

DTX Governance Study

Study Context & Approach



San Francisco Peninsula Rail Program

Executive Steering Committee

February 18, 2022

Strategic Context for DTX Governance



- Under State law and Transbay Joint Powers Agreement, TJPA has existing legal authority and primary jurisdiction for implementation of DTX.
- Significant degree of project readiness, with generational opportunity to secure federal funding and advance project to procurement.
- MOU governance structure and work program have strengthened project momentum and set foundation for further multi-agency collaboration.
- Regional governance initiatives are ongoing but are yet to be resolved; at the same time, there is interest in building regional capacity for mega-project delivery.

DTX Governance - Problem Statement



- DTX is a multi-billion dollar mega-project that will be constructed in a dense urban environment, requiring the careful coordination and joint action of several project partners and numerous stakeholders.
- Existing multi-agency team and governance structure have gaps in capability, capacity, and organizational model, relative to the requirements of project delivery.
- Key governance questions related to agency roles, oversight/management model, and organizational design need to be resolved to respond to the needs of DTX and prepare for project delivery.
- ***Time is of the essence*** - governance approach should be reasonably implementable in the project's planned timeframe for delivery.

DTX Governance Study Framework



MOU Task 18 - Explore the best institutional arrangement and governance for the delivery of the DTX Rail Program through construction and make recommendations to the TJPA Board.

*Project Delivery
Authority & Accountability*

Institutional Level



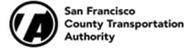
*Project Delivery
Responsibility & Capability*

Management Level

**Project Governance
Model**

*Organizational, oversight,
and decision-making
framework to direct and
manage scope, schedule,
budget, risk, and change*

Overview of Governance Study Elements



Governance Study planned to develop recommendations regarding the following components of DTX governance:

Institutional Arrangement

- Lead agency for procurement and construction
- Asset ownership framework
- Roles of involved agencies/parties, including O&M responsibilities
- Framework for agency-to-agency relationships/agreements

Project Governance Model

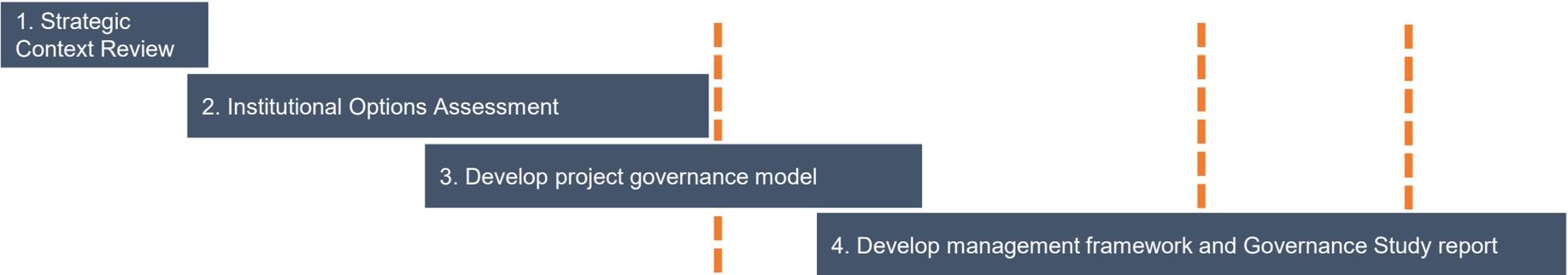
- Project oversight structure
- Decision-making and stage gates
- Outcomes management ("sponsorship")
- Change control and configuration management
- Risk and issue management
- Quality assurance

Management Framework*

- Project delivery organization organizational design
- Owner's team capabilities and requirements
- Delegated authorities
- Contractor management framework (oversight, interfaces, integration, etc.)
- Project controls and reporting
- Stakeholder management

* Management Framework to be developed in partnership with Project Delivery Strategy task.

Study Process & Milestones



Present Study Approach to ESC

Review Draft Institutional Analysis with IPMT

Present Institutional Analysis to ESC

Review Draft Governance Model and Management Framework with IPMT

Present Governance Study draft recommendations to ESC

ESC to consider advancing recommendations to TJPA Board

TJPA Board

Ongoing IPMT Engagement & Integration with Related Tasks

Assessment of Governance Models: Criteria (Draft)



Screening Criteria – essential requirements for viable institutional options:

- **Timeframe** – implementable within period required by project
- **Legal authority** – ability to implement within existing authorities

Design Criteria – key considerations to guide development and comparison of project governance approaches:

- **Capability** – ability to effectively deliver and operate the project
- **Readiness** – extent and ease of required change
- **Forward-Compatibility** – supportive of future development of regional governance approaches and project delivery capacity
- **Adaptability** – flexibility to address future program needs
- **Alignment** – support by project partners
- **Consistency** with good governance principles (eg, responsiveness, accountability, transparency, clarity, empowerment, etc.)

Institutional Arrangement: Overall Options for Project Delivery



- TJPA as lead agency for procurement and construction
- Assignment by TJPA of project delivery function to another agency
 - Existing agency
 - Future agency
- Options requiring legislation / modification of authorities

Screening Criteria - essential requirements for viable institutional options:

- **Timeframe** - implementable within period required by project
- **Legal authority** - ability to implement within existing authorities

Input from IPMT



IPMT reviewed the Governance Study approach on January 25. Key areas of feedback included:

- *Governance Study should respond to **specific challenges and needs of DTX:***
 - Need for clear description of the “problem statement” for DTX governance
 - Challenge of multi-agency decision environment
 - Need for responsive and timely decision-making, especially during construction
 - Varying governance needs at different project stages, through to operations
 - Constrained timeline to develop governance recommendation - need to be pragmatic
- *Interest in exploring **potential elements of the DTX governance model:***
 - Clarity regarding roles, responsibilities, and accountabilities
 - Defined stage gates across the project lifecycle, to address multi-agency decision-making
 - “Sponsorship” function, to provide accountability for project outcomes
 - Mechanisms to insulate project delivery function from other roles of the lead agency

Next Steps



- Reflect input from ESC and finalize study approach
- Develop the assessment of institutional options
- Review key case examples relevant to DTX
- Seek ongoing IPMT advice, input, and review
- Return to ESC to present interim findings and seek guidance (May)

