONTEXT BEING THAT NATIONAL AVERAGE IS NOT GREAT WHEN COMPARED TO THE NATIONAL AVERAGE. THOSE PROJECTS ENDED UP ALL OVER THE MAP IN

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TERMS OF UNDER PERFORMING OR OVER PERFORMING ON TIME AND COST IT'S PRETTY UNIQUE TO EACH PROJECT. CERTAINLY NATIONALLY NEW YORK DOES SLAY THINGS AND MAKE THINGS LOOK A LOT WORSE FROM A NATIONAL PICTURE AND WITHIN THE STATE THERE ARE NOT A LOT OF PROJECTS TO COMPARE TO WE HAD TO COMPARE LIGHT RAIL TO LIGHT RAIL AND HEAVY RAIL TO HEAVY RAIL AND PERCENTAGE OF TUNNELLING. WE TRIED TO PUT SOME LENS ON IT. WHAT WE WOULD LIKE TO DO, IS AN ONLINE CALCULATOR THAT WOULD TAKE BASELINE APPROACH LOOKING AT PROJECTS ACROSS THE STATE, ACROSS NATION, SO WHEN YOU'RE AT A PROPOSAL, TEN MILES OF LIGHT RAIL, YOU PLUG IT INTO A CALCULATOR, EVERY URBAN ENVIRONMENT IS DIFFERENT BUT TO GIVE YOURSELF AND THE PUBLIC IN SENSE OF REFERENCE WHEN YOU HEADLINE A $2.8 MILLION PROJECT MOST PEOPLE DON'T HAVE A WAY TO ASSIMILATE THAT INFORMATION WE FEEL THAT'S AN ONGOING RESEARCH NEED AND COPYING UP WITH THOSE ITEMS.

SAM LICCARDO: I APPRECIATE THE WORK. SOUND LIKE YOU HAVE DONE WORK DOWN THAT PATH. STEVE, OR CARL OR WHOEVER WANTS TO TAKE THIS ON, WITH THE BART EXTENSION PROJECT WE HAVE SOMEONE LIKE TAKIS WHO HAS MANAGED SEVERAL OTHER MAJOR PROJECTS HIGH MENTIONED A FEW, MY UNDERSTANDING IS OFTEN THE CHALLENGES IS HIRING THE MANAGEMENT TEAM IMMEDIATELY UNDERNEATH THAT PERSON AND PARTICULARLY IN A WORLD, THE BAY AREA IS PARTICULARLY CHALLENGING FOR EMPLOYERS WHERE YOU HIRE THOSE TALENTED PEOPLE PARTICULARLY AT A PUBLIC AGENCY KNOWING THEY CAN ALWAYS GO TO

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A PRIVATE SECTOR. THE QUESTION WOULD BE IS THAT MAYBE THE BETTER ROLE FOR MTC IS NOT NECESSARILY HAVING THE HOT SHOT LEADER WHO CAN LEAD THE PROJECT BUT IN FACT THE TIGER TEAM UNDERNEATH THEM THAT CAN THEN PLUG AND PLAY.

STEVE HEMINGER: COMMISSIONER, IT'S GREAT TO SEE YOU AGAIN TOO. I WOULD WORRY. I THINK I RAISED IT IN MY DIRECT TESTIMONY ABOUT, YOU KNOW, TOO MANY COOKS IN THE KITCHEN. AND I THINK ONE REASON THE BAY BRIDGE OVERSIGHT PROCESS WORKED WELL, AS I SAID EARLIER IS THERE WERE BASICALLY TWO COMBATANTS AND SOMEONE WAS GOING TO WIN IS SOMEONE WAS GOING TO LOSE EVERY ARGUMENT. AND WE JUST MADE THE BEST OF IT AND GOT THROUGH IT. WHEN YOU GOT SIX OR EIGHT OR TEN PROJECT FUNDERS, EACH OF WHICH HAS SOME EXPECTATION THAT THEY WANT TO BE AT THE TABLE AND HELP DECIDE EVERY QUESTION EVEN THOUGH THEY HAVE GOT $5 OF SKIN IN THE GAME I THINK IT'S JUST TOO MUCH OF A GOOD THING.

SAM LICCARDO: I MAY NOT HAVE STATED THE QUESTION VERY WELL. LET ME RESTATE. I'M NOT SUGGESTING MTC SHOULD PLAY AN OVERSIGHT ROLE BECAUSE FOR EXAMPLE, A PROJECT LIKE THAT, FTA ALREADY HAS A DOZEN PEOPLE DOING OVERSIGHT EVERY DAY I'M TALKING ABOUT THE TEAM THAT WOULD GET LITERALLY HIRED BY THE AGENCY TO BE ABLE TO MANAGE THE DAY-TO-DAY, THAT IS, THEY WOULD SENSIBLY BE ON LOAN TO MTC TO LOCAL AGENCIES THAT HAPPEN

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TO MANAGE THEIR OWN LARGE MEGA PROJECTS SO THEY WOULDN'T BE REPORTING TO MTC, THEY WOULD BE REPORTING TO THAT AGENCY.

STEVE HEMINGER: NOW I DO UNDERSTAND THE QUESTION BETTER. AND IT'S SORT OF A TRIP DOWN MEMORY LANE. THERESE PROBABLY REMEMBER IT IS TOO. WE USED TO HAVE A RENT A PLANNER PROGRAM HERE BACK WHEN WE WERE JUST A SLEEPY LITTLE PLANNING AGENCY. AND THAT WAS BASICALLY THE ROLE THEY PERFORMED. THE LOCAL AGENCY COULDN'T AFFORD IT. WE THOUGHT WE WANTED BETTER PLANNING FROM THEM, SO, HEY, WE'LL HELP YOU PAY FOR THE PERSON. I THINK THAT'S A ROLE. I THINK, ALSO, SAM, THE IDEA OF PEER REVIEW AND VALUE ENGINEERING, IT'S SORT OF STANDARD PRACTICE NOW BUT FOR SOME REASON, I DON'T THINK WE'RE GETTING ENOUGH OUT OF IT IF IT IS AND THAT COULD BE A ROLE FOR MTC AS WELL, IN ADDITION TO PASSING THE CHECKPOINT OF THE PLAN THAT ONCE YOU'RE MOVING TOWARD ACTUALLY LETTING CONSTRUCTION CONTRACTS, THAT THERE IS SOME KIND OF PAUSE WHERE MTC OR SOMEBODY DOES A PEER REVIEW AND MAKE SURE YOU'RE NOT MISSING SOMETHING BIG. BECAUSE ONCE YOU AWARD THE CONTRACT, YOU HAVE GOT A CHANGE ORDER TO GET IT IN AS OPPOSED TO HAVING IT FROM THE FIRST GET-GO.

CLERK OF THE BOARD: COMMISSIONER WORTH? SORRY.

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AMY R. WORTH: THANK YOU, KIMBERLY. FIRST OF ALL, I JUST WANT TO THANK THE PANELIST FOR THE GREAT PORTION OF OUR WORKSHOP. IT'S FANTASTIC. STEVE BRINGS BACK LOTS OF FANTASTIC MEMORIES. AND I THINK THAT THE BAY BRIDGE PEOPLE THAT CRITICIZE THE BAY BRIDGE TAKING A WHILE AND BEING OVER BUDGET ONCE YOU TOOK ON THE TEAM IT WAS ON BUDGET. DON'T WANT TO FORGET THAT. ETHAN I THANK YOU FOR JOINING US, AND I THANK YOU FOR YOUR WORK. YOUR WORK IS FOUNDATIONAL FOR US TRYING TO LOOK AT WHAT ARE BEST PRACTICES, HOW CAN WE, AS A REGION, LEARN FROM OTHER ENTITIES FROM AROUND THE COUNTRY, AROUND THE WORLD. SO IT GETS TO MY QUESTION, AND I DON'T WANT THIS TO BE AN EDITORIAL COMMENT BUT IT STRIKES ME THAT MAYBE CALIFORNIA AND NEW YORK ARE SIMILAR AND MAYBE THAT WE HAVE LOTS OF MONEY SO THIS IDEA IN INNOVATION, IN TERMS OF EFFICIENCY, STREAMLINING IS A BIT OF A CHALLENGE FOR US, BECAUSE THAT'S JUST NOT SOMETHING WE DO. SO, DID YOU FIND, IN YOUR WORK -- AND YOU MENTIONED DOING A DATABASE, WHICH I THINK WOULD BE REALLY HELPFUL -- DID YOU FIND IN YOUR WORK IN BEING LOOKING AT PLACES OUT AROUND THE COUNTRY THAT THERE WERE MODELS OF THESE PROJECT DEVELOPMENT IN CONSTRUCTION THAT I'M THINKING OF SOME OF THE TOLL LANES OUTSIDE OF WASHINGTON, D.C. WHERE THEY SEQUENCED THE CONSTRUCTION IN A WAY TO BUILD THE CORRIDORS, BUT TO KEEP THE TRAFFIC MOVING. YOU KNOW, THEIR COST NUMBERS, I THINK, WERE SOMEWHAT LOWER THAN OURS. DID YOU FIND ANYTHING IN THE UNITED STATES, TOO, THAT MIGHT BE BEST PRACTICES?

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SPEAKER: WE DID TO LITERATURE REVIEW FOCUSED ON THE 5K STUDIES. WE TRIED TO LOOK AT BEST PRACTICES FROM AROUND THE WORLD. BY THE WAY OUR REPORT WAS JUST FOCUSED ON THE RAIL TRANSIT MEGA PROJECTS WE WEREN'T LOOKING AT THINGS LIKE TOLL LANES. THERE WASN'T ANY ONE PARTICULAR THING THAT STOOD OUT. THERE WERE SOME THINGS THAT WORKED PRETTY WELL. FOR EXAMPLE, IN LOS ANGELES TAKING ADVANTAGE, AND MAYBE IT'S NOT THE BEST CHOICE OF WORDS, ABOUT THE PANDEMIC AND THE FACT THAT WITH THE LIGHTER TRAFFIC, THEY WERE ABLE TO GREATLY SPEED UP CONSTRUCTION OF THE PURPLE LINE SUBWAY EXTENSION. SO I THINK THAT GETS TO THE POINT, I KNOW STEVE HEMINGER IS TALKING ABOUT NOT WANTING TO CLOSE THE BAY BRIDGE FOR A YEAR OF COURSE WE DON'T WANT TO DO THAT BUT OUR STREETS FOR SOME REASONS YOU CAN'T CLOSE IT BUT YOU SAVE TONS OF MONEY BUT IT'S ABOUT HIGHLIGHTING THOSE OPPORTUNITIES WHEN THEY COME UP. UNFORTUNATELY WE HAVE SEEN CASE STUDIES COME UP THE OTHER WAY TO AVOID CLOSURE LET'S ELEVATE STREET LEVEL THAT HAPPENED IN SAN DIEGO FOR EXAMPLE. I HAVE MY PARTNER HERE TO PRESENT, IF WE CAN GET TED ON THE LINE? HE'S A LISTENER.

ALFREDO PEDROZA, CHAIR: SURE. WE CAN PROMOTE HIM SOMEHOW.

SPEAKER: IS IT MIGHT BE IMPOSSIBLE TO UNMUTE HIM.

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AMY R. WORTH: WHILE YOUR GETTING HIM, I KNOW THIS HAS BEEN A REAL PRIORITY OF CONGRESSMAN DESAULNIER LOOKING AT BEST PRACTICES AROUND THE COUNTRY AND THE WORLD AND STRETCHING THE MONEY THAT WE CAN IMPROVE THE WHOLE PROCESS.

SPEAKER: IF WE CAN'T GET HIM I WOULD BE HAPPY TO GO OFFLINE.

SPEAKER: THANK YOU VERY MUCH FOR THE CHANCE TO CONTRIBUTE TO THE CONVERSATION. ON THE LAST POINT THAT WAS RAISED IN OUR LITERATURE REVIEW WE DID NOT FIND THE TREMENDOUS NUMBER OF VALUABLE EXAMPLES DOMESTICALLY WE DID HEAR FROM A NUMBER OF EXPERTS AND NYU RESEARCHERS WITH THE EUROPEAN MODELS THAT HAVE BEEN SUCCESSFUL ON SPEEDY PRODUCT DELIVERY AND COST QUESTIONS AND IT CAME DOWN TO LEGAL AND JURISDICTIONAL ISSUES AND THE FRAGMENTATION POINT THAT HAS BEEN RAISED AND ONE OF THE RECOMMENDATIONS WE MAKE IN THE REPORT TO OVERCOME THAT IS CONCEPT OF MASTER PERMITTING AUTHORITY FOR AGENCIES WITH A PROVEN TRACK RECORD TRYING TO DELIVER PARTICULARLY HIGH VALUE TRANSIT MEGA PROJECTS IN PARTICULAR TO OVERRIDE SOME THOSE TO ADDRESS THE SECTION ON LIMITATIONS THAT'S KIND OF AS FAR AS WE GOT ON THE INTERNATIONAL EXAMPLES.

AMY R. WORTH: THANK YOU.

ALFREDO PEDROZA, CHAIR: KIMBERLY, ANY ADDITIONAL SPEAKERS?

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CLERK OF THE BOARD: NO ADDITIONAL COMMISSIONERS WITH QUESTIONS. AND WE'LL GET TO MEMBERS OF THE PUBLIC WHEN YOU'RE READY.

ALFREDO PEDROZA, CHAIR: THANK YOU.

CARL HOLMES: MR. CHAIR, IF I MAY.

ALFREDO PEDROZA, CHAIR: GO AHEAD CARL.

CARL HOLMES: I WANT TO SAY A FEW THINGS FROM A BART PERSPECTIVE THAT HOPEFULLY ANSWERS OR ADDS TO THE ANSWERS FROM EARLIER IN REGARDS TO EXPECTATIONS. WE HAVE HIGH EXPECTATIONS SO SOME OF OUR PROJECTS THAT ARE BEING DELIVERED WITH OUR MEASURE RR PROGRAM, NOT ONLY HAVE WE BROKEN THOSE UP INTO SMALLER BITE SIZE PIECES FOR BETTER COMPETITION BUT ALSO FOR SPEED OF DELIVERY TO TRY TO MITIGATE THE POTENTIAL OF ESCALATION, IF WE DO THESE PROJECTS IN A SERIES, BUT, MORE IMPORTANTLY, MAKING USE OF THE TIME WHEN OUR REVENUE SERVICE IS NOT IN OPERATION. SO THAT WE CALL NON-REVENUE TIME, THAT'S LATE, YOU KNOW, STARTING AT TWO IN THE MORNING GOING UNTIL MAYBE 5:00 A.M. DURING THE WEEK, AND THEN, YOU KNOW, AS LATE AS MAYBE SIX OR EIGHT ON THE WEEKENDS BUT WE'RE FINDING THAT JUST THAT ADDITIONAL HOUR PARTICULARLY IN THE WORK THAT WE'RE

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DOING IN RETROFITTING OF TRANSBAY TWO HAS GONE A LONG WAY IN ALLOWING OTHER PROJECTS TO BE ABLE TO CAPITALIZE ON THE TIME. NOW THAT GOES INTO OUR BIDDING PROCESS. SO OUR PROJECTS, WHILE WE MAY HAVE SHIFTS OF EIGHT HOURS FOR THE WORK CREW, THEY'RE ONLY GETTING MAYBE THREE HOURS OF WHAT WE CALL WRENCH TIME. AND SO JUST BEING ABLE TO OPEN AT 5:00 A.M. AS OPPOSED TO 4:00 A.M. HAS ALLOWED FOR THAT ADDITIONAL HOUR OF WRENCH TIME WHICH GOES A LONG WAY IN TRYING TO PRODUCE THE COST AND MAYBE ADD TO THE BETTER PRACTICES. AND THEN IN ADDITION TO THAT H THE BUS PRIVILEGES THAT WE HAVE ON OCCASIONS ON CERTAIN WEEKENDS WHILE WE'RE REPLACING TRACK. SO WE'RE TRYING TO MAYBE NOT CHANGE THE EXPECTATION, BUT AT LEAST SHOW THAT WE'RE TRYING TO DELIVER PROJECTS AND HAVE OUR RIDERS SHARE SOME OF THE BURDEN BUT ALLOW THEM TO GET TO WHERE THEY NEED TO GO. THANK YOU

ALFREDO PEDROZA, CHAIR: THANK YOU CARL. COMMISSIONER PAPAN CLOSES OUT.

GINA PAPAN: REAL QUICK BECAUSE I KNOW WE'RE OVER TIME HERE. ETHAN, AND MAYBE FOR FUTURE REFERENCE HERE, SOMETHING LIKE GRADE SEPARATIONS, WHERE WE HAVE A WHOLE BUNCH OF THEM. IT SEEMS LIKE MORE EFFICIENCY WOULD BE TO TAKE THEM ALL AT ONCE. AND YOU DON'T HAVE TO ANSWER THAT RIGHT NOW BECAUSE WE'RE OUT OF TIME. BUT ANY ADVICE THAT YOU HAVE ON THAT WOULD BE HELPFUL BECAUSE THAT'S CONSIDERED A MEGA PROJECT.

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SPEAKER: THE QUESTION IS SHOULD WE BE DOING MORE GRADE SEPARATED PROJECTS.

GINA PAPAN: WE HAVE A WHOLE BUNCH OF THEM, AND THE CITIES ARE RESPONSIBLE FOR THEM. SO WE WOULD LIKE TO APPROACH THEM AS A MEGA PROJECT TO GET THEM DONE AND BE MORE EFFICIENT. WHATEVER INSIGHT YOU MIGHT HAVE. WE'RE OVER TIME. THANK YOU.

ALFREDO PEDROZA, CHAIR: THANK YOU. ETHAN, STEVE, GREAT PRESENTATION. THANK YOU TO STAFF FOR LINING IT UP. PHENOMENAL. AND THANK YOU TO COMMISSIONERS FOR ENGAGING IT'S EASY TO BE OVER TIME WE'RE PRODUCTIVE. WE'RE GOING TO HAVE KATE WHITE.

SPEAKER: WE ARE QUITE OVER TIME. AND I AM PLEASED TO SAY WE ACTUALLY ANSWERED A LOT OF THE QUESTIONS. I WILL HAVE THE IT FOLKS PUT THEM ON THE SCREEN. THE QUESTIONS I WAS GOING TO POSE FOR YOU. BUT WE ALREADY HAVE STARTED TACKLING BOTH OF THESE THROUGH THE LAST DISCUSSION. SO, WE HAVE ALREADY MADE SOME GOOD PROGRESS BUT I DID WANT TO POSE THEM TO YOU. IT'S PARTLY QUEUEING UP FOR THE DISCUSSION TOMORROW TOO WHEN WE'LL GET MORE AND MORE INTO WHAT'S MTC, IN PARTICULAR, ROLE WITH MEGA PROJECTS. I WOULD LIKE TO HEAR COMMISSIONER THOUGHTS AND DEFINITELY WANT TO LEAVE TIME FOR PUBLIC COMMENT AS WELL. I THINK WE HAVE A COUPLE OF PUBLIC COMMENT. LET'S DO FIVE OR SIX

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QUESTIONS. THE FIRST QUESTION IS ABOUT WHAT ARE THE COMMON AREA WHERE WE SEE RISK. YOU HEARD ABOUT A LOT EVER DIFFERENT PROJECTS. I THINK THAT'S PRETTY CLEAR WHAT THE ANSWER TO THAT ONE IS, BUT THERE IS A NUMBER OF DIFFERENTLY COMMON AREAS WHERE WE SEE RISKS ACROSS THESE -- SOME OF THE PROJECTS THAT YOU HEARD ABOUT TODAY. AND THEN THE SECOND QUESTION IS, WHAT ARE SOME OF THE QUESTIONS THAT MTC SHOULD BE ASKING UPFRONT. WE HAD QUITE A BIT OF DISCUSSION ABOUT THAT ALREADY. AND THEN WHAT ARE SOME OF THE TOOLS AVAILABLE TO HELP MANAGE CHALLENGES. SO, I WANTED TO THROW THOSE OUT TO THE COMMISSION. SEE IF THERE IS ANY THOUGHTS, ADDITIONAL THOUGHTS ON THOSE FROM WHAT YOU HAVE HEARD TODAY, AND THEN WE WILL OPEN UP FOR PUBLIC COMMENT AND GET MORE INTO THIS TOMORROW, AS WELL.

ALFREDO PEDROZA, CHAIR: WONDERFUL. THANK YOU, KATE. AND I KNOW THAT WE'RE GOING TO HAVE A ROBUST CONVERSATION TOMORROW. AND I'LL JUST SAY COUPLE OF REMARKS. MY TAKE AWAY HAS BEEN AN ELEMENT OF RISK ON THE FRONT END OF THE PROJECT DESCRIPTION THE SPONSORSHIP THE OWNERSHIP QUESTION THAT'S SOMETHING I'M TAKING AWAY TODAY HOPEFULLY WE'LL GET TO TOMORROW AND THE QUESTION OF OVERSIGHT HOW DO YOU DETERMINE IS THERE DUPLICATION OF OVERSIGHT AND TOO MANY CHIEFS BEING IN THE KITCHEN. HOW DO YOU DETERMINE THE RIGHT LEVEL OF OVERSIGHT AND WHAT AUTHORITY THAT OVERSIGHT HAS AS WELL. SO, AGAIN, I THINK THESE ARE ALL GREAT QUESTIONS WE HAVE POSED WITH THE PROJECTS

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BEING CRITICAL BUT HOW TO MOVE FORWARD. I THINK WE SHOULD GO VIRTUALLY AND CHANGE IT UP A BIT. KIMBERLY DO WE HAVE COMMISSIONER RESPONSES OR COMMENTS TO WAS RAISED

SAM LICCARDO: I WASN'T SURE IF THAT WAS FOR US OR FOR PUBLIC COMMENT.

ALFREDO PEDROZA, CHAIR: FOR US, SAM.

SAM LICCARDO: I WANT TO THROW OUT ONE SUGGESTION THAT MAYBE IT'S NOT ABOUT RISK OR JUST ABOUT RISK. BECAUSE I THINK WE WOULD PROBABLY ASSUME IN THE BAY AREA, THERE IS ACTUALLY A 100% CHANCE WE'RE GOING TO HAVE HIGH REAL ESTATE COST AND 100% CHANCE WE'RE GOING HAVE REALLY HIGH LABOR COST. AND IF WE THINK ABOUT MTC'S ROLE AND WHERE THEY CAN PROVIDE VALUE, I WONDER, FOR EXAMPLE, IF WE WERE TO ACTUALLY GET INVOLVED IN TRYING TO DO SOMETHING ABOUT EXPANDING THE CONSTRUCTION LABOR, AND TRANSPORTATION PROJECTS IT'S NOT AN AREA OF RISK JUST CERTAINTY OF VERY HIGH COST.

ALFREDO PEDROZA, CHAIR: THANK YOU, SAM. KIMBERLY DO WE HAVE ANY OTHER COMMISSIONERS?

CLERK OF THE BOARD: I DON'T SEE ANY ADDITIONAL COMMISSIONER HANDS RAISED.

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ALFREDO PEDROZA, CHAIR: ALL RIGHT. LET ME BRING IT BACK. VICE CHAIR JOSEFOWITZ?

NICK JOSEFOWITZ, V. CHAIR: YEAH. I MEAN, I THINK THAT MAYOR LICCARDO IS REALLY ON TO SOMETHING WITH REGARD TO EXPANDING THE CONSTRUCTION LABOR FORCE. AND MY UNDERSTANDING, THERESE IS THAT'S SOMETHING THAT LA METRO WAS QUITE PROACTIVE ABOUT. AND MAYBE APPEARED TO BE QUITE PROACTIVE ABOUT FROM THE BAY AREA ADVANTAGE POINT WITH SETTING UP KIND OF SORT OF APPRENTICE PROGRAMS AND INVESTING IN COMMUNITY COLLEGES. AND I KNOW THAT'S SOMETHING THAT SOME OF THE TRANSIT AGENCIES HAVE DONE INDEPENDENTLY AND THAT BART HAD A PROGRAM WITH THAT, AND AT THE SORT OF REGIONAL SCALE IT COULD BE MORE BENEFICIAL? BUT, YOU KNOW, I THINK HERE FOR THE ITEMS FOR DISCUSSION, I THINK WE HAVE, YOU KNOW, MAYBE JUST TO REITERATE WHAT I THINK I HAVE HEARD, AS WELL, IS I THINKING THERE'S A REAL ROLE FOR SOMEONE LIKE MTC TO BE, SORT OF, HELPING MAKE SURE THAT THE OWNER OF THE PROJECT HAS THE EXPERTISE AND THE SKILLS TO BE ABLE TO DELIVER A PROJECT OF SIZE IF THAT I WANT TO DO IT, AND THAT MAYBE THERE IS A ROLE FOR MTC TO HELP BRING ABOUT A SORT OF REGIONAL CONSTRUCTION AGENCY IF IT TURNS OUT THAT THERE AREN'T REALLY ANY AGENCIES THAT HAVE THE CAPACITY TO DELIVER THE PROJECTS THAT WE HOPE THAT THEY CAN DELIVER. AND THAT THERE IS A REAL ROLE FOR MTC TO SORT OF PLAY THAT -- TO HELP MAKE SURE

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THAT PROJECTS MEET REGIONAL -- THAT THE PROJECT-DESIGN DECISIONS, OR THE PROJECT PLANNING DECISIONS ARE MEETING REGIONAL GOALS AS WELL. OR MAYBE GETTING PEER REVIEWED TO USE SORT OF STEVE'S TERMINOLOGY TO MAKE SURE THAT THEY ARE -- THAT WE'RE NOT ENDING UP WITH A SORT OF, YOU KNOW, SIX YEARS INTO A PROJECT AND THEN HAVING TO KIND OF BAIL IT OUT BECAUSE IT WASN'T SETUP INITIALLY TO SUCCEED WHICH SEEMS IS ALSO SOMETHING THAT JANNET TOUCHED ON A LOT, AS WELL, ABOUT SORT OF THOSE MAKING SURE THAT THAT KIND OF, THAT EVERYTHING WAS SETUP PROPERLY, INITIALLY, AS EARLY AS POSSIBLE. BECAUSE THE LONGER YOU WAIT, THE LONGER THE PROJECT HAS TO DIG ITSELF INTO A HOLE. AND THOSE FEEL LIKE REALLY POWERFUL ROLES MTC COULD KIND OF PLAY UP FRONT AND FINDING A WAY TO DO THIS OVERSIGHT EFFECTIVELY WITHOUT DUPLICATION MAYBE, AND I THINK WE'LL TALK MORE ABOUT THAT TOMORROW.

ALFREDO PEDROZA, CHAIR: THANK YOU, VICE CHAIR.

SPEAKER: ANY OTHER COMMISSIONER? COMMISSIONER PAPAN.

GINA PAPAN: FOLLOWING UP WITH VICE CHAIR JOSEFOWITZ SAID, WE COME IN AFTER, AND THEN EVERYBODY NEEDS MORE MONEY. SO I'M HOPING THAT, EVEN IF WE'RE ESTABLISHING, SAY A WORKFORCE, OR GUIDELINES, BECAUSE WE HAVE ON THE HORIZON THINGS I DON'T THINK WE HAVE DONE WELL, STATIONS, INTERMODAL CENTERS, THINGS

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LIKE THAT, AND BRINGING DIFFERENT PARTIES TOGETHER THAT HAVE NEVER BEEN TOGETHER BEFORE. SO, I'M HOPING SOMEHOW MTC CAN GUIDE SOME OF THESE MEGA PROJECTS, WITHOUT MICRO MANAGING, BUT NECESSARILY, SO THEY CAN BE MORE EFFICIENT. SO ALONG THE ROLES, WHAT PART DOES MTC PLAY? AND IT ALWAYS COMES BACK TO MTC. EVERYBODY RUNS SHORT OF MONEY AND HERE WE GO. SO I'M HOPING WE CAN REALLY SHOW SOME LEADERSHIP.

KATE WHITE: WITH THAT I THINK WE'LL TURN IT OVER TO PUBLIC COMMENT AND SEE IF THERE IS ANYONE IN THE ROOM THAT CAN COME TO THE MICROPHONE?

ALFREDO PEDROZA, CHAIR: ALL RIGHT. SO AT THIS POINT WE'RE GOING TO GO TO PUBLIC COMMENT. I DON'T SEE ANYONE IN THE BOARD CHAMBERS. OH.

KATE WHITE: ONE PUBLIC COMMENT MAKING HER WAY TO THE MIC.

CLERK OF THE BOARD: MR. CHAIR HOW MUCH TIME FOR PUBLIC COMMENT.

ALFREDO PEDROZA, CHAIR: TWO MINUTES.

CLERK OF THE BOARD: TWO MINUTES.

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SPEAKER: I HAVE A CONUNDRUM. CITIES AND TOWNS ARE BUILDING MORE AND MORE HOUSING FOR UPPER CLASSES IN ORDER TO FULFILL THAT NEED, AND STOP THE RUNAWAY INFLATION AT THE EXPENSE OF SPENDING THEIR MONEY ON LOW-INCOME HOUSING AND GETTING PEOPLE OFF THE STREETS. SO I WANT TO KNOW HOW YOU SETTLE THAT. AND OF COURSE INDUSTRY WANTS TO LOCATE WHERE THE WORKFORCE IS BUT SOMETIMES IT'S NOT THAT SIMPLE. BECAUSE THE PRODUCTION BECOMES VERY SPECIALIZED AT SOME POINT AND YOU HAVE AN INTERNAL OUTSOURCE'S TO ANOTHER ADDITIONAL LOCATION THAT IS FAR REMOVED FROM THE MAIN PRODUCTION CENTER, AND THAT MEANS THOSE FOLKS HAVE TO MAKE CHOICES ABOUT HOW TO GET TO WORK AND HOW DOES THE TRANSPORTATION AGENCY PROVIDE PUBLIC TRANSPORTATION FOR THEM SO THAT WE DON'T INCREASE POLLUTION IN AIR.

ALFREDO PEDROZA, CHAIR: THANK YOU. WE DON'T HAVE ANYONE ELSE IN THE BOARD CHAMBERS. LET'S GO TO OUR VIRTUAL SITE AND SEE IF THERE IS ANYONE THAT WISHES TO PROVIDE PUBLIC COMMENT. KIMBERLY, YOU'RE MUTED THERE.

CLERK OF THE BOARD: THERE ARE THREE MEMBERS OF THE PUBLIC WITH THEIR HAND RAISED. THE FIRST IS FROM SEAMLESS BAY AREA. IF YOU WILL GO AHEAD AND UNMUTE YOURSELF. YOU WILL HAVE TWO MINUTES.

SPEAKER: GOOD AFTERNOON THIS IS IAN GRIFFITHS WITH SEAMLESS BAY AREA. THANK YOU FOR THIS EXCELLENT WORKSHOP. AND SOMETHING

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THAT HAS STRUCK ME, LISTENING TO SEVERAL OF THE PRESENTERS REPEATING HOW THE BAY AREA HAS FRAGMENTED GOVERNANCE IS HOW WE'RE CURSED WITH SO MANY DIFFERENT TRANSIT AGENCIES AND THIS IS JUST A FACT ABOUT THE BAY AREA THAT MAKES THINGS HARD, I WOULD REALLY -- YOU KNOW, WE HAVE THE ABILITY TO CHANGE THAT. OKAY. WE DON'T NEED TO ACCEPT THAT: AND IN FACT, MTC, SPECIFICALLY, HAS THE ABILITY TO CHANGE THAT. I WAS REALLY -- IT WAS VERY INTERESTING THAT TAKIS SAID, RATHER THAN MTC OVERSIGHT HE THOUGHT ONE OF THE MOST EFFECTIVE THINGS THAT COULD BE DONE IS CREATING A REGIONAL RAIL AGENCY THAT ACTUALLY WOULD BE ABLE TO COVER THE BAY AREA. THAT'S WHAT I UNDERSTOOD HIS COMMENT TO BE IF WE LOOK AT THE MTC STATUTE IT SAYS FOLLOWING CONSULTATION TRANSIT -- INDIVIDUAL PUBLIC TRANSIT SYSTEMS THAT COULD BE CONSOLIDATED TO IMPROVE EFFICIENCY OF REGIONAL TRANSIT SERVICE AND FUNCTION CONSOLIDATED TO PERFORM TO ENTER INTO OPERATOR AGREEMENT AND SERVICE AS CONTRACTED TO A SINGLE ENTITY AND THERE IS COMPELLING -- FOR MTC TO REQUIRE THAT FUNCTIONS AND PROJECT FUNCTIONS TO CONSOLIDATED -- I ENCOURAGE YOU APPROXIMATE IS A TOOL WITHIN MTC PURVIEW I THINK WE WILL CONTINUE THIS TOMORROW DURING THE REGIONAL RAIL STUDY BUT LET'S THINK BEYOND OVERSIGHT AND CONSIDERATE NETWORK MANAGEMENT CONVERSATION GOING ON AND WE HAVE TO THINK BEYOND WHAT MTC OVERSIGHT ROLE COULD PLAY.

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CLERK OF THE BOARD: NEXT SPEAKER IS HOWARD WONG FOLLOWED BY RICH HEDGES.

SPEAKER: HOWARD WONG A MEMBER OF THE POLICY ADVISORY COUNCIL AND SPEAKING AS AN INDIVIDUAL. WHEN THINKING OF A PROJECT IS THE SCOPE OF THE PROJECT BEGIN A PROBLEM HOW DO YOU SOLVE THE PROBLEM IN THE SIMPLEST WAY AT THE LEAST COST, AND THE FASTER WAY. WHEN LOOKING AT TRANSPORTATION TRANSIT IN THE REGION AND CITIES, ONE SHOULD BE LOOKING AT THE SYSTEM RATHER THAN MEGA PROJECTS HOW DO YOU IMPROVE THE ENTIRE CITYWIDE TRANSIT SYSTEM A REGIONAL TRANSIT SYSTEM TO GAIN THE FASTEST BENEFITS? IF YOU LOOK AT BEST PRACTICES AROUND THE WORLD, IN THE 1970S WHEN MAYOR JAIME LEARNER AN ARCHITECT OF BRAZIL INVENTED RAPID TRANSIT HE LOOKED AT ALL ALTERNATIVES AVAILABLE TO HIM AND DECIDED BUSES AND HOW YOU DESIGN STREETS AND HOW YOU MOVE 2 MILLION PEOPLE QUICKLY IN THE FASTEST WAY WITH THE BEST WAY TO ACHIEVE THAT, AND HE GAINED, VERY QUICKLY, A SYSTEM THAT CARRIED 70% COMMUTER TRANSIT SHARES. SAME THING WITH BOGOTA, COLUMBIA, WITH THE TRANS MILLENNIAL VRT PROCESS IN 2000 WHICH CARRIED OVER 70% OF TRANSIT MODE. PROJECTS LIKE THE CENTRAL SUBWAY AND OTHER PROJECTS OF THAT ILK, OR IT'S A BAY BRIDGE, A POLITICAL PROJECTS NOT TRANSIT PROJECT. NOT TRANSIT PROJECT. THE CENTRAL SUBWAY'S OWN METRICS INDICATED IT HAD POOR RIDERSHIP NUMBERS. THE BAY BRIDGE COULD HAVE BEEN RETROFITTED FOR 800 MILLION COULD HAVE BUILT A NEW BRIDGE FOR 1 MILLION

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AND SPENT $500 MILLION FOR ARTWORK OR LANDSCAPING LIKE THE FRANK LLOYD WRIGHT BRIDGE AT THE SOUTHERN CROSSING.

CLERK OF THE BOARD: THANK YOU, MR. WONG. OUR NEXT SPEAKER IS RICH HEDGES.

RICHARD HEDGES: THANK YOU. THIS HAS BEEN A VERY INTERESTING DAY. I HAVE HUNG IN WITH YOU. THIS LAST PORTION IS VERY GOOD. I HAVE BEEN CONCERNED FOR SOMETIME, NOT SO MUCH THE TIME DELAYS BUT THE COST OVERRUNS FOR THE DOLLARS THAT ARE SO PRECIOUS AND SO HARD TO FIND AND I HAVE BEEN READING A LOT ABOUT IT AND IT SEEMS TO COME BOTH THE SAN FRANCISCO GRAND JURY REPORT AND THE EXTENSION VAN NESS AND THE ARTICLES I HAVE READ WRITTEN, NATION AT ARTICLES MASS TRANSIT MAGAZINE ONE OF THE THINGS I HAVE READ IS THAT INSTEAD OF HAVING SEPARATE AGENCIES THAT MAY HAVE A ONCE IN A 100 YEAR MEGA PROJECT BUT AN AGENCY WITHIN THE NINE BAY AREA COUNTIES THAT DO THESE PROJECTS IN CONJUNCTION WITH THE SAME AGENCY THAT'S FINANCING THEM AND I THINK THAT'S HAVING A MEGA ORGANIZATION WITHIN MTC IS AN IMPORTANT STEP ACTUALLY RATIONALIZING THE PROJECT WITH EXPERIENCE AND NOT A ONE OFFER EVERY 100 YEARS. I THINK WE'RE TAKING A STEP IN THE RIGHT DIRECTION AND I THINK WE NEED TO HAVE THE COURAGE TO SEE THIS THROUGH. THANK YOU.

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CLERK OF THE BOARD: THANK YOU MR. HEDGES THERE ARE NO ADDITIONAL HAND RAISED MR. CHAIR.

ALFREDO PEDROZA, CHAIR: THAT CONCLUDES PUBLIC COMMENT AT FIVE ON THE DOT. THAT WRAPS UP THE DAY. THANK YOU FOR PARTICIPATING AND BEING ENGAGED AND TO ALL COMMISSIONERS FOR ASKING THOUGHTFUL QUESTIONS. AND I'LL SUMMARIZE TODAY IT WAS PRODUCTIVE AND I THINK TOMORROW WILL DETERMINE IF IT'S SUCCESSFUL AND BASED ON THE LINE OF QUESTIONING THEY WERE THE RIGHT QUESTIONS. THANK YOU FOR PROVIDING US WITH A LOT EVER CONTENT FOR WHAT WE CAN TALK ABOUT TOMORROW. WE'RE ADJOURNING. TOMORROW MORNING WE'LL START BRIGHT AND EARLY AT 9:30 WE HAVE A FULL DAY AHEAD OF US OF THE REST UP, AND I'LL SEE YOU ALL TOMORROW. [ADJOURNED]

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