

File No. 241137

Committee Item No. 4

Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date: Dec 9, 2024

Board of Supervisors Meeting:

Date: Dec 17, 2024

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract / DRAFT Mills Act Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DRAFT Project Implementation MOU</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DTX Executed MOU – April 3, 2020</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>TJPA Staff Report – September 8, 2022</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SFMTA Board Reso No. 241203-138 – December 3, 2024</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Presidential Action Transfer Memo – December 4, 2024</u>
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Prepared by: John Carroll

Date: December 5, 2024

Prepared by: John Carroll

Date: December 13, 2024

Prepared by:

Date:

1 [Portal Project Implementation Memorandum of Understanding - Transbay Joint Powers
2 Authority - Phase 2 of the Transbay Program]

3 **Resolution approving the Portal Project Implementation Memorandum of**
4 **Understanding between the Transbay Joint Powers Authority, the Metropolitan**
5 **Transportation Commission, the San Francisco County Transportation Authority, the**
6 **Peninsula Corridor Joint Powers Board, the California High-Speed Rail Authority, and**
7 **the City and County of San Francisco, collectively, the “Partners,” regarding Phase 2 of**
8 **the TJPA’s Transbay Program, referred to as The Portal, over a term in excess of 10**
9 **years; and affirming the Planning Department’s determination under the California**
10 **Environmental Quality Act.**

11
12 WHEREAS, Under Charter, Section 9.118, any contracts or agreements entered into
13 by a department, board or commission having a term in excess of 10 years shall be subject to
14 approval of the Board of Supervisors by resolution; and

15 WHEREAS, The TJPA is a joint exercise of powers authority created by the City and
16 County of San Francisco (City), the Alameda-Contra Costa Transit District, the Peninsula
17 Corridor Joint Powers Board (Caltrain), the California High Speed Rail Authority (CHSRA),
18 and Caltrans (ex officio) to deliver the Transbay Program; and

19 WHEREAS, Under California Public Resources Code, Section 5027.1, TJPA has
20 primary jurisdiction with respect to all matters concerning the financing, design, development,
21 construction, and operation of the Transbay Program; and

22 WHEREAS, TJPA completed Phase 1 of the Transbay Program, construction of the
23 Salesforce Transit Center; and

1 WHEREAS, The City consulted and cooperated with TJPA in aspects of the planning,
2 design, construction, and financing of Phase 1, including through many intergovernmental
3 agreements and memoranda of understanding between various City agencies and TJPA; and

4 WHEREAS, TJPA is actively engaged in delivery of Phase 2 of the Transbay Program,
5 The Portal, previously referred to as the Downtown Extension or DTX (the Project); and

6 WHEREAS, The Project will connect the Caltrain's regional rail system and the
7 CHSRA's statewide system to the Salesforce Transit Center in downtown San Francisco; and

8 WHEREAS, The Project will bring direct and indirect benefits to City residents and the
9 Public Trust by providing improved regional and statewide rail connections to downtown San
10 Francisco though easier and more efficient transit options for commuters, tourists, and
11 business travelers will support downtown San Francisco businesses and contribute to the
12 economic revitalization of San Francisco at large and the neighborhoods surrounding the
13 Project in particular; and

14 WHEREAS, The Project is a critical rail link in the Bay Area, Northern California mega-
15 region, and statewide transportation system and will be most efficiently and effectively
16 delivered through a multi-agency partnership among local, regional, and state stakeholder
17 agencies with expertise in developing, funding, and implementing major infrastructure
18 projects; and

19 WHEREAS, In 2020, the key stakeholders on the Project - TJPA, the Metropolitan
20 Transportation Commission (MTC), the San Francisco County Transportation Authority
21 (SFCTA), Caltrain, the CHSRA, and the City (collectively, the Partners) - executed a
22 Memorandum of Understanding (2020 MOU) to explore initial implementation of the Project;
23 and

24 WHEREAS, The 2020 MOU established the organizational structure and work program
25 to get the Portal to "ready for procurement" status; and

1 WHEREAS, Pursuant to the 2020 MOU, the TJPA and SFCTA prepared a Governance
2 Study, which was subsequently approved by the TJPA Board, that recommended drafting a
3 successor MOU to guide the multi-agency coordination, administrative organizational
4 structure, and processes that will support the Project; and

5 WHEREAS, The 2020 MOU expired in May 2024; and

6 WHEREAS, The Portal Project Implementation Memorandum of Understanding (Portal
7 Implementation MOU) is a successor to the 2020 MOU, and supports the multi-agency
8 coordination, administrative organizational structure, and processes that will support the
9 efforts of the TJPA in delivery of the Project; and

10 WHEREAS, Because the term of the MOU extends through the later of the following
11 milestones: substantial completion of the major contracts, and completion of a project
12 evaluation report, to be presented to the TJPA Board within 12 months after the start of
13 Revenue Service, the Partners anticipate the MOU will be in place for at least ten years; and

14 WHEREAS, The MOU does not commit the City to any particular approval, does not
15 commit City resources, does not provide for mutual indemnities or otherwise implicate City
16 finances; and

17 WHEREAS, On July 6, 2023, the City enacted Resolution No. 345-23, approving an
18 Interagency Cooperation Agreement between TJPA and the City relating to Phase 2 of the
19 Transbay Program to provide for the City's consultation, services, and cooperation with TJPA
20 to facilitate the planning, design, and construction of the Project; and

21 WHEREAS, On April 22, 2004, by Motion No. 16773, the Planning Commission
22 certified the final Environmental Impact Statement/Environmental Impact Report for the
23 Transbay Program (2004 EIS/EIR) (Planning Department Case No. 2000.048E) in
24 accordance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (Cal.
25

1 Code of Regulations Title 14, sections 15000 et seq.), and Chapter 31 of the San Francisco
2 Administrative Code; and

3 WHEREAS, On June 15, 2004, by Motion No. 04-67, the Board of Supervisors affirmed
4 the Planning Commission's certification of the 2004 EIS/EIR; and on September 28, 2004, by
5 Resolution No. 612-04, adopted findings that various actions related to the Transbay Program
6 complied with CEQA; and in 2005 and 2006, by Ordinance Nos. 124-05 and 99-06, adopted
7 additional CEQA findings related to the Transbay Program; and

8 WHEREAS, Subsequent to the certification of the Final EIS/EIR, the San Francisco
9 Redevelopment Agency, the Successor Agency to the San Francisco Redevelopment
10 Agency, and the TJPA have approved ten addenda to the 2004 EIS/EIR, and made requisite
11 findings under CEQA; and

12 WHEREAS, In 2018, the Federal Transit Administration and TJPA prepared a joint
13 Supplemental EIS/EIR to evaluate certain proposed changes to the Transbay Program (2018
14 SEIS/EIR); and on December 13, 2018, the TJPA certified the 2018 SEIS/EIR, approved
15 certain revisions to the Transbay Program, adopted the additional mitigation measures
16 identified therein, and adopted CEQA findings (2018 Transbay Program CEQA findings); and

17 WHEREAS, On January 12, 2023, the TJPA approved certain revisions to the DTX
18 component of the Transbay Program (DTX Revisions), adopted an Addendum to the 2018
19 SEIS/EIR, which contains an analysis of the environmental effects that may result from the
20 DTX Revisions, adopted a Revised Mitigation Monitoring and Reporting Program, attached to
21 the Interagency Cooperation Agreement as Exhibit C, and determined that the DTX Revisions
22 do not require major revisions to the 2018 SEIS/EIR due to new or substantially more severe
23 environmental effects and do not require further environmental review; and

24 WHEREAS, The San Francisco Municipal Transportation Agency Board of Directors,
25 by Resolution No. 241203-138, dated December 3, 2024 approved the Portal Project

1 Implementation MOU, and such resolution is on file with the Clerk of the Board of Supervisors
2 in File No. 241137; and

3 WHEREAS, In Resolution No. 241203-138 the San Francisco Municipal Transportation
4 Agency Board of Directors recommended that the Board of Supervisors approve the Portal
5 Implementation MOU; and

6 WHEREAS, Copies of the EIS/EIR, SEIS/EIR, and addenda are on file with the
7 Secretary to the SFMTA Board of Directors; may be found in the records of the Transbay Joint
8 Powers Authority at <https://tjpa.org/> or 425 Mission Street, Suite 250 in San Francisco; and
9 are on file with the Clerk of the Board of Supervisors in File No. 230602; and, now therefore
10 be it

11 RESOLVED, The Board of Supervisors has reviewed and considered the EIS/EIR,
12 SEIS/EIR, and addenda, all associated CEQA findings, and the record as a whole, and finds
13 that approval of the Portal Implementation MOU is within the scope of the project evaluated in
14 these environmental review documents, that these environmental review documents are
15 adequate for their use in approving the Portal Implementation MOU, and that no further
16 environmental review is required; adopts the 2018 Transbay Program CEQA findings; and
17 adopts the Revised Mitigation Monitoring and Reporting Program; and, be it

18 FURTHER RESOLVED, The City's approval of the Portal Implementation MOU is not a
19 City approval of any element of Phase 2 of the Transbay Program, and does not guarantee
20 City approvals necessary to effectuate the Project. All such approvals shall be made through
21 ordinary City processes, if at all, following completion of any required environmental review.
22 The City, acting in a regulatory capacity, reserves all rights to reject proposed permits and
23 other requested TJPA approvals relating to Phase 2; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Portal
2 Implementation MOU, in substantially the form presented to the Board of Supervisors; and, be
3 it

4 FURTHER RESOLVED, That within 30 days of the agreement being fully-executed by
5 all Partners, the TJPA shall provide the final agreement to the Clerk of the Board of
6 Supervisors for inclusion in Board file No. 241137.

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The Portal Project Implementation Memorandum of Understanding

The Portal Project Implementation Memorandum of Understanding (MOU), effective _____, is between the Transbay Joint Powers Authority (TJPA); the Metropolitan Transportation Commission (MTC); the San Francisco County Transportation Authority (SFCTA); the Peninsula Corridor Joint Powers Board (Caltrain); the California High-Speed Rail Authority (CHSRA); and the City and County of San Francisco (CCSF) (each a “Partner” and collectively the “Partners”).

1. Definitions:

Blueprint: The Portal Governance Blueprint, a policy document approved by the TJPA Board in August 2023, which identifies policy recommendations for the coordination and engagement of the Partners in the implementation of the Project.

Change Control Board (CCB): multi-agency body convened by the TJPA Executive Director, with representation from all six Partners, with responsibility during Phase 2 of Blueprint Implementation to review and recommend Significant Changes and Policy Changes.

Configuration Management Working Group (CMWG): multi-agency body convened by the TJPA Executive Director, with representation from all six Partners, with responsibility during Phase 1 of Blueprint Implementation to review and recommend Significant Modifications to Project Configuration.

Executive Working Group (EWG): multi-agency body convened and led by the TJPA Executive Director, with representation from all six Partners, with responsibility during Phase 1 and Phase 2 of Blueprint Implementation to provide advice and recommendations to the TJPA Executive Director and to support the TJPA Executive Director’s reporting to The Portal Committee and TJPA Board, including review of policy items advancing to the Board level.

Federal Transit Administration (FTA): the FTA is the planned grantor of federal Capital Investment Grant funds.

Integrated Management Team (IMT): a senior management group, convened by the TJPA Executive Director and led by the TJPA Project Director, with representation from the Partners or from a sub-set of the Partners as mutually agreed, with responsibility during Phase 2 of Blueprint Implementation to integrate/coordinate management-level activities across the agencies, remove roadblocks and marshal resources, and provide early/ongoing visibility into Project status, issues, and risks.

Integrated Program Management Team (IPMT): a senior management group, convened by the TJPA Executive Director and led by the TJPA Project Director, with representation from all six Partners, supporting the Project during Phase 1 of Blueprint Implementation.

Integrated Program Delivery Team (IPDT): the integrated team convened by the TJPA Executive Director and led by the TJPA Project Director consisting of representatives from TJPA, Caltrain, and CHSRA, their consultants and contractors, and other resources/personnel as required, with responsibility to deliver the Project.

IPDT Framework: a management document describing the parameters of the IPDT.

Major Contracts: The primary construction contracts through which the Project will largely be delivered, which are the Civil-Tunnel Progressive Design-Build (PDB/40-CT), Track and Systems Construction Manager-General Contractor (CMGC), Salesforce Transit Center Station Fit-Out CMGC, and Fourth and King Yard (4KY) Package B as this list may be amended by mutual agreement of the Partners.

Minor Change: A Project Change that does not conflict with the Policy Baseline and is less than a threshold defined in the CCB Charter.

Partners: the six agencies party to this MOU: the Transbay Joint Powers Authority (TJPA); the Metropolitan Transportation Commission (MTC); the San Francisco County Transportation Authority (SFCTA); the Peninsula Corridor Joint Powers Board (Caltrain); the California High-Speed Rail Authority (CHSRA); and the City and County of San Francisco (CCSF). Collectively the Partners and each individually a Partner.

Peninsula Rail Program MOU: The San Francisco Peninsula Rail Program Memorandum of Understanding, executed among the Partners in 2020 and having expired on May 10, 2024.

Phase 1 of Blueprint Implementation: The first period governed by this MOU, from date of completion of this MOU's execution by all six Partners until the start of Phase 2 of Blueprint Implementation as defined herein, during which time The Portal Board Committee will be established. Also, during this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CMWG, IPMT, and IPDT will be held, as described in Section 7 of this MOU.

Phase 2 of Blueprint Implementation: The final period governed by this MOU, to take effect no later than the Start of Project Delivery, as defined herein, and continuing through the term of this MOU. During this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CCB, IMT, and IPDT will be held, as described in Section 7 of this MOU.

Policy Change: A Project Change that significantly alters or threatens the planned outcomes of the Project, or otherwise exceeds a threshold defined in the CCB Charter for a Policy Change, including all changes that are materially inconsistent with the Policy Baseline.

Policy Baseline: a collection of formal documents, to be brought forward for consideration by the TJPA Board, that will collectively describe the Project's scope, schedule, budget, funding plan, and risk approach.

Project: The Portal, also known as the Downtown Rail Extension, as described in Section 5 of this MOU.

Project Change: A modification to the Project's configuration, schedule, budget, and/or contracts (including changes to contract scope, schedule, and/or cost).

Project Configuration: The combined physical, functional, and operational characteristics of structures, systems, and components of the Project.

Revenue Service: Regular rail operations on the Project that serve fare-paying passengers.

Significant Change: A Project Change that does not conflict with the Policy Baseline and that exceeds a threshold defined in the CCB Charter.

Significant Modification to Project Configuration: A modification to Project Configuration with a material impact on the planned outcomes of the Project.

Start of Project Delivery: The date of the first award of any construction contract for the Project, specifically the earliest date of either: the award of the pre-construction phase of the Civil-Tunnel Progressive Design-Build (PDB/40-CT) contract; or the award of the first enabling construction contract package, including packages for the Fourth and King Railyard.

Status Report: a report prepared monthly by the Integrated Program Delivery Team.

Stage Gates: a sequence of formal review points during the Project to assess the Project's readiness to advance and to make recommendations to the TJPA Board.

Summary Work Program: A document describing the Project's activities and Partner roles and responsibilities in these activities over at least the coming two years, to be updated annually and presented to the TJPA Board.

The Portal Committee: a standing committee of the TJPA Board, providing transparent and dedicated venue for review and recommendation to the TJPA Board of policy matters to be established during Phase 1 of Blueprint Implementation and to continue during Phase 2 of Blueprint Implementation.

2. Purpose:

The Partners recognize that The Portal is a critical rail link in the Bay Area, Northern California mega-region, and statewide transportation system and that it will be most efficiently and

effectively delivered through a multi-agency partnership among local, regional, and state stakeholder agencies with expertise in developing, funding, and implementing major infrastructure projects.

This MOU describes the multi-agency coordination, administrative organizational structure, and processes that will support the efforts of the TJPA in the delivery of The Project. This MOU is intended to be consistent with the policy recommendations of The Portal Governance Blueprint, which is attached to this MOU and incorporated by reference herein. In the event of inconsistency between the MOU and the Blueprint, the MOU shall take precedence.

This MOU describes the currently contemplated primary roles and responsibilities of each of the Partners. This MOU does not establish funding contributions or payment between the parties.

3. Partner Agency Primary Roles and Responsibilities:

The Partners recognize that – and nothing in this MOU is intended to imply otherwise – state law and the TJPA’s 2001 Joint Powers Agreement (as amended) provide that the TJPA has primary jurisdiction over and will implement The Portal that will connect the Salesforce Transit Center to the regional rail system and to the statewide high-speed rail system.

The Partners also recognize that each Partner has roles and responsibilities associated with the development and delivery of the Project. The Partners also recognize that each Partner bears certain risks associated with the Project and that the cooperation and engagement of all Partners is necessary to effectively manage Project risks. In addition to the Partners’ participation in the management and organizational processes described in this MOU, each Partner’s currently contemplated primary roles and responsibilities associated with delivery of the Project are summarized as follows:

TJPA is the lead agency and FTA grantee. TJPA is responsible for: managing the development, environmental clearance, design, procurement, construction, and commissioning of the Project; leading integration of all elements of the Project; ensuring the Project is compliant with FTA requirements; and managing and administering the governance, management, Partner engagement, and organizational processes and structures required to deliver the Project. TJPA will hold the Project’s construction contracts, with the exception of any contract separately agreed by TJPA and any other Partner to be held by that Partner. TJPA is the FTA grantee and will lead and manage the Project’s relationship with FTA.

Caltrain is expected to be the initial rail service operator providing regional rail service for The Portal. Caltrain owns and operates the corridor leading to The Portal.

CHSRA is expected to be a subsequent rail service operator providing statewide high-speed rail service for The Portal.

Both **Caltrain and CHSRA** will participate in a technical working group established as part of the Integrated Program Delivery Team (IPDT) to address and finalize technical requirements of infrastructure including tunnel, systems performance, safety and security in order to meet or exceed federal and state laws and regulations for both Caltrain and CHSRA operations and protect public health and safety. Responsibilities shall be as described in the IPDT Framework agreed upon between TJPA and the operators. The escalation path described in the IPDT Framework will be used to resolve any disagreement between Caltrain and CHSRA.

CCSF is the combined City and County host jurisdiction, planner and operator of CCSF infrastructure and services, a transportation planning agency, a transit agency, and a local funding entity. CCSF is responsible for: oversight and permitting related to streets, the Muni transit system, public realm, CCSF utilities, and other existing and future CCSF infrastructure and services; requiring that Project impacts to CCSF infrastructure and services are adequately mitigated; oversight and approval of CCSF infrastructure to be built or modified by the Project; coordinating input from CCSF departments, agencies, boards, and commissions; and participating in the planning, design, and implementation of the Project as requested or required by law.

SFCTA is the congestion management agency for San Francisco under state law and serves as sub-regional transportation planning agency and administrator of multiple local transportation funding sources. SFCTA is responsible for: conducting project management oversight of Project development and Project delivery, on behalf of the SFCTA Board and as a complement to oversight conducted by FTA and the FTA Project Management Oversight Consultant; serving as co-lead agency (with TJPA) for the Project's funding strategy and supporting funding advocacy; serving as lead agency for the preparation of ridership forecasts, working in collaboration with TJPA and the other Partners; supporting planning and funding coordination among local, regional, state, and federal agencies; and participating in the planning, design, and other activities of the Project as requested or required by law.

MTC is the regional transportation planning, financing, and coordinating agency. MTC is a direct investor through regional bridge tolls and is the responsible agency for prioritizing regional projects for major sources of funding. MTC is responsible for: providing a regional perspective in risk management and change management to ensure the responsible use of funds, consistency with policy commitments, and delivery of the Project as a sustainable and seamless component of the wider regional transportation network; and participating in the planning, design, and other activities of the Project as requested or required by law.

The Partners' specific roles and responsibilities will be periodically refined and elaborated in the Summary Work Program, as described in Section 13 of this MOU.

224 4. Term and Procedure for Amendment:

225 4.1 The term of this MOU shall be through the date of completion of the latest of the
 226 following milestones: substantial completion of the Major Contracts (as defined in those
 227 contracts); and the completion of a project evaluation report, to be presented to the TJPA Board
 228 within 12 months after the start of Revenue Service.
 229

230 4.2 The Partners may amend, conclude or extend this MOU by mutual agreement; such
 231 agreement shall be evidenced in writing. Notwithstanding the foregoing, the TJPA may
 232 terminate this MOU in its discretion by action of the TJPA Board; prior to any such
 233 proposed termination, the TJPA shall meet and confer with the other Partners in a good
 234 faith effort to resolve any concerns and avoid the need for termination. Any other Partner
 235 may withdraw from this MOU in its discretion, following a meet-and-confer with the other
 236 Partners in a good faith effort to resolve any concerns and avoid the need for withdrawal. In the
 237 event that a Partner withdraws from this MOU, the remaining Partners will continue to cooperate
 238 as described herein.
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 240

241 5. Project Description:

242 The Portal, also known as the Downtown Rail Extension or DTX, will connect Caltrain's regional
 243 rail system and CHSRA's future statewide system to the Salesforce Transit Center in downtown
 244 San Francisco. The Project is an essential part of a long-term strategy to create seamless
 245 connections among local, regional, and statewide transportation systems and connect rail to
 246 important locations throughout the Northern California mega-region. The rail alignment will be
 247 constructed principally below grade to provide a critical link for Peninsula commuters and
 248 travelers on the state's future high-speed rail system.
 249
 250

251 6. Blueprint Implementation:

252 The Partners recognize that the Project will proceed into procurement and construction over
 253 time, and, as such, the Partners agree to a phased approach for engagement in the Project
 254 consistent with the Blueprint. Under this approach, the Blueprint's policy recommendations will
 255 proceed in two phases, as follows:
 256

257 **Phase 1 of Blueprint Implementation (Transition Phase):** an initial transition period,
 258 whereby the Blueprint's policy recommendations will be partially achieved. The term of
 259 Phase 1 will be from the date of execution of this MOU by all Partners until the date of
 260 start of Phase 2 of Blueprint Implementation, as described herein. During Phase 1, the
 261 TJPA Board will establish The Portal Committee. During this time, the TJPA Executive
 262 Director has confirmed, and the Partners have concurred, that regular meetings of EWG,
 263 CMWG, IPMT, and IPDT will be held, in the manner described in Section 7 of this MOU.
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 265
 266
 267

Phase 2 of Blueprint Implementation (Blueprint Fully Implemented): all policy recommendations codified in the Blueprint will be in place no later than the Start of Project Delivery, as defined herein. Phase 2 will be through the term of this MOU, as defined herein. The Portal Committee will be continued during Phase 2. During this time, the TJPA Executive Director has confirmed, and the Partners have concurred, that regular meetings of EWG, CCB, IMT, and IPDT will be held, in the manner described in Section 7 of this MOU.

7. Multi-Agency Coordination and Engagement:

The processes for multi-agency coordination and engagement amongst the Partners are described by this MOU as summarized below.

7.1 The Portal Committee of the TJPA Board

The TJPA Board holds decision authority on all matters related to the Project, including policy matters. The TJPA Board shall establish The Portal Committee, as a standing committee of the TJPA Board. The TJPA Board shall establish The Portal Committee prior to the start of Phase 2 of Blueprint Implementation.

The TJPA Board will appoint the membership of The Portal Committee. The Portal Committee shall consist of three voting members and shall be appointed by the TJPA Board according to its bylaws. The TJPA Board shall invite MTC to designate a non-voting representative to The Portal Committee.

The Portal Committee will provide a transparent and dedicated venue for review and recommendation of policy matters and decisions pertaining to the Project. The Committee will also conduct oversight of Project management and Project performance. The Committee shall report regularly to the TJPA Board and shall make recommendations for consideration by the full TJPA Board. The Committee shall convene at least quarterly and may convene more frequently as the Project may require.

7.2 Executive Working Group

The TJPA Executive Director, of their own authority, has convened an Executive Working Group (EWG) for the Project, to provide the Executive Director with advice and recommendations about the delivery of the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the EWG will convene on an ongoing basis throughout Phase 1 and Phase 2 of Blueprint Implementation.

The TJPA Executive Director confirmed, and the Partners concurred, that the EWG consists of the chief executives (or their designee) of TJPA, MTC, SFCTA, Caltrain, CHSRA, and CCSF (for CCSF, the EWG member will be the Mayor's designee).

The TJPA Executive Director requested, and the Partners concurred, that the EWG support the Executive Director's executive-level management of the Project, including consideration of the Partners' best practices and lessons learned. The Executive Director requested, and the Partners concurred, that the EWG provide policy review support to the TJPA Executive Director and support the TJPA Executive Director's reporting to The Portal Committee and TJPA Board, including review of policy items advancing to the Board level. The Executive Director requested, and the Partners concurred, that the EWG also receive and provide input on issues escalated, through the TJPA Executive Director, by the TJPA Project Director, the Integrated Program Management Team, and the Integrated Management Team. The TJPA Executive Director requested, and the Partners concurred, that the EWG provide the Executive Director with recommendations for their consideration.

7.3 Integrated Program Management Team

The TJPA Executive Director, of their own authority, has convened the Integrated Program Management Team (IPMT) to support development and delivery of the Project during Phase 1 of Blueprint Implementation. The TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will regularly meet until such time as the IMT and the CCB begin regularly meeting. The TJPA Executive Director confirmed, and the Partners concurred, that the TJPA Project Director will continue to lead the IPMT.

The TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will continue to consist of representatives from each of the Partners with relevant experience in large complex projects, as designated by their corresponding EWG member. The TJPA Executive Director requested, and the Partners concurred, that each EWG member designate a lead IPMT member and an alternate IPMT member for the respective Partner, and that the IPMT will continue to be supported by additional relevant qualified personnel from the Partners and their consultants.

The TJPA Executive Director confirmed, and the Partners concurred, that, during Phase 1 of Blueprint Implementation, the IPMT will: provide technical review support, input, and coordination to the Project's work program of project development, procurement preparation, procurement, and other activities; recommend Policy Baseline documents and Stage Gate milestones; review Status Reports; and provide input on the development of the Summary Work Program. The TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will review items advancing to the EWG through the TJPA Executive Director, and IPMT members will provide staff support to respective EWG members.

The TJPA Executive Director confirmed, and the Partners concurred, that they will continue to convene the IPMT, that the TJPA Project Director will continue to lead the IPMT, and that TJPA

will be responsible for managing IPMT proceedings, including agenda management, advance provision of materials, and documentation of meetings.

7.4 Configuration Management Working Group

The TJPA Executive Director, of their own authority, has convened the Configuration Management Working Group (CMWG). The TJPA Executive Director confirmed, and the Partners concurred, that the CMWG will meet when required during Phase 1 of Blueprint Implementation, until such time as the Integrated Management Team and the Change Control Board begin meeting regularly.

The TJPA Executive Director confirmed, and the Partners concurred, that the CMWG will continue to consist of each Partner's lead representative on IPMT.

The TJPA Executive Director confirmed, and the Partners concurred, that the CMWG will continue to be responsible for reviewing proposed Significant Modifications to Project Configuration and for making recommendations regarding the adoption of such changes to the TJPA Executive Director for discussion at the EWG and/or The Portal Committee. The TJPA Executive Director confirmed, and the Partners concurred, that the TJPA Project Director will continue to be responsible for managing CMWG process and proceedings, including agenda management, advance provision of materials, documentation of meetings, and preparation of additional analysis to support decision-making.

7.5 Change Control Board

The TJPA Executive Director, of their own authority, has convened a Change Control Board (CCB) for the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the CCB will meet regularly starting during Phase 2 of Blueprint Implementation, as defined herein.

The TJPA Executive Director confirmed, and the Partners concurred, that the CCB includes representation from each of the Partners.

The TJPA Executive Director confirmed, and the Partners concurred, that the CCB will: consider and recommend Policy Changes and Significant Changes, as described in Section 10 of this MOU; and regularly review Project Change reports documenting Project Changes approved beneath thresholds defined in the CCB Charter for Significant Changes. The TJPA Executive Director confirmed, and the Partners concurred, that the CCB will also: support risk management activities; support identification of policy matters requiring review and decision-making; and perform other duties to the extent specified in the CCB Charter.

During Phase 1 of Blueprint Implementation, the TJPA Executive Director confirmed, and the Partners concurred, that the IPMT will prepare a recommended CCB Charter and that the CCB Charter will codify: the CCB's standard meeting frequency and standing agenda structure;

approach to term and rotation of the CCB Chair and Vice Chair; procedures for CCB review and recommendation of Significant Changes and Policy Changes; CCB voting composition; detailed definition of Minor Changes, Significant Changes, and Policy Changes; and respective thresholds for these types of Project Change types. The TJPA Executive Director confirmed, and the Partners concurred, that: the IPMT will recommend the CCB Charter; the TJPA Executive Director will review the recommended CCB Charter with the EWG; and the final CCB Charter will be brought forward for approval by the Partners at an executive staff level. The Integrated Program Delivery Team shall prepare and/or update relevant project management plans and procedures to be consistent with the CCB Charter.

7.6 Integrated Management Team

The TJPA Executive Director, of their own authority, has convened an Integrated Management Team (IMT) for the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will be led by the TJPA Project Director and that the IMT will meet regularly starting during Phase 2 of Blueprint Implementation, concurrent with the sunset of the IPMT and the start of regular meetings of the CCB.

The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will provide advice to the TJPA Project Director and support the TJPA Project Director in the management of the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will: integrate and coordinate project activities and commitments across IMT Partners; solve problems, remove roadblocks, and marshal resources; align direction to the Integrated Project Delivery Team; support risk management; and provide input to Project reporting.

The TJPA Executive Director confirmed, and the Partners concurred, that the IMT will be led by the TJPA Project Director and the IMT will include senior management representation from those Partners with the basis and capacity for participation.

7.7 Integrated Program Delivery Team

The TJPA Executive Director, of their own authority, has convened an Integrated Program Delivery Team (IPDT) for the Project, consisting of representatives from TJPA, Caltrain, and CHSRA, their consultants and contractors, and other resources/personnel as required. The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will meet regularly during Phase 1 and Phase 2 of Blueprint Implementation.

The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will be the primary staff-level body with the responsibility to deliver the Project so that it can be implemented within the approved scope, budget, and schedule. The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will include team members that provide day-to-day management and delivery of the Project. The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will be comprised of dedicated staff residing in a co-located office with the support of remote teams and specialty technical experts and that each

party's IPDT team members will be directly supported by their own Project organizational structures.

The TJPA Executive Director confirmed, and the Partners concurred, that the IPDT will be led by the TJPA Project Director. The TJPA Executive Director confirmed, and the Partners concurred, that the TJPA Project Director and the operators and their representatives will work cooperatively to resolve open issues regarding the Project and will be responsible for informing executive management at their respective agency of critical issues.

8. Policy Baseline:

The Partners recognize the need to structure and focus policy-level decision-making for the Project and to delegate management-level decision-making. The Partners expect that the TJPA Board will establish a Policy Baseline for the Project, with subsequent changes to the Policy Baseline controlled by the TJPA Board.

The Policy Baseline will describe the Project's scope, schedule, budget, funding plan, and risk approach. From time to time, the IPDT may prepare more detailed Baseline documents, which will be consistent with the Policy Baseline. The Policy Baseline shall consist of five documents, as follows: Project Definition; Schedule; Budget; Funding Plan; and a Policy Baseline Risk Document. Section 3 of The Portal Governance Blueprint, which is provided as Attachment #1 to this MOU, summarizes the anticipated basis and anticipated content of the Policy Baseline documents.

The Policy Baseline documents shall be presented to the TJPA Board for its consideration. The Partners expect that the TJPA Board will adopt first versions of all five Policy Baseline documents during Phase 1 of Blueprint Implementation. During Phase 2 of Blueprint Implementation, review and recommendation of Policy Baseline documents shall follow the process for a Policy Change as described in Section 10 of this MOU. During Phase 1 of Blueprint Implementation, the TJPA Project Director confirmed they will seek the recommendation of the IPMT for proposed Policy Baseline documents, and the TJPA Executive Director confirmed they will seek the review of the EWG for proposed Policy Baseline documents.

9. Stage Gates:

The Partners recognize the need to assess the Project's readiness to advance to subsequent major phases of delivery. The Project shall utilize a Stage Gate process to align decision-making at major milestones, ensure the completion of preceding tasks, consider the Project's readiness for successive phases of work, and provide for periodic review and advice.

At each Stage Gate milestone, the Partners expect that the TJPA Board will consider granting approval to proceed to the next phase of the Project and will consider authorizing any specific associated actions. In preparation for a Stage Gate, the IPDT will prepare an assessment of Project readiness. In preparing Stage Gate recommendations, the TJPA Project Director confirmed they will seek the review and recommendation of the IPMT or CCB, and the TJPA Executive Director confirmed they will seek the review of the EWG.

The Stage Gate process will be invoked at the following project milestones:

Stage Gate #1 – Procurement and Enabling Program: Initiation of procurement of the project's Major Contracts, beginning with PDB/40-CT Request for Proposals. Procurement and delivery of the enabling program will also proceed.

Stage Gate #2 – Pre-Construction: Initiation of the pre-construction phase for the project's Major Contracts, beginning with PDB/40-CT.

Stage Gate #3 – Construction: Initiation of the construction phase of the Major Contracts, beginning with PDB/40-CT.

Stage Gate #4 – Testing and Commissioning: Initiation of testing and commissioning activities, including trial running of rail vehicles.

Stage Gate #5 – Entry into Service: Start of Revenue Service.

Section 3 of The Portal Governance Blueprint, provided as Attachment #1 to this MOU, presented the draft Stage Gate Framework for the Project, including anticipated precedent deliverables and milestones for each Stage Gate (with the exception of the separate Stage Gate for Testing and Commissioning, which has been added herein). Progression through the Project's Stage Gates 1, 2, and 3 may proceed in partial/progressive form at an individual Major Contract level, to reflect the differential schedules of individual Major Contracts.

10. Change Decision Framework:

The Partners recognize that the need for changes will occur throughout the delivery of the Project, including during procurement, construction, and testing and commissioning. The Partners also recognize that Project Changes should be controlled to ensure that the Project's planned outcomes are achieved and that the impacts of Project Change decisions are understood by the Partners.

Project Changes include modifications to configuration, schedule, budget, and/or contracts (including changes to contract scope, schedule, and cost). The following framework, as described in Section 4 of the Blueprint, will be used to categorize Project Change types:

Minor Change: A Project Change that does not conflict with the Policy Baseline and is less than a defined threshold.

Significant Change: A Project Change that does not conflict with the Policy Baseline and that exceeds a defined threshold.

Policy Change: A Project Change that significantly alters or threatens the planned outcomes of the Project, or otherwise exceeds the defined threshold for a Policy Change, including all changes that are materially inconsistent with the Policy Baseline.

Specific thresholds for each level of Project Change shown above will be defined in the CCB Charter, as described in Section 7.5 of this MOU. The Partners anticipate that under the CCB Charter, Project Changes will generally follow the following processes for review, recommendation, and decision-making:

Minor Changes: Authority delegated by the TJPA Board to the TJPA Executive Director and from the Executive Director to the TJPA Project Director, or as otherwise delegated within the IPDT, with record of Minor Changes reported to the CCB.

Significant Changes: Reviewed and recommended by the CCB, with consideration of impact or compliance with the Policy Baseline. Authority delegated from the TJPA Board to TJPA Executive Director, with potential retention of authority by the TJPA Board for very large Significant Changes.

Policy Changes: TJPA Board retains approval authority. The TJPA Executive Director shall seek the review and recommendation of the CCB, and the TJPA Executive Director shall bring forward final recommendations to the TJPA Board. The TJPA Executive Director shall concurrently bring forward to the TJPA Board any recommended amendment or amendments to the Policy Baseline associated with a Policy Change.

11. Project Status Reporting:

The Partners recognize that timely, accurate, and accessible project information is essential to effective decision-making at all levels.

The IPDT will prepare a detailed Project Status Report monthly. The TJPA shall lead preparation of the Status Report. The TJPA Project Director will be responsible for the Report. The TJPA Project Director will present (or otherwise furnish) the Status Report to the IPMT or CCB. The TJPA Executive Director shall present (or otherwise furnish) a summary version of the Status Report to The Portal Committee, with the Report also made available to the full TJPA Board. During Phase 2 of Blueprint Implementation, the Project Director confirmed they will engage the IMT during the period of preparation of the Report. A draft of the Status Report will be provided to IMT members to support briefing of their originating organizations.

573
574
575 **12. Procedures for Decision Review, Recommendation, and Escalation:**
576

577 Section 6 of the Blueprint describes General Procedures for multi-agency coordination and
578 engagement in decision review, recommendation, and escalation, as fully in place during Phase
579 2 of Blueprint Implementation. These General Procedures are incorporated by reference herein.
580 In the event of inconsistency between the MOU and the Blueprint's General Procedures, the
581 MOU shall take precedence.
582

583
584 **13. Summary Work Program:**
585

586 The Partners recognize the need for documentation of the Project's work program, to facilitate
587 mutual understanding of Project activities and support each Partner's own forward planning and
588 resource allocation.
589

590 The Partners agree to prepare a Summary Work Program to describe the Project's activities
591 and Partner roles and responsibilities in these activities over a reasonable period (at least two
592 years). The Summary Work Program shall be consistent with the Project work plan prepared
593 and maintained by the IPDT. TJPA shall lead preparation and periodic update of the Summary
594 Work Program; the TJPA Project Director confirmed they will request the input and cooperation
595 of the IPMT or IMT. The TJPA Project Director confirmed they will seek the recommendation of
596 the IPMT or IMT for the proposed Summary Work Program; the TJPA Executive Director
597 confirmed they will seek the review of the EWG of the proposed Summary Work Program; and
598 the Summary Work Program shall be presented to the TJPA Board.
599

600 The Summary Work Program shall be updated on an annual basis, in parallel with the Partners'
601 own processes to prepare and approve annual budgets, and presented to the TJPA Board. The
602 TJPA Project Director confirmed they will present the draft Summary Work Program to the IPMT
603 or IMT by March of each year, and the TJPA Executive Director confirmed they will present the
604 draft Summary Work Program to the EWG by April of each year.
605

606
607 **14. Resourcing and Other Agencies:**
608

609 The Partners will work together to identify the necessary resources to support their respective
610 responsibilities associated with delivery of the Project and participation in the activities of the
611 bodies described in this MOU. This MOU does not commit any Partner to provide any resources
612 beyond those that any individual Partner may have already committed to the Project and/or to
613 their own associated activities. This MOU commits the Partners to participation in the processes
614 described herein but does not constitute a commitment of financial resources.
615

The Partners recognize that other state, regional and local government agencies, such as BART, Capitol Corridor Joint Powers Authority, California State Transportation Agency, and Caltrans, have an interest in and/or expertise regarding the Project. Accordingly, the Partners agree to work collaboratively to engage those agencies as appropriate during implementation of the Project.

15. Other Agreements:

The Partners acknowledge that there are other agreements already entered into by some or all of the Partners or which may be entered into in the future related to the Project or other related or unrelated matters, including but not limited to: bilateral agreements between TJPA and CCSF, between TJPA and Caltrain, and between TJPA and CHSRA; agreement(s) between Caltrain and CHSRA; and the Railyards MOU. This MOU is separate from and does not modify or replace any other MOU or other agreement to which one or more of the Partners is party.

Future agreements between or among two or more of the Partners concerning the Project cannot impair the rights and obligations of the parties as articulated in this MOU without the prior written consent of all parties to this MOU.

16. No Adjudication of Rights:

The MOU does not adjudicate legal rights with respect to the development of the Project or provide the Partners with any rights with respect to the revenues derived therefrom.

17. General Conditions:

17.1 Each Partner will conduct its activities under this MOU in accordance with applicable federal, state, and local laws, regulations, and standards.

17.2 Each Partner will ensure that personnel assigned by it to conduct activities under this MOU are appropriately qualified or licensed to perform the tasks assigned to them.

17.3 Each Partner will hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for the activities under this MOU in confidence to the extent permitted by law. Where applicable, the provisions of California Government Code section 7921.505(c)(5) shall protect the confidentiality of such documents if said documents are shared between the Partners. The Partners will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete the activities under this MOU without the written consent of the Partner authorized to release them, unless required and authorized to do so by law. If a Partner receives a public records request pertaining to activities under this MOU, that Partner will notify

the other Partners within five (5) working days of receipt and make the other Partners aware of any intent to disclose public documents. The Partners will consult with each other prior to the release of any public documents or statements related to the activities under this MOU. Nothing herein shall require any Partner to waive any attorney-client privileges or other protections it otherwise has a right to assert.

17.4 The Partners do not intend this MOU to create a third-party beneficiary or define duties, obligations, or rights of parties not signatory to this MOU.

17.5 The Partners will not assign or attempt to assign their rights or obligations under this MOU to parties not signatory to this MOU without an amendment to this MOU.

17.6 The following document is an Attachment hereto:

1. Policy Document: The Portal Governance Blueprint

IN WITNESS WHEREOF, the Partners have executed this MOU as of the date first written above.

Transbay Joint Powers Authority

Metropolitan Transportation Commission

By: _____

By: _____

_____, TJPA Board Chair

_____, Executive Director

Date: _____

Date: _____

Address: 425 Mission Street, Suite 250
San Francisco, CA 94105

Address: 375 Beale Street, Suite 800
San Francisco, CA 94105

San Francisco County Transportation Authority

Peninsula Corridor Joint Powers Board

By: _____

By: _____

_____, Executive Director

_____, Executive Director

Date: _____

Date: _____

Address: 1455 Market Street, Floor 22
San Francisco, CA 94103

Address: 1250 San Carlos Avenue
San Carlos, CA 94070

California High-Speed Rail Authority

City and County of San Francisco

By: _____

By: _____

_____, Chief Executive Officer

Mayor _____

Date: _____

Date: _____

Address: 770 L Street, Suite 620
Sacramento, CA 95814

Address: 1 Dr Carlton B Goodlett Pl
San Francisco, CA 94102

ATTACHMENT #1

San Francisco Peninsula Rail Program

The Portal: Downtown Rail Extension

Governance Blueprint

August 2023

1. Background and Context

The Downtown Rail Extension (DTX or The Portal) is Phase 2 of the Transbay Program, which is led by the Transbay Joint Powers Authority (TJPA). The Metropolitan Transportation Commission (MTC) and the San Francisco County Transportation Authority (SFCTA) have co-led The Portal Governance Study, in order to recommend the institutional arrangement and governance structure¹ through construction of the project, as described in Task 18 of the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU). The MOU is a six-party agreement among the TJPA, the Peninsula Corridor Joint Powers Board (Caltrain), the California High-Speed Rail Authority (CHSRA), the City and County of San Francisco (CCSF), MTC, and SFCTA (collectively, Partner Agencies and individually, Partner Agency). The MOU defines a project development work program for The Portal and establishes the Integrated Program Management Team (IPMT) and the Executive Steering Committee (ESC), to undertake and guide this work program on behalf of the TJPA Board.

Governance Study Approved Recommendations

In September 2022, the TJPA Board approved a set of governance recommendations for The Portal, as recommended by the ESC:

1. Confirm TJPA as the lead agency for DTX procurement and construction, and continue to build the capacity of TJPA and Partner Agencies for project delivery.
2. Develop a collaborative, integrated management approach and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.
3. Provide a transparent venue for the development and review of policy-level recommendations and reporting to the TJPA Board.
4. Utilize a stage-gate process to align decision-making at major milestones, ensure readiness for successive phases of work, and provide for periodic independent/expert review and advice.
5. Define/codify the governance and management structure through bi-lateral agreements between agencies, a successor to the existing Peninsula Rail Program MOU, and detailed program management plans.
6. Empower project leadership staff through delegated authorities, in conjunction with an integrated management approach and structured review/oversight processes.
7. Institute process/structure for management and oversight of configuration and change, including contractual changes.
8. Embed risk management and risk review at all levels, including policy oversight, technical management, and project execution.
9. Prepare “single-source” project reporting to provide timely and reliable information to management, partners, and decision-makers.
10. Develop an integrated project delivery team, including TJPA staff, consultants, and key Partner Agency resources/personnel, and pursue project partnering to strengthen collaboration.

¹ **Project Governance** means the organizational, oversight, and decision-making framework to direct and manage the project’s scope, schedule, budget, risks, and change.

The Governance Study recommendations were accompanied by a set of Governance Objectives for The Portal, as follows:

- *Clarity of Purpose* – Establish and maintain a clear focus on delivering the project.
- *Representation and Voice* – Provide project partners with voice and say, consistent with their project interests and risk ownership.
- *Responsiveness and Oversight* – Enable timely decision-making, and ensure proper direction and oversight of the project delivery team.
- *Capacity and Capabilities* – Deliver the project with expert resources with the required skills and capacity.
- *Accountability and Authority* – Provide decision-making authority in alignment with delegated accountabilities for project outcomes.
- *Transparency* – Give the public, stakeholders, and partners visibility into the project’s progress and opportunities for meaningful engagement.

The Portal Governance Blueprint

The Portal Governance Blueprint (Blueprint) builds on the Governance Study recommendations approved in September 2022. The Blueprint further describes the recommended governance approach for the project through procurement, enabling program, pre-construction, construction, and commissioning (with these phases collectively referred to as “project delivery”). This Blueprint is intended to guide the preparation of a new MOU among The Portal Partner Agencies, to succeed the existing Peninsula Rail MOU that has governed the project during the procurement-readiness work program.

This Blueprint focuses on the broad structure for multi-agency collaboration across The Portal Partner Agencies and does not address individual agencies’ commitments, responsibilities, and decision rights. Multiple bi-lateral agreements between TJPA and Partner Agencies will be developed to enable implementation of The Portal. These include the Caltrain Master Cooperative Agreement (MCA) and the CCSF Interagency Cooperation Agreement (ICA). Caltrain’s role in the project, as first operator, will be described in the MCA.

The Blueprint was prepared by MTC and SFCTA, in cooperation with the IPMT and with guidance from the ESC.

Organization of this Document

The Blueprint provides recommendations in the following five areas:

- Governance Structure and Bodies
- Policy Baseline and Stage Gate Framework
- Change Decision Framework
- Project Reporting Approach
- General Procedures for Decision-Making and Recommendations

This Blueprint addresses each of these topics and closes with a discussion of follow-up activities to implement the recommended governance model.

2. Governance Structure and Bodies

Section 2 of the Blueprint presents the overall recommended governance structure for project delivery and describes recommended parameters for each of the new governance bodies.

This Section provides the structure underpinning subsequent sections of the Blueprint. Section 3 and Section 4 describe, respectively, the recommended frameworks for policy decision-making and change decision-making, which the governance bodies are intended to facilitate and fulfill. Section 5 presents the recommended approach to the flow of project reporting across the bodies. Finally, Section 6 of the Blueprint describes recommended procedures for decision-making at each level of project governance.

Governance Structure

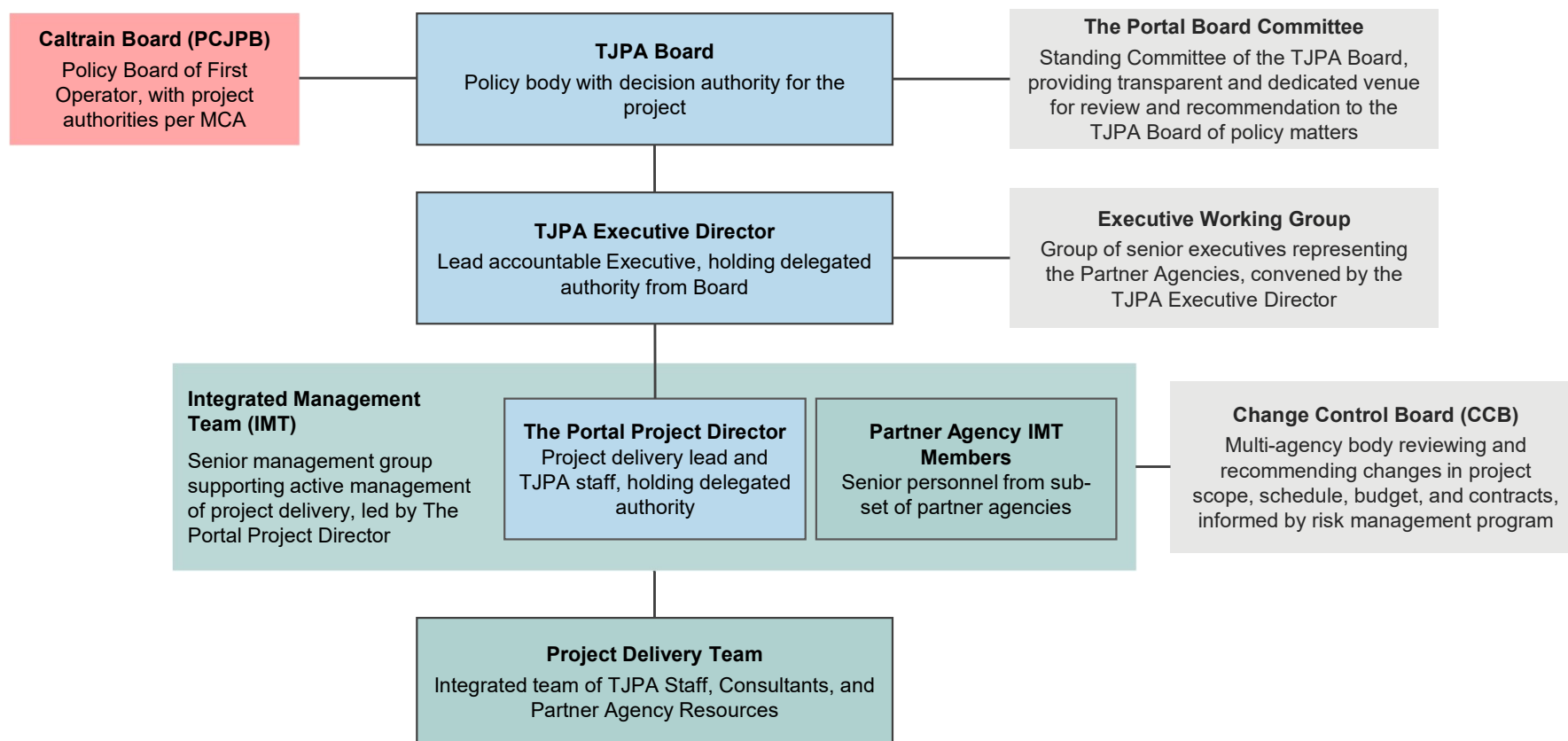
The September 2022 governance recommendations reflected an indicative structure with multiple governance bodies. The Blueprint recommends a refined governance structure for project delivery, as shown in Figure 1, below.

Table 1, below, provides an overview of each of the governance bodies.

Table 1. Summary Description of Governance Bodies

Body	Description
TJPA Board	Policy body with decision authority for the project
The Portal Board Committee	Standing Committee of the TJPA Board, providing transparent and dedicated venue for review and recommendation to the TJPA Board of policy matters
Executive Working Group	Group of senior executives representing the Partner Agencies, convened by the TJPA Executive Director, providing advice and recommendations to the TJPA Executive Director and, through the TJPA Executive Director, to The Portal Board Committee
Change Control Board	Multi-agency body reviewing and recommending changes in project scope, schedule, budget, and contracts, informed by the project's risk management program
Integrated Management Team	Senior management group supporting active management of project delivery, led by The Portal Project Director
Project Delivery Team	Integrated team of TJPA Staff, Consultants, and Partner Agency Resources

The immediately following sub-sections present recommended parameters for The Portal Board Committee, the Executive Working Group, the Change Control Board, and the Integrated Management Team. Subsequent sections of the Blueprint elaborate the functions, decision frameworks, and relationships of these bodies.

Figure 1. Recommended Governance Structure for Project Delivery

The Portal Board Committee

The TJPA Board holds decision authority on all matters related to The Portal project, including policy matters. The September 2022 governance recommendations called for the provision of “a transparent venue for the development and review of policy-level recommendations and reporting to the TJPA Board.”

The Blueprint recommends the establishment of a standing committee of the TJPA Board, referred to as The Portal Board Committee. The Committee would be responsible for reviewing, considering, and recommending Board-level policy matters. As a standing committee of the TJPA Board, The Portal Board Committee would hold meetings governed by the Brown Act.

Table 2, below, presents recommended parameters for The Portal Board Committee.

Table 2. The Portal Board Committee

Primary Role/Function	<ul style="list-style-type: none"> Focused policy review, making recommendations to the full TJPA Board for final action
Supporting Role/Function	<ul style="list-style-type: none"> Conduct oversight of project management and project performance
Membership	<ul style="list-style-type: none"> To include three voting members To include representation from Caltrain and San Francisco To include MTC as a non-voting member
Provides Reports/Recommendations to:	<ul style="list-style-type: none"> TJPA Board
Receives Reports/Recommendations From:	<ul style="list-style-type: none"> TJPA Executive Director and Project Director (through TJPA Executive Director) Executive Working Group (through TJPA Executive Director) Change Control Board (through TJPA Executive Director)
Meetings	<ul style="list-style-type: none"> Meetings governed by the Brown Act
Documentation	<ul style="list-style-type: none"> Brown Act requirements Formal meeting minutes

Executive Working Group

The Blueprint recommends the formation of an Executive Working Group, to facilitate multi-agency collaboration and project support at the executive level. The Group would consist of the Executive Director (or their designee) from each of the Partner Agencies.

The Executive Working Group would be convened by the TJPA Executive Director and would support the executive-level management of the project. The Group would also be responsible for providing policy

review support to The Portal Board Committee (through the TIPA Executive Director). The Executive Working Group meetings would not be governed by the Brown Act.

Table 3, below, presents recommended parameters for the Executive Working Group.

Table 3. Executive Working Group

Primary Role/Function	<ul style="list-style-type: none"> Support the executive-level management of the project; solicit, discuss, and apply best practices and lessons learned Provide policy review/oversight support to the TIPA Executive Director, and support the TIPA Executive Director's reporting to the Board Committee, including review of action items advancing to the Committee
Supporting Role/Function	<ul style="list-style-type: none"> Review/resolve issues escalated from the Project Director / IMT
Membership	<ul style="list-style-type: none"> Executive Director (or designee) from the six Partner Agencies Convened by, and under the authority of, the TIPA Executive Director; all members may agendaize items for the Working Group's consideration
Provides Reports/Recommendations to:	<ul style="list-style-type: none"> TIPA Executive Director and the Board Committee (through the TIPA Executive Director)
Receives Reports/Recommendations From:	<ul style="list-style-type: none"> Project Director / IMT (through the TIPA Executive Director) Change Control Board (through the TIPA Executive Director)
Meetings	<ul style="list-style-type: none"> Typical quarterly meeting frequency, with additional meetings as necessary Meetings not governed by the Brown Act
Documentation	<ul style="list-style-type: none"> Record of deliberations and recommendations, including representation of minority views when applicable

Change Control Board

The Blueprint recommends the formation of a Change Control Board (CCB), with this body reviewing and recommending changes in project scope, schedule, budget, and contracts, including contractual and configuration changes, informed by the project's risk management program.

Risk management and contingency management are functions closely related to the management of project changes. Certain change decisions reflect the materialization of project risks, and change decisions will often draw on contingency funds. As such, the Blueprint recommends that the CCB receive and review project risk reporting on a regular basis. The CCB should also receive timely reporting on budget and contingency.

The CCB would have representation from The Portal's Partner Agencies. The Blueprint does not make detailed recommendations regarding voting procedures for the CCB; such detailed procedures should be codified in the Successor MOU. At the level of principles, the Blueprint recommends the following:

- The CCB should strive for consensus decision-making on whether to recommend a proposed change.
- Decision procedures on whether to recommend a proposed change should provide for clear escalation pathways to resolve conflict. TJPA Executive Director should not approve changes that are not recommended by the CCB; TJPA Board reserves authority to approve changes that are not recommended by the CCB, subject to transparency at the Board level regarding CCB position and Partner Agencies reservation of rights to impose consequences related to Board-approved changes that are not recommended by CCB.
- CCB decision-making on whether to recommend a proposed change should respect the differential risk profile and risk ownership of individual agencies (e.g., TJPA as lead agency and FTA grantee; Caltrain as first operator; CHSRA as future operator; funding agencies holding financial risk; and CCSF as host jurisdiction and as owner/operator of certain existing assets and future/project assets such as streets and utilities; etc.).

Table 4, below, presents recommended parameters for the CCB.

Table 4. Change Control Board

Primary Role/Function	<ul style="list-style-type: none"> • Review and recommend changes in project scope, schedule, budget, and contracts, including changes to configuration and contracts, informed by the project's risk management program • Monitor changes implemented below CCB approval thresholds
Supporting Role/Function	<ul style="list-style-type: none"> • Provide external input and advice to Risk Management Team: regularly review risk reporting, including project risk register; participate in quarterly risk workshops • Support identification of policy matters requiring consideration by other governance bodies • Provide staff-level review of items advancing to Executive Working Group
Membership	<ul style="list-style-type: none"> • Composed of senior technical representation from the Partner Agencies • FTA PMOC invited to attend meetings • Chair and Vice Chair elected by membership
Provides Reports/Recommendations to:	<ul style="list-style-type: none"> • Project Director / Integrated Management Team (for escalation to the TJPA Executive Director, Board Committee, and TJPA Board, as appropriate) • Executive Working Group (through the TJPA Executive Director)
Receives Reports/Recommendations From:	<ul style="list-style-type: none"> • Project Director / Integrated Management Team
Meetings	<ul style="list-style-type: none"> • The CCB should meet at least monthly, with the initial CCB group to recommend a proposed meeting structure/cadence • Meetings not governed by the Brown Act
Documentation	<ul style="list-style-type: none"> • Written record of CCB decision-making • Reports/recommendations to other bodies, as required or requested

Integrated Management Team

The Blueprint recommends the formation of an Integrated Management Team (IMT), to support TJPA in the active management of project delivery. The IMT would consist of senior managers from a subset of the Partner Agencies with the basis/need and capacity to participate at this level of project management. The IMT is intended to integrate/coordinate management-level activities across the agencies; to remove roadblocks and marshal resources; and to provide early/ongoing visibility into project status, issues, and risks.

The IMT would be led by the TJPA Project Director, and non-TJPA members would hold dual reporting obligations with the project and their home organizations. The IMT as a group would not have direct decision authority. Certain IMT member agencies will have specific decision rights established through bilateral agreements with TJPA. The IMT's processes and procedures should be consistent with such agreements, including the Caltrain MCA and the CCSF ICA.

Table 5, below, presents recommended parameters for the IMT.

Table 5. Integrated Management Team

Primary Role/Function	<ul style="list-style-type: none"> Integrate/coordinate activities and commitments across agencies Solve problems, remove roadblocks, and marshal resources Align direction to the Project Delivery Team
Supporting Role/Function	<ul style="list-style-type: none"> Support management of risks and issues Provide input to regular project reporting
Membership	<ul style="list-style-type: none"> Led by Project Director, with senior management-level representation from a subset of Partner Agencies with the basis/need and capacity for participation
Provides Reports/Recommendations to:	<ul style="list-style-type: none"> Executive Working Group (through the TJPA Executive Director) Members hold dual reporting to their home organizations
Receives Reports/Recommendations From:	<ul style="list-style-type: none"> Project Delivery Team (through the TJPA Project Director)
Meetings	<ul style="list-style-type: none"> Regular meetings, to provide timely visibility into project activities and facilitate project management integration Meetings not governed by the Brown Act
Documentation	<ul style="list-style-type: none"> Summary meeting notes reflecting outcomes and action items Reports/recommendations to other bodies, as required or requested

3. Policy Baseline and Stage Gate Framework

A critical function of The Portal project governance model will be to control the project scope, budget, and outcomes throughout delivery. Section 3 of the Blueprint recommends the use of a Policy Baseline and a Stage Gate Framework to help structure and focus policy-level decision-making, in support of the delegation of management-level decision-making.

Policy Baseline

The Blueprint recommends that a Policy Baseline be established, with this Policy Baseline controlled by the TJPA Board. The Policy Baseline should describe the scope, schedule, budget, funding plan, and risk allocation for the project. The Policy Baseline should be consistent with the full/complete Project Baseline prepared for the Federal Transit Administration (FTA).

A limited set of Policy Baseline documents is recommended, with these documents drawing on existing project documents where applicable. Table 6, below, describes each of the recommended Policy Baseline documents.

Table 6. Policy Baseline Documents

Document	Basis	Description
Policy Baseline Project Definition	<ul style="list-style-type: none"> Existing documentation, including approved environmental documents and material prepared for the Federal Transit Administration (FTA) Design criteria/requirements Service plan 	Summary description of the project scope, including project objectives, major design requirements, overall configuration, and service plan for revenue service.
Policy Baseline Schedule	<ul style="list-style-type: none"> Master Schedule 	Milestone schedule indicating target dates of major milestones, consistent with the Master Schedule.
Policy Baseline Budget	<ul style="list-style-type: none"> Detailed Project Budget 	Project budget describing expenditures at the level of major cost categories, consistent with the more detailed budget developed at an individual cost category level.
Policy Baseline Funding Plan	<ul style="list-style-type: none"> 20-Year Financial Plan 	The capital funding plan and operations and maintenance (O&M) funding plan.
Policy Baseline Risk Matrix	<ul style="list-style-type: none"> Approved Project Delivery Strategy Project Risk Register 	Matrix describing major risks and risk categories, with planned risk ownership/allocation and mitigation approach.

Policy Baseline documents should be established through action of the TJPA Board. Subsequent changes to Policy Baseline documents would also be matters of TJPA Board decision-making. The Caltrain Board should also have a role in the Policy Baseline as appropriate and agreed.

Actions that are materially inconsistent with the Policy Baseline would generally be matters of policy-level decision-making. At project Stage Gates (as discussed below), the Policy Baseline should be reviewed and updated as required.

Stage Gates

The September 2022 governance recommendations called for the utilization of “a stage-gate process to align decision-making at major milestones, ensure readiness for successive phases of work, and provide for periodic independent/expert review and advice.”

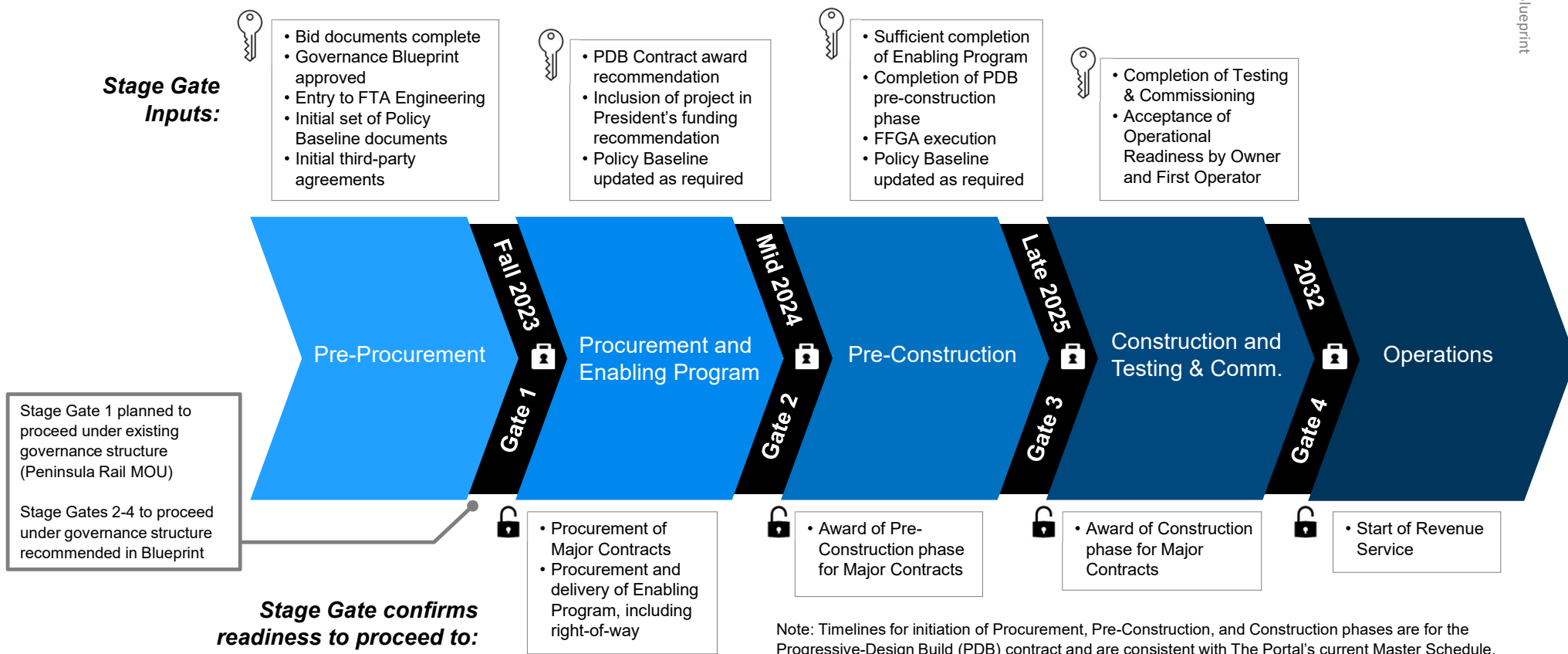
Each Stage Gate should have a limited set of expected precedent deliverables or milestones. At each Stage Gate, an assessment of project readiness should be prepared by the Project Delivery Team, with input and review from supporting governance bodies. Ultimately, the TJPA Board would grant approval to proceed to the next phase of the project and authorize any specific associated actions as required. Certain Stage Gate milestones may require precedent or concurrent decision-making by other agencies or parties (e.g., FTA, Caltrain, etc.).

The Blueprint identifies an initial Stage Gate framework, as shown in Figure 2, below. This framework is organized around the following project milestones:

- Stage Gate #1 – Procurement and Enabling Program: Initiation of procurement of the project’s Major Contracts, planned to begin with release of bid documents for the Progressive-Design Build (PDB) contract. Procurement and delivery of the Enabling Program will also proceed.
- Stage Gate #2 – Pre-Construction: Initiation of the Pre-Construction phase for the project’s Major Contracts, beginning with the PDB.
- Stage Gate #3 – Construction: Initiation of the Construction phase of the Major Contracts, beginning with the PDB.
- Stage Gate #4 – Operations: Start of revenue service.

The project’s advancement through Stage Gate #1 is scheduled to proceed under the existing Peninsula Rail MOU; the Successor MOU is planned to be in place for subsequent Stage Gate milestones. The Successor MOU should refine Stage Gates #2-4 and should define more detailed Stage Gate procedures, including review/decision processes and Partner Agency requirements.

Figure 2. Draft Stage Gate Framework



4. Change Decision Framework

Throughout the life of the project, including during procurement and construction, the need for changes will occur. These include changes from what was previously approved with respect to project configuration and project contracts. Project changes must be carefully controlled to ensure that the desired project scope is delivered and the impacts of change decisions on the rest of the project and its stakeholders are well understood. Section 4 of the Blueprint describes the framework for change decision-making, including a framework for Change Types and the broad recommended change process. During implementation of the Blueprint, a more detailed Delegated Authorities Framework should be prepared, including the establishment of specific thresholds for decision-making.

Change Types

The Blueprint recommends that The Portal's change management/decision process classify changes in three categories, as shown in Table 7, below.

Table 7. Change Type Framework

Change Type	Definition	Decision Process
1. Minor Change	A change that does not conflict with the Policy Baseline and is less than a defined threshold.	<ul style="list-style-type: none"> TJPA Board delegates (through the TJPA Executive Director) to Project Delivery Team, with all changes reported to CCB (through TJPA Project Director and IMT)
2. Significant Change	A change that does not conflict with the Policy Baseline and is more than a defined threshold.	<ul style="list-style-type: none"> CCB reviews and recommends whether to approve changes TJPA Board delegates to TJPA Executive Director (and TJPA Project Director); Delegated Authorities Framework should consider thresholds for TJPA Board delegation to TJPA Executive Director or retention of authority by TJPA Board for very large Significant Changes.
3. Policy Change	A change that significantly alters or threatens the planned outcomes of the project, including all changes that are materially inconsistent with the Policy Baseline.	<ul style="list-style-type: none"> TJPA Board approves, with recommendation by CCB (through TJPA Executive Director) Where required: approval by other agency with decision authority, per governing agreements (e.g., MCA)

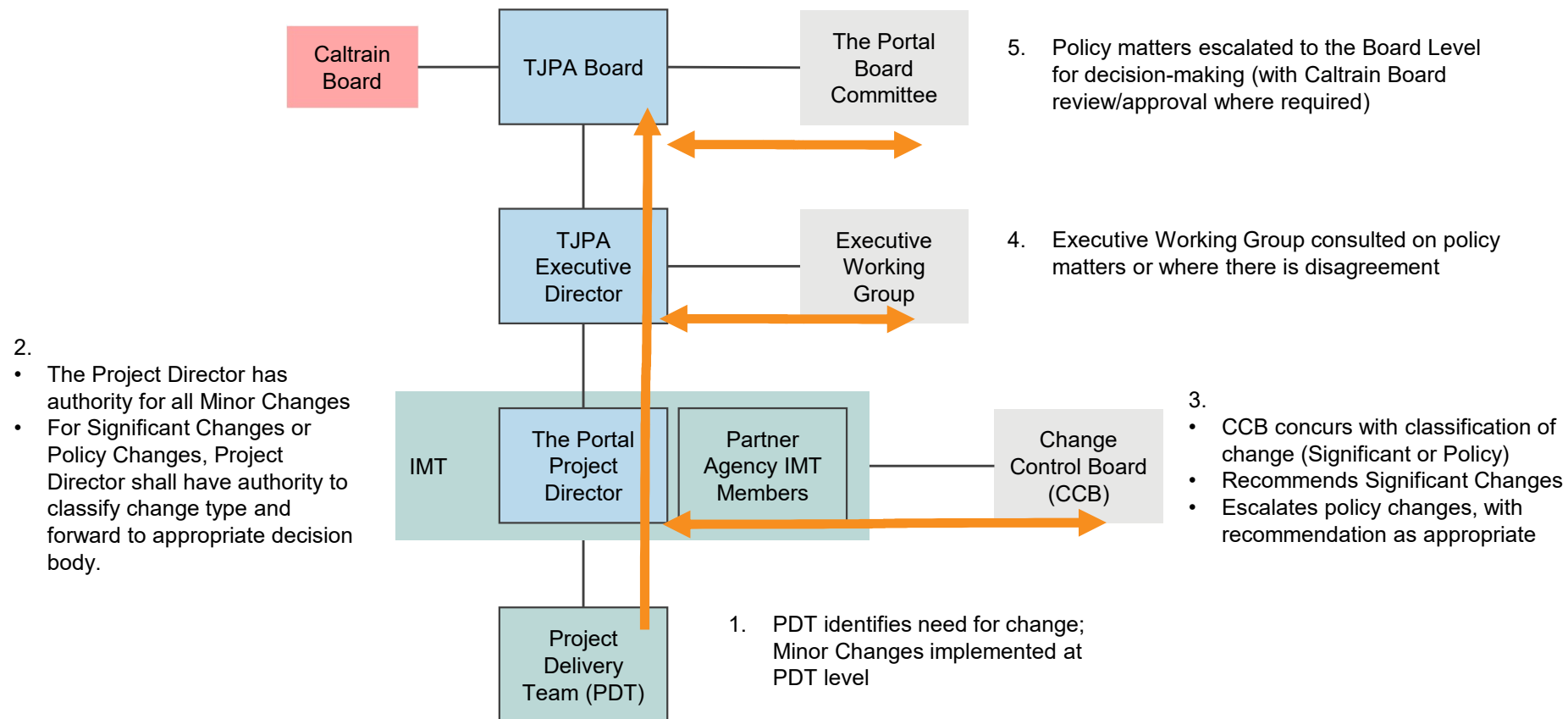
Change Decision Escalation Pathway

Changes may originate throughout the project organization including from stakeholder requests, revisions by the design team, and contractor requests. Regardless of the source, a member of the Project

Delivery Team should be responsible for coordinating the change through the appropriate review and approval process, with changes documented using a consistent template.

Table 7, above, describes the recommended decision process for each change type. Figure 3, below, illustrates the typical escalation pathway for change decision-making, consistent with the recommended decision process. Procedures for change-related decision-making are further described in Section 6, below.

Figure 3. Change Decision Escalation Pathway



5. Project Reporting Approach

Timely, accurate, and accessible project information is essential to effective decision-making at all levels. Section 5 of the Blueprint provides recommendations with respect to flow of project information through the governance structure.

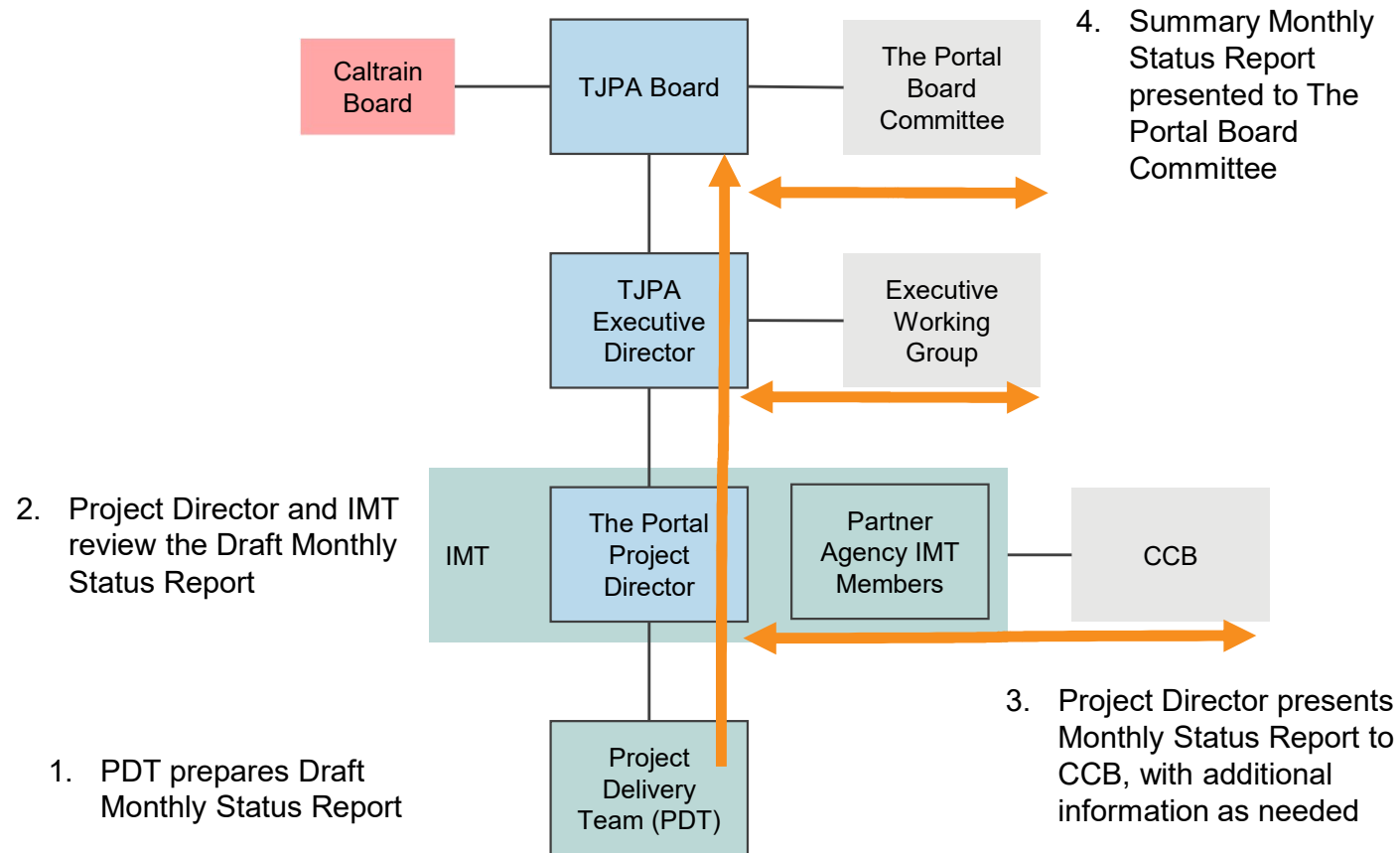
Project Status Reporting

The Project Status Report should be consistent with the requirements of FTA and supplemented as necessary to meet the needs of The Portal's governance bodies.

Figure 4, below, illustrates the pathway for development and review of the Project Status Report. The key underlying principle is to have a single flow of information up from the Project Delivery Team to management-level and policy-level decision-makers, with input and review facilitated at each level.

A detailed Project Status Report will be prepared by the Project Delivery Team on a monthly basis. As shown in Figure 4, the Project Director and IMT will review the draft Status Report and provide input as required. The Project Director would be responsible for approving the report. The Project Director (or their delegate) will present the Status Report to the CCB; the CCB presentation should include any other material or information reasonably requested by the CCB to enable the body to fulfill its functions.

A summary version of the Status Report should be prepared and presented (through the TJPA Executive Director) to The Portal Board Committee (or otherwise provided to the Committee on months where the Committee does not meet), with this report also made available to the full TJPA Board (through the TJPA Executive Director).

Figure 4. Project Status Report: Development/Review Pathway

6. General Procedures for Decision-Making and Recommendations

Section 6 of the Blueprint describes recommended “General Procedures” for decision-making and/or recommendations at each level of the governance structure. These procedures integrate the recommendations of the above sections and are intended to provide overall guidance and expectations for the relationship of governance bodies to one another and the typical flow of decision-making on the project. In addition, the procedures include consideration of emergency situations and instances in which decision items may be advanced directly to the Board level.

General Procedures: The Portal Project Director and Integrated Management Team

The Portal Project Director and IMT:

- The Project Director will be responsible for making project management decisions.
- The Project Director shall consult regularly with the Integrated Management Team (IMT), and the IMT shall advise and support the Project Director in management-level decision-making.
 - The Project Director shall be transparent with IMT and responsive to IMT member inquiries.
 - The IMT shall be readily available to advise and support the Project Director.
- Partner Agency IMT members shall have appropriate qualifications and shall be sufficiently dedicated to the project to keep pace with the project and its decision-making.
 - Partner Agency IMT members shall work to mobilize resources, decisions, and information from within their home organizations, to advance the project.
- Partner agencies shall retain all such authorities and decision rights that are provided for in relevant agreements, including the MCA and ICA.

General Procedures: Change Control Board

CCB:

- Minor Changes approved and implemented at the PDT/PD level, with reporting to CCB (through the TJPB Project Director).
- The CCB will review and recommend Significant contract changes above agreed thresholds. Where Board approval is required, CCB recommendations will be provided by the TJPB Executive Director to the Board. The TJPB Executive Director will not approve changes that are not recommended by CCB. The TJPB Board may approve changes that are not recommended by CCB, if the CCB position is provided to Board and Partner Agencies reserve rights to impose consequences.
- The CCB will monitor changes approved below these thresholds.
- The CCB will review and recommend changes to configuration. Configuration changes that are of a policy nature shall be advanced to the Board level for approval.

General Procedures: TIPA Executive Director and Executive Working Group

TIPA Executive Director and Executive Working Group:

- The Executive Director will be responsible for bringing forward items to the Portal Board Committee and the full TIPA Board
- The Executive Working Group (EWG) shall be readily available to advise and support the Executive Director.
- The TIPA Executive Director shall either consult with or inform the EWG of decision items advancing to the Board Committee or full Board depending on the type and magnitude of the item at hand, generally distinguished as:
 - *EWG Consulted* – policy decisions, including approval/revision to Policy Baseline Documents, policy-level changes to contracts and configuration, dedication of program reserve funds, and other policy matters.
 - *EWG Informed* – non-policy decisions, including “Significant” contract changes, administrative matters, etc.
- Where the EWG is to be consulted, EWG review would generally occur through a meeting of the EWG. The EWG will convene on an immediate/urgent basis as necessary. The TIPA Executive Director may advance items directly to Board level if the EWG is unable to convene in a timely manner.
- The EWG will support resolution of disagreements and decision impasses at the IMT and CCB.

General Procedures: TIPA Board and The Portal Board Committee

TIPA Board and The Portal Board Committee:

- The Portal Board Committee (PBC) shall review proposed actions considered to be policy matters, including approval of (and revisions to) Policy Baseline documents, and make recommendations to the TIPA Board.
 - The PBC provides for a focused review of such matters, which are then referred to the full TIPA Board for approval.
- Board-level items/actions that are identified as non-policy matters may proceed directly to the TIPA Board for consideration/action. This would include:
 - Award/amendment of contracts that are consistent with the Policy Baseline;
 - Approval of very large Significant Changes, to the extent Board approval is required; and
 - Other administrative matters.

General Procedures: Other Agency Boards

Other Agency Boards:

- Items for which the Caltrain Board is the responsible or co-responsible decision authority (per the future MCA) shall require approval by the Caltrain Board.

- The Caltrain representatives to the IMT and EWG shall be responsible for working to facilitate this decision process, in coordination with TJPA staff.
- To the extent other Partner Agency Board decisions are required, an analogous process would be followed, with IMT/EWG representatives responsible for facilitating this process, working in coordination with TJPA staff.

General Procedures: “Direct to Board” and Emergencies

“Direct to Board” and Emergencies:

- The TJPA Executive Director retains the authority to directly bring forward decision items to The Portal Board Committee and/or the full TJPA Board at any time.
 - If an item is brought forward directly to the Board-level due to an emergency situation where delay is unacceptable, the TJPA Executive Director shall:
 - Identify the emergency situation in TJPA staff’s written report/memo to the Board;
 - Report back to the CCB and EWG in a timely fashion, with reconciliation decisions as required.
 - If EWG and/or CCB review has taken place, but the TJPA Executive Director brings forward a recommendation different from than the course of action recommended by EWG/CCB, this disagreement shall be noted in TJPA staff’s written report/memo to the Board.
- In emergency situations (e.g., to protect health and safety), the Executive Director and Project Director shall have the responsibility and authority to take immediate required actions. In such cases:
 - The Executive Director shall promptly inform The Portal Board Committee Chair and the EWG.
 - The Project Director shall promptly inform the IMT.
 - TJPA Staff shall bring forward reconciliation decision items, where required, through normal processes, including documentation of the emergency situation and the rationale for taking immediate action.

7. Governance Implementation

The Portal project Partner Agencies should act quickly to establish the governance structure identified in the Blueprint. Section 7 briefly reviews key areas of follow-up work to pursue the recommendations of the Blueprint. Specifically, this section discusses the preparation of the Successor MOU; the development of the more detailed Delegated Authorities Framework; and considerations for the formation of new governance bodies.

Successor MOU

The existing Peninsula Rail MOU is intended to bring the project to “ready-for-procurement” status. In Spring 2023, a time-only amendment of the MOU was executed, extending the term of the agreement to December 31, 2023.

To implement the Blueprint and govern multi-agency cooperation during project delivery, The Portal Partner Agencies should immediately initiate work to prepare, negotiate, and execute a new multi-party MOU (the Successor MOU) to succeed the Peninsula Rail MOU. The Successor MOU should codify the new governance structure and broadly describe the planned multi-agency work program for the project through construction and commissioning. Preparation of the Successor MOU should begin by developing and negotiating a draft term sheet by Fall 2023.

The Successor MOU should formalize Partner Agency agreement with the Delegated Authorities Framework discussed immediately below. The Successor MOU (and any future amendments to it) should also be aligned, as appropriate, with the project’s bilateral intergovernmental agreements, including the Caltrain MCA and CCSF ICA.

Delegated Authorities Framework

A set of clear business rules is required to specify the use of delegated authorities and align with decision procedures at each level/body. Within these business rules, specific dollar/percentage value thresholds should be set for each change/action type. This Delegated Authorities Framework will require approval by the TJPA Board and should be incorporated into the Successor MOU. The Framework is recommended to reflect the following principles:

- The “Minor” dollar value threshold should be set high enough to allow for rapid decision-making on matters that are not related to policy and do not significantly impact the project budget.
- The CCB should have the ability to consider multiple change decisions together where those decisions stem from the same core issue as well as any decision that exceeds defined aggregate thresholds. Disputes related to classification of changes may be escalated to the Executive Working Group (through the TJPA Executive Director).
- The Delegated Authorities Framework should consider thresholds for TJPA Board delegation to TJPA Executive Director or retention of authority by TJPA Board for very large Significant Changes.
- The Framework should describe the approach to review/approve changes resulting in cost *savings*, including where such savings are the result of revised scope.
- Consideration of O&M cost impacts/savings should be provided for in cases where a contemplated change would have material impact on such costs.

- Changes requiring the use of Program Reserve funds shall require TIPA Board approval, regardless of nature or size.

Formation of Recommended Governance Bodies

The establishment of the delivery-phase governance structure will require a transition and start-up period in order to form new governance bodies, implement/develop business processes, and build strong working relationships within and across governance bodies. The Portal Board Committee and its membership will be established through action of the TIPA Board.

The CCB should be in place as a body no later than the start of construction for the Enabling Program, which is scheduled to be underway in mid-2024. There is also the opportunity for the CCB group to begin convening at an earlier date in order to allow its membership to establish work practices and to provide input and review to the development of more detailed CCB business processes.

STAFF REPORT FOR CALENDAR ITEM NO.: 11
FOR THE MEETING OF: September 8, 2022

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Approve the Governance Study recommendations for the Downtown Rail Extension (DTX), as supported by the Executive Steering Committee (ESC) under the terms of the San Francisco Peninsula Rail Program Memorandum of Understanding with the Metropolitan Transportation Commission (MTC), the San Francisco County Transportation Authority (SFCTA), the Peninsula Corridor Joint Powers Board (Caltrain), the California High Speed Rail Authority (CHSRA), and the City and County of San Francisco (Mayor's Office).

EXPLANATION:

Background

The TJPA, with the support and engagement of its partners, is actively developing Phase 2 of the Transbay Program, which includes design and construction of DTX. The San Francisco Peninsula Rail Program Memorandum of Understanding (MOU), effective June 5, 2020, described, in part, an organizational structure to support the efforts of the TJPA to develop the DTX project to ready for procurement status.

Among the elements of the MOU was the creation of a detailed Comprehensive Work Plan for the development of DTX, which was adopted by the Board in December 2020. In April 2021, the Board adopted an acceleration modification to the Work Plan. The MOU and Work Plan describe various tasks to be conducted in the project development process. One of the MOU tasks is a study to consider the institutional arrangement and governance for the delivery of the DTX through construction and make recommendations to the TJPA Board. Per the MOU, the Governance Study (the Study) has been co-led by the SFCTA and the MTC over the course of 2022, in cooperation with TJPA and the other MOU partners. The MOU contemplates the TJPA Board will exercise approval authority over the governance recommendation.

In March 2022, staff and the SFCTA presented to the Board an informational overview of the planned approach for the Study. In June 2022, the ESC presented a report on the Study's progress and an initial assessment of options. Feedback provided by the Board at both presentations was carefully considered as the Study progressed.

Governance Study Context and Purpose

The MOU codified a multi-agency approach among TJPA and five DTX partner agencies to deliver on a project development work program, with the MOU establishing the ESC and the Integrated Program Management Team (IPMT) to support TJPA in project development efforts for the DTX and implement the MOU. The term of the MOU is 36 months or until DTX is "procurement ready," whichever is earlier. The parties to the MOU may amend, conclude, or extend the MOU and its terms by mutual agreement.

The purpose of the Study is to recommend a governance structure for the delivery of DTX, encompassing the procurement and construction of the project. In the context of DTX, “governance” refers to the organizational, oversight, and decision-making framework to direct and manage the project’s scope, schedule, budget, risks, and change.

DTX Governance Goals, Objectives, and Assessment Criteria

In the June 2022 update to the Board on the Study, the ESC presented a set of goals and objectives for governance. Goals are broad desired outcomes. The governance goals are delivering DTX on time and within budget, while realizing planned benefits, and with minimization of impacts, as well as supporting the region’s broader ability to deliver transit mega-projects.

Governance objectives are the more specific strategies to achieve the goals. The Study’s governance objectives are:

- Clarity of Purpose – Establish and maintain a clear focus on delivering the project.
- Representation & Voice – Provide project partners with voice and say, consistent with their project interests and risk ownership.
- Responsiveness & Oversight – Enable timely decision-making, and ensure proper direction and oversight of the project delivery team.
- Capacity & Capabilities – Deliver the project with expert resources with the required skills and capacity.
- Accountability & Authority – Provide decision-making authority in alignment with delegated accountabilities for project outcomes.
- Transparency – Give the public, stakeholders, and partners visibility into the project’s progress and opportunities for meaningful engagement.

To directly frame DTX-specific recommendations for governance, the Study team distilled the broad goals and objectives for governance of the project into four essential elements. These essential elements, which reflect the context for DTX as a large, high-risk mega-project being pursued in a complex multi-agency environment, call for a governance approach to:

1. Support the Board in policy-level decision-making;
2. Enable efficient and informed management-level decision-making;
3. Ensure project control, review, and oversight; and
4. Facilitate the active participation of partners to align steering of the project team and proactively address challenges and risks.

In light of these elements, the Study’s recommendations focus in large part on matters related to the broad organization and coordination of the DTX partner agencies, as well as on fundamental governance functions for mega-project delivery that reflect best practice.

The Study assessed how the governance alternatives satisfied the following Screening and Evaluation Criteria:

Screening Criteria:

- Timeframe – Alternative must be capable of implementation within the timeframe required by the project.

- Legal Authority – Alternative must be capable of being implemented within existing legal authorities (newly legislated authorities are not anticipated to be feasible in schedule for DTX delivery).

Evaluation Criteria:

- Clarity of Purpose – the Alternative should provide alignment between the lead agency’s mandate and the objectives of the project.
- Representation & Voice – the Alternative should support each project partner in having a voice and say during project delivery reflecting with their project interests and risk ownership.
- Capability & Capacity – the Alternative should be capable of delivering the project with skilled resources and an appropriate management and oversight structure.

Alternatives Considered

The Study considered six alternatives within three families, summarized as follows:

1. TJPA Delivery
 - 1.1 Baseline/Conventional
 - 1.2 Integrated Management
2. TJPA Accountable but Assigns Project Delivery Responsibility
 - 2.1 Assignment to TJPA member agency
 - 2.2 Assignment to non-member agency
 - 2.3 Assignment to special purpose entity
3. Transfer Accountability
 - 3.1 Upload to newly-created regional agency

Alternative 3.1 did not pass the screening criteria, and Alternatives 2.1 and 2.2 did not pass the Evaluation Criteria; accordingly, the Study removed these alternatives from further consideration.

Organization of Study Recommendations

The Study makes ten recommendations, grouped in the following three categories:

- *Foundational Recommendation* regarding the overall institutional recommendation, and identifying the lead agency for project delivery (Recommendation #1)
- *Primary Recommendations* reflecting top-line recommendations, reflecting the unique organizational and strategic context for DTX (Recommendations #2-5)
- *Supporting Recommendations* that enable the foundational and primary recommendations, and which include mega-project best practice (Recommendations #6-10)

These recommendations are described below as well as within the enclosed presentation slides.

Foundational Recommendation #1: Overall Institutional Arrangement

The Study recommends that the TJPA Board confirm the TJPA as the lead agency for procurement and construction of DTX and that the capacity of TJPA and of partner agencies continue to be developed for project delivery.

The TJPA has the existing authority for delivery of DTX, and has the ability to continue to develop the required capacity and capability to lead delivery of DTX. The June 2022 update to the Board summarized the findings of the Study's institutional assessment, which considered a set of potential alternatives for the lead agency role. This assessment concluded that TJPA was best equipped as lead agency to deliver DTX within the planned timeframe.

Primary Recommendation #2: Integrated Management Approach

The Study recommends that the TJPA Board develop a collaborative, integrated management approach and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.

This recommendation reflects that active participation of partner agencies improves the ability of the multi-agency team to help manage project challenges and risks, in a more nimble and concerted manner than provided through arm's-length oversight-only approaches.

Recommendation #2 calls for the development of an Integrated Management Team (IMT), including embedded representation from a sub-set of DTX partner agencies. The IMT would be led by the DTX Project Director, who would retain a direct reporting relationship to the TJPA Executive Director. Work ahead to develop the Governance Blueprint will need to further specify the mandate of the IMT, including its composition and reporting relationships.

Primary Recommendation #3: Support to TJPA Board

The Study recommends that the TJPA Board provide a transparent venue for the development and review of policy-level recommendations and reporting to the Board.

Under the current MOU, the ESC has provided a dedicated and transparent venue for the consideration of policy matters advancing to the TJPA Board..

As the project moves forward, ultimately into construction, the Study anticipates the need for policy decision-making will diminish. However, particularly during the upcoming pre-procurement, procurement, and pre-construction phases, there may be continued need for policy-related decisions. Recommendation #3 could be implemented through a continuation of the ESC, with an updated work program and an adjusted pace of meetings, or an alternative approach such as forming a committee of the Board to support this function.

Primary Recommendation #4: Stage Gates and Reviews

The Study recommends that the TJPA Board utilize a stage gate process to align decision-making at major milestones and to ensure readiness for successive phases of work.

The June 2022 report to the Board presented a preliminary draft stage gate framework for DTX. At each Stage Gate a review of the status of the project would be performed, completeness of required stage activities would be confirmed, and readiness to advance would be determined. The Study anticipates the TJPA Board would authorize advancement into successive project phases.

The Study also recommends that the Board provide for periodic independent review of the project, to provide for third-party/independent advice to management and policy-makers. Provision for such reviews could be incorporated into the more detailed stage gate process, which could be developed as part of the recommended Governance Blueprint.

Primary Recommendation #5: Follow-n Agreements and Management Plans

The Study recommends that the TJPA Board define and codify the delivery-phase governance and management structure through: bi-lateral agreements between agencies; a successor to the existing Peninsula Rail Program MOU; and detailed program management plans.

Supporting Recommendations #6-10

The Study's supporting recommendations are intended to enable the above foundational and primary recommendations, and call specifically for the TJPA Board to embrace a DTX governance approach that does the following:

- *#6. Empower project leadership staff through delegated authorities, in conjunction with the integrated management approach and structured review/oversight processes* – Delegation of authority from the Board to TJPA staff is necessary to enable timely management-level decision-making and to align authority and accountability. The Study recommends a more detailed framework for delegated authorities be developed through the Governance Blueprint, with this framework aligned to related processes for management of change and configuration.
- *#7. Institute a process and structure for the management and oversight of configuration and change, including contractual changes* – The Study recommends that a Configuration and Change Management Body be developed, building on the established Configuration Working Group and building on lessons learned from other regional projects with multi-agency interests. The Study recommends that this DTX Change Management Body would play a role within the overall business process for reviewing and authorizing changes, including configuration changes and contractual changes.
- *#8. Embed risk management and risk review at all levels, including policy oversight, technical management, and project execution* – Risk management is a central discipline for mega-project procurement and construction. The current project development phase has significantly advanced risk management activities and procedures for the project, which should be further developed to address the needs of project delivery, including provision for regular risk reviews including representation from beyond the immediate project team.
- *#9. Prepare “single-source” project reporting to provide timely and reliable information to management, partners, and decision-makers* – Project reporting is a critical activity to guide project activities and inform decisions at all levels. Project delivery will require a clear and timely process to draft, review, and deliver project information to management, the Board, and partners.
- *#10. Develop an integrated project delivery team, including TJPA staff, consultants, and key partner agency resources/personnel, and pursue project partnering to strengthen*

collaboration – In addition to the IMT, the Study concludes that the project delivery team will require the engagement and direct involvement of key partner agency resources, to support TJPA staff and consultants, and to participate as required in project-level working groups and sub-teams. The Study also recommends that project “partnering” methods, which reflect an established set of tools, be used to build trust and cooperation across agencies, as well as with project contractors under the selected collaborative delivery approach.

Next Steps

The Study’s recommendations are intended to guide further work in a number of areas, in order to further define, review, and codify governance for project delivery.

As a follow-up Study deliverable, the Study team will work with the IPMT to prepare a Governance Blueprint, which will reflect:

- Delineation of anticipated policy decisions/decision types by project phase – focus on pre-procurement, procurement, and pre-construction, and on decisions with multi-party scale/impact
- Governance structure organizational design and composition/reporting of bodies, including IMT membership and mandate
- Framework for delegated authorities; configuration/change management procedures and structure
- Further definition of stage milestones, inputs, and non-TJPA agency decision requirements; process for periodic independent review and expert advice
- Coordination of related tasks/agreements and alignment with project delivery implementation roadmap

Development of the Blueprint will be conducted in coordination with other governance implementation activities underway in parallel, including:

- *Bi-lateral agreements for DTX* – agreements between TJPA and other public entities, including Caltrain and the City and County, with these agreements codifying agency rights, responsibilities, and resourcing. Agreements must be executed prior to the August 2023 funding submittal to the Federal Transit Administration (FTA).
- *Program Management Plans* – detailed package of plans to document approach to managing delivery of the project, as required by the FTA, to be submitted with the February 2023 request to enter the FTA Engineering phase.
- *Successor to Current MOU* – development of a framework and/or agreement to succeed the existing Peninsula Rail Program MOU.
- *Funding Actions and Oversight Conditions* – agency-level funding decisions and agreements, subject to oversight procedures/protocols.

The Blueprint is intended to serve, in part, to describe the key provisions of a successor to the current MOU. A draft of the Blueprint will be prepared by December 2022, with revisions undertaken as required in early 2023.

ESC Recommendation

On August 19, 2022, the ESC recommended advancing the DTX Governance Study recommendations to the TJPA Board of Directors for approval as follows:

1. Confirm TJPA as lead agency for DTX procurement and construction, and continue to build the capacity of TJPA and partner agencies for project delivery.
2. Develop a collaborative, integrated management approach and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.
3. Provide a transparent venue for the development and review policy-level recommendations and reporting to the TJPA Board.
4. Utilize a stage-gate process to align decision-making at major milestones and ensure readiness for successive phases of work and provide for periodic independent/expert review and advice.
5. Define/codify governance and management structure through bi-lateral agreements between agencies, a successor to the existing Peninsula Rail Program MOU, and detailed program management plans.
6. Empower project leadership staff through delegated authorities, in conjunction with integrated management approach and structured review/oversight processes.
7. Institute process/structure for management and oversight of configuration and change, including contractual changes.
8. Embed risk management and risk review at all levels, including policy oversight, technical management, and project execution.
9. Prepare “single-source” project reporting to provide timely and reliable information to management, partners, and decision-makers.
10. Develop an integrated project delivery team, including TJPA staff, consultants, and key partner agency resources/personnel, and pursue project partnering to strengthen collaboration.

RECOMMENDATION:

Approve the DTX Project Governance Study recommendations, as recommended by the ESC.

ATTACHMENTS:

1. Resolution
2. Governance Study and recommendations

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, Pursuant to state law and the Joint Powers Agreement creating the TJPA, dated April 4, 2001, the TJPA has primary jurisdiction over and will implement all aspects of the Transbay Program, including the portion of the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project commonly referred to as Phase 2/Downtown Rail Extension (DTX); and

WHEREAS, The TJPA is actively engaged in developing the DTX; and

WHEREAS, On April 9, 2020, the TJPA Board of Directors authorized the TJPA Board Chair to execute the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU) with the Metropolitan Transportation Commission, the San Francisco County Transportation Authority, the Peninsula Corridor Joint Powers Board (Caltrain), the California High-Speed Rail Authority, and the City and County of San Francisco (Mayor's Office); and

WHEREAS, The MOU described, in part, an organizational structure to support the efforts of the TJPA to develop the DTX project to ready for procurement status, including the formation of an Executive Steering Committee (ESC) to make recommendations to the TJPA Board; and

WHEREAS, The MOU contemplates that the ESC would, among other things, recommend to the TJPA Board for approval an institutional arrangement and governance structure for delivery of the DTX ("Governance Study"); and

WHEREAS, At its August 19, 2022 meeting, the ESC unanimously recommended advancing the DTX Governance Study recommendations to the TJPA Board of Directors, the form of which study and recommendations was presented to the TJPA Board herewith; now, therefore, be it

RESOLVED, That the TJPA Board of Directors hereby approves DTX Project Governance Study recommendations, as recommended by the ESC, in the form presented herewith.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of September 8, 2022.

Secretary, Transbay Joint Powers Authority

Downtown Rail Extension Governance Study Recommendations

TJPA Board
September 8, 2022



MOU and Governance Study Mandate

- **San Francisco Peninsula Rail Program Memorandum of Understanding:**
- Fully executed in June 2020
- Established multi-agency governance structure for project development / procurement readiness
- Term is 36 months, or until DTX is “procurement ready” (whichever is earlier)
- Parties may amend, conclude, or extend by mutual agreement

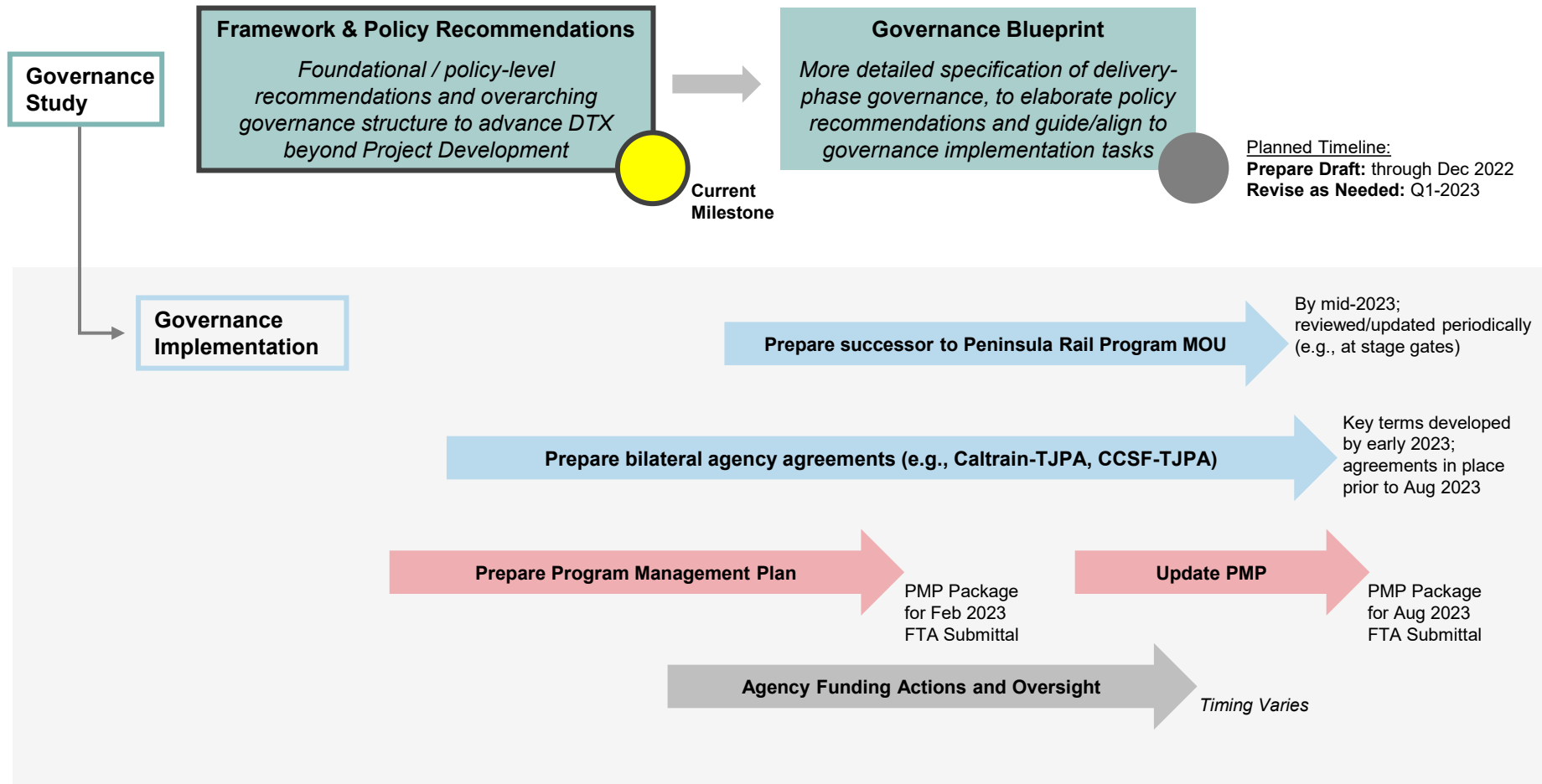
MOU Task 18 (Co-Lead Agencies: MTC, SFCTA)

Explore the best institutional arrangement and governance for the delivery of the DTX Rail Program through construction and make recommendations to TJPA Board:

a) Identify governance structure for delivery, to enable stakeholder **alignment**, effective mega-project **delivery, oversight**, independent strategic **advice**, and **assurance**.

- b) Recommend governance **structure** for delivery
- c) Develop **management structure**, including roles, reporting, and communications
- d) Consider **responsibilities** for O&M and rail portion of Salesforce Transit Center
- e) Develop **stage gates** and performance protocols

Governance Study and Implementation



DTX Governance Goals and Objectives

Governance Goals (the desired outcomes)

Deliver DTX on time.

Realize planned benefits; avoid, minimize, and mitigate anticipated impacts.

Deliver DTX within budget.

Strengthen the region's ability to effectively deliver transit mega-projects.

Governance Objectives (how to achieve these goals)

Clarity of Purpose – Establish and maintain a clear focus on delivering the project.

Capacity & Capabilities – Deliver the project with expert resources with the required skills and capacity.

Representation & Voice – Provide project partners with voice and say, consistent with their project interests and risk ownership.

Accountability & Authority – Provide decision-making authority in alignment with delegated accountabilities for project outcomes.

Responsiveness & Oversight – Enable timely decision-making, and ensure proper direction and oversight of the project delivery team.

Transparency – Give the public, stakeholders, and partners visibility into the project's progress and opportunities for meaningful engagement.

DTX Governance Context & Essential Elements



Strategic Context for DTX Governance

DTX is a large, **high-risk mega-project** being pursued in a complex **multi-agency environment**, with existing **MOU set to sunset** in 2023.

Essential Elements for DTX Governance

Governance approach for delivery of DTX should:

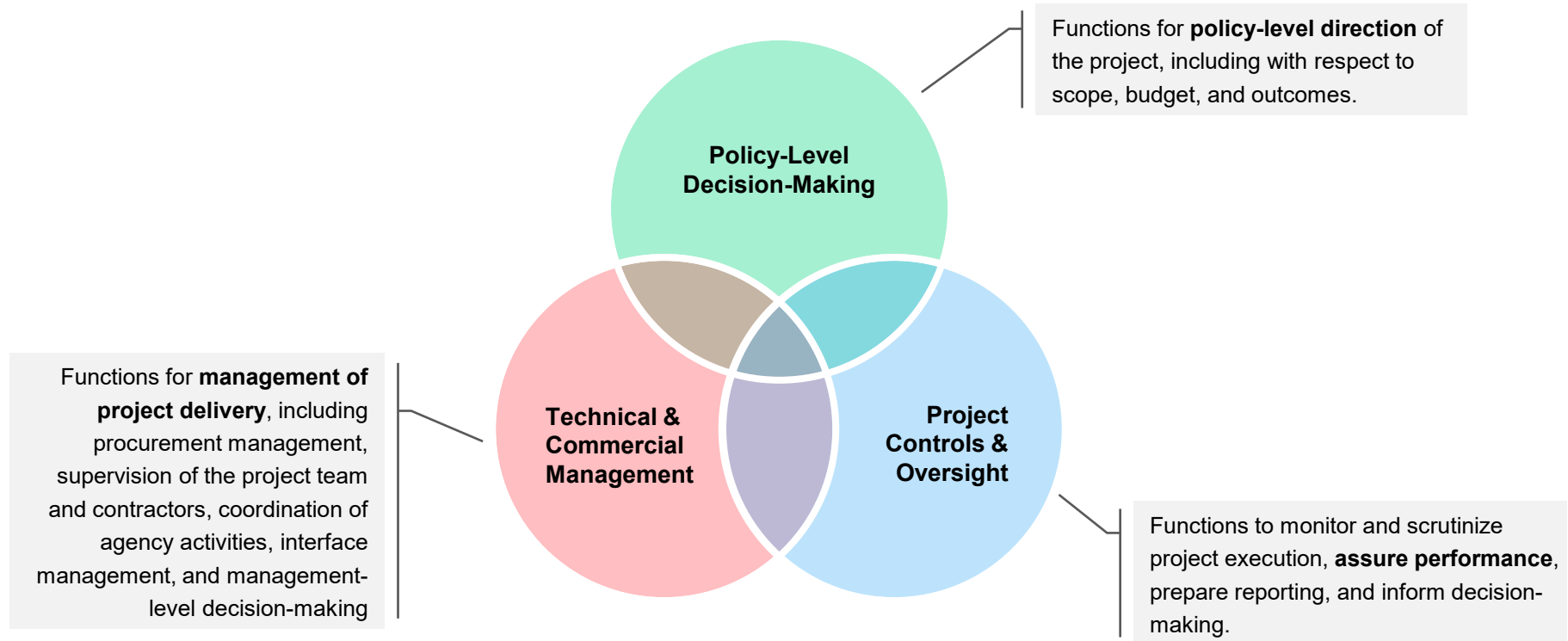
- **Support the Board** in policy-level decision-making
- Enable efficient and informed **management-level decision-making**
- Ensure **project control**, review, and oversight
- Facilitate the active participation of partners to align **steering of the project team** and **proactively address challenges and risks**

Focus of Framework & Recommendations

This deck presents foundational **policy-level recommendations**, with a focus on those related to the broad organization & coordination of partners and best-practice functions for mega-project governance, with continued/**further work to define and codify** structure & requirements.

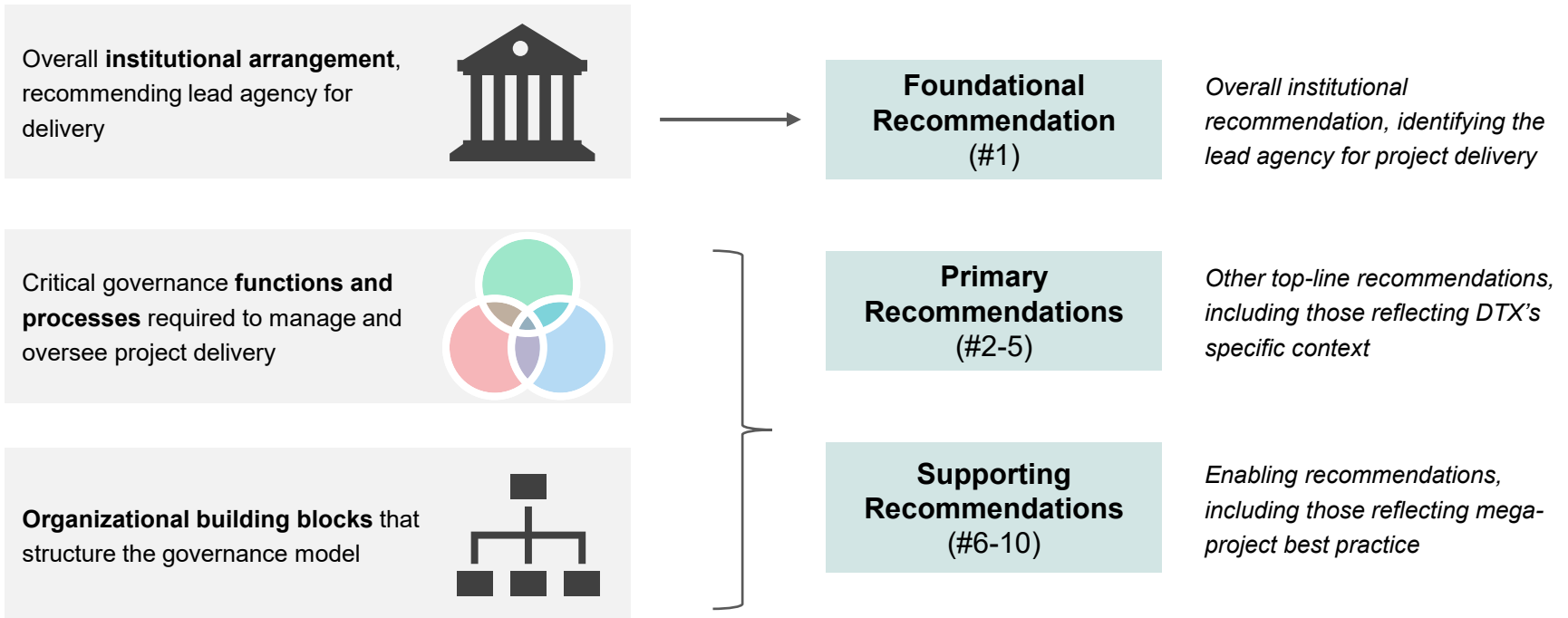
Mega-Project Governance Functions

DTX Governance Model should provide for a set of inter-related functions, across 3 broad categories:



Organization of Recommendations

This presentation provides policy-level recommendations with respect to:



Overall Institutional Arrangement

Recommendation #1

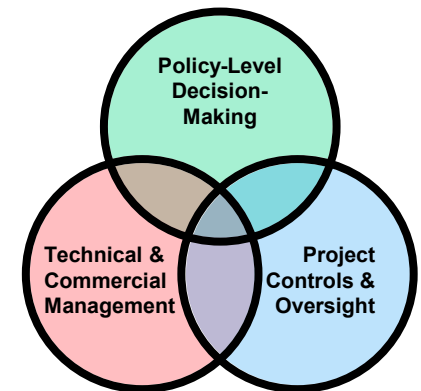
Confirm TJPA as lead agency for DTX procurement and construction, and continue to build the capacity of TJPA and partner agencies for project delivery.

- TJPA has existing legal authority for project delivery, and has the ability to continue to develop capacity to lead delivery of DTX within planned timeline.
- Study's assessment of institutional options (presented to ESC in May 2022) did not find viable alternatives for lead agency role.
- Project delivery will require the coordinated action and decision-making of multiple partner agencies, including the operators and San Francisco.
- Peninsula Rail MOU has set foundation for the coordinated engagement and active involvement of partners in support of successful delivery of DTX; successor to MOU should be prepared, with appropriate delivery-phase modifications and approach to periodically review/update.

Primary Recommendations

The Study's Primary Recommendations focus on DTX's scale and unique context, including consideration of the engagement and involvement of project partners:

2. Develop a collaborative, **integrated management approach** and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.
3. Provide a transparent venue for the development and review of **policy-level recommendations and reporting** to the TJPA Board.
4. Utilize a **stage-gate process** to align decision-making at major milestones and ensure readiness for successive phases of work, and provide for periodic **independent/expert review** and advice.
5. Define/codify governance and management structure through bi-lateral agreements between agencies, a **successor to the existing Peninsula Rail Program MOU**, and detailed program management plans.

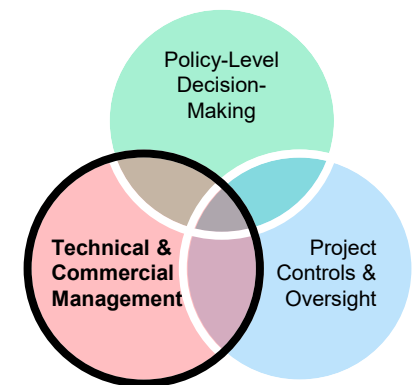


Integrated Management Approach

Recommendation #2

Develop a collaborative, integrated management approach and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.

- Active participation of key partners improves ability of multi-agency team to help manage project challenges and risks, as compared to arms-length “oversight”-only approaches.
- Project Director to convene and lead core Integrated Management Team (IMT), with embedded representation from sub-set of key DTX partner agencies.
- Project Director retains direct reporting relationship to TJPA Executive Director, with delegated authorities and decision process requirements to be developed and agreed.

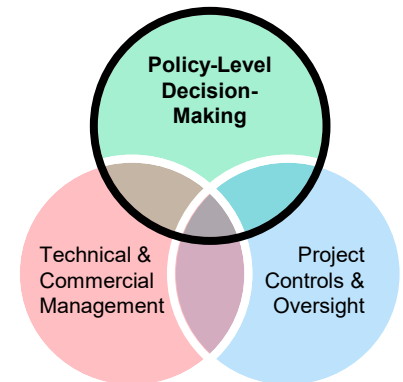


Support to TJPA Board

Recommendation #3

Provide a transparent venue for the development and review of policy-level recommendations and reporting to the TJPA Board.

- Under current MOU, the ESC provides a dedicated and transparent venue for the consideration of policy matters advancing to the TJPA Board.
- Selected collaborative procurement methods (PDB, CMGC) will require continued policy-level decision-making through pre-procurement, procurement, and pre-construction phases.
- Pace and intensity of policy-related decisions will generally decrease as project advances into construction.
- Recommendation could be implemented through continuation of ESC, with updated work program and modified cadence.
- Alternatives include TJPA Board sub-committee approach.

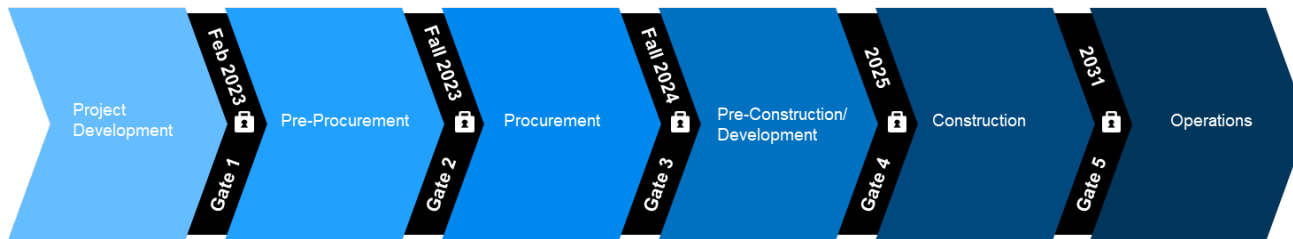


Stage Gates and Independent Review

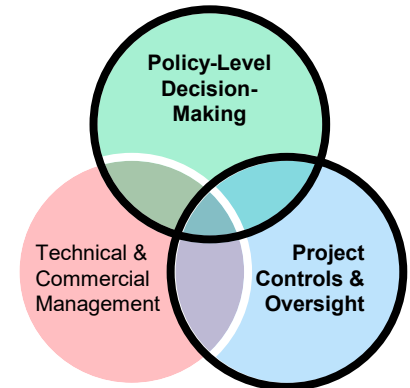
Recommendation #4

Utilize a stage-gate process to align decision-making at major milestones and ensure readiness for successive phases of work, and provide for periodic independent/expert review and advice.

- At each Stage Gate a review of the status of the project should be performed, completeness of all required stage activities should be confirmed, and readiness to advance should be determined.
- TJPA Board would authorize advancement into successive project phases.
- Third-party/expert reviews should be conducted periodically to provide independent advice to management and policy-makers.



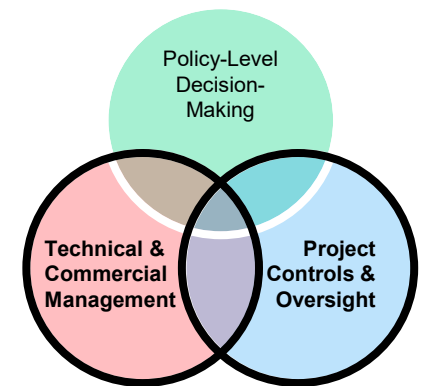
Preliminary draft stage gate framework, presented to Board in June 2022



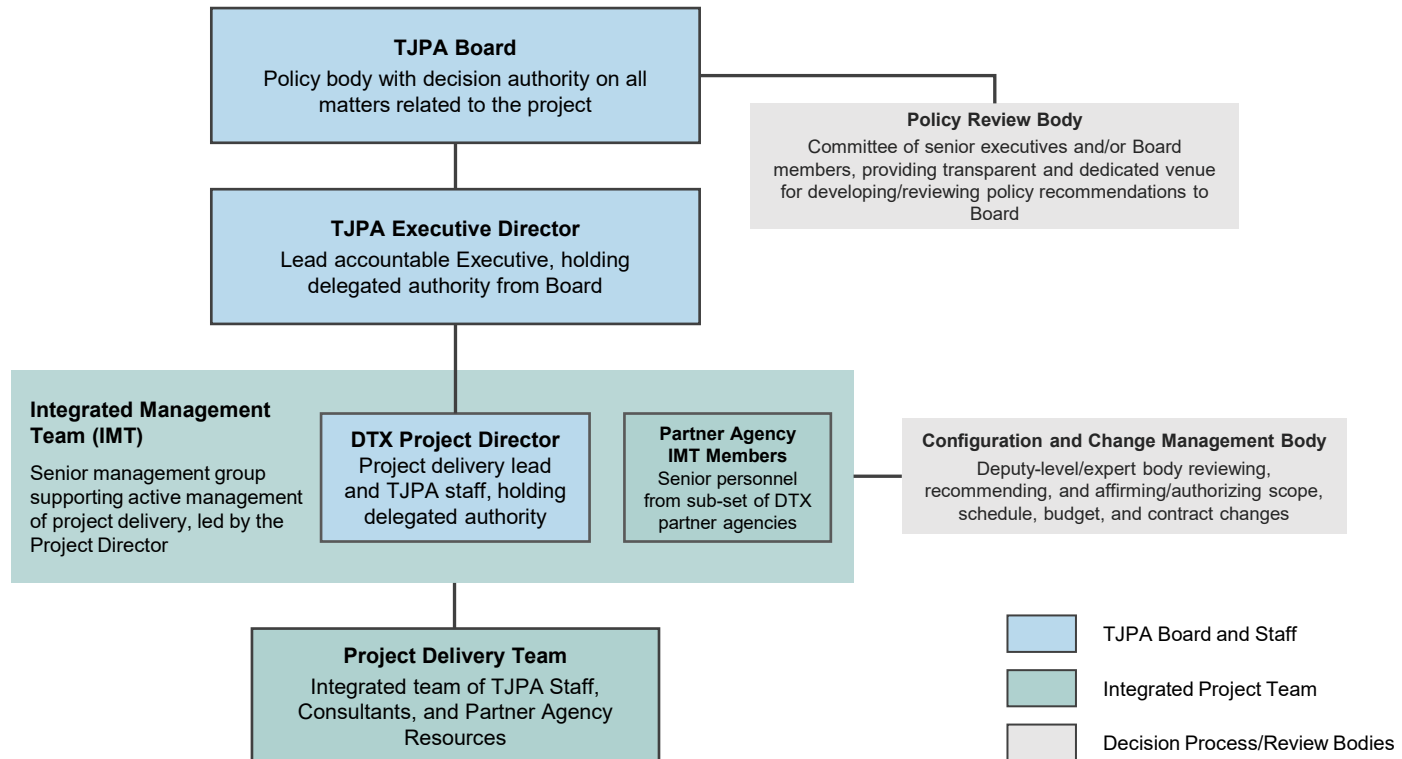
Supporting Recommendations

The Study's Supporting Recommendations enable the foundational/primary recommendations and reflect key best practices for effective mega-project delivery:

6. Empower project leadership staff through **delegated authorities**, in conjunction with integrated management approach and structured review/oversight processes.
7. Institute process/structure for management and **oversight of configuration and change**, including contractual changes.
8. Embed **risk management and risk review** at all levels, including policy oversight, technical management, and project execution.
9. Prepare “**single-source**” **project reporting** to provide timely and reliable information to management, partners, and decision-makers.
10. Develop an **integrated project delivery team**, including TJPA staff, consultants, and key partner agency resources/personnel, and pursue **project partnering** to strengthen collaboration.



Recommended Framework for Project Delivery



Next Steps

Governance Study recommendations to guide further work, to be brought forward subsequently for review or action by relevant parties:

Governance Blueprint – *Follow-up Governance Study deliverable, to provide more detailed definition of delivery-phase governance. Key components:*

- Delineation of **anticipated policy decisions**/decision types by project phase – focus on pre-procurement, procurement, and pre-construction, and on decisions with multi-party scale/impact
- Governance structure organizational design and **composition/reporting of bodies**, including IMT membership and mandate
- Framework for **delegated authorities**; configuration/**change management** procedures and structure
- Further definition of **stage milestones**, inputs, and non-TJPA agency decision requirements; process for periodic **independent review** and expert advice
- **Coordination** of related tasks/agreements and **alignment** with project delivery implementation roadmap

Prepare Draft:
through Dec 2022
Revise as Needed:
Q1-2023

Funding Actions and Oversight Conditions

Agency-level funding decisions and agreements, subject to oversight procedures/protocols

Timing varies

Program Management Plans

Detailed package of plans to document approach to managing delivery, developed as required by FTA

For Feb 2023 & Aug 2023
FTA Submittals

Bi-lateral Agreements

Agreements between TJPA and agencies, including Caltrain (MCA) and CCSF (ICA), to codify agency resourcing, rights, and responsibilities

Key terms by early 2023;
executed prior to Aug 2023

Successor to Current MOU

Framework/agreement to succeed existing Peninsula Rail Program MOU

By mid-2023

Recommendation

Approve the Governance Study recommendations for the Downtown Rail Extension, as recommended by the Executive Steering Committee:

1. Confirm TJPA as lead agency for DTX procurement and construction, and continue to build the capacity of TJPA and partner agencies for project delivery.
2. Develop a collaborative, integrated management approach and core management team, in order to support TJPA, align direction to the multi-agency delivery team, and actively manage risks and challenges.
3. Provide a transparent venue for the development and review policy-level recommendations and reporting to the TJPA Board.
4. Utilize a stage-gate process to align decision-making at major milestones and ensure readiness for successive phases of work and provide for periodic independent/expert review and advice.
5. Define/codify governance and management structure through bi-lateral agreements between agencies, a successor to the existing Peninsula Rail Program MOU, and detailed program management plans.

Recommendation (continued)

6. Empower project leadership staff through delegated authorities, in conjunction with integrated management approach and structured review/oversight processes.
7. Institute process/structure for management and oversight of configuration and change, including contractual changes.
8. Embed risk management and risk review at all levels, including policy oversight, technical management, and project execution.
9. Prepare “single-source” project reporting to provide timely and reliable information to management, partners, and decision-makers.
10. Develop an integrated project delivery team, including TJPA staff, consultants, and key partner agency resources/personnel, and pursue project partnering to strengthen collaboration.

Questions?



SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 241203-138

WHEREAS, Under the San Francisco Charter, the San Francisco Municipal Transportation Agency Board of Directors has exclusive authority over managing San Francisco's transportation system, and over contracting with regional transit agencies under certain circumstances; and,

WHEREAS, The TJPA is a joint exercise of powers authority created by the City and County of San Francisco (City), the Alameda-Contra Costa Transit District, the Peninsula Corridor Joint Powers Board (Caltrain), the California High Speed Rail Authority (CHSRA), and Caltrans (ex officio) to deliver the Transbay Program; and,

WHEREAS, Under California Public Resources Code section 5027.1, TJPA has primary jurisdiction with respect to all matters concerning the financing, design, development, construction, and operation of the Transbay Program; and,

WHEREAS, The TJPA completed Phase 1 of the Transbay Program, construction of the Salesforce Transit Center; and,

WHEREAS, The City consulted and cooperated with TJPA in aspects of the planning, design, construction, and financing of Phase 1, including through many intergovernmental agreements and memoranda of understanding between various City agencies and TJPA; and,

WHEREAS, The TJPA is actively engaged in delivery of Phase 2 of the Transbay Program, The Portal, previously referred to as the Downtown Extension or DTX (the Project); and,

WHEREAS, The Project will connect the Caltrain's regional rail system and the CHSRA's statewide system to the Salesforce Transit Center in downtown San Francisco; and,

WHEREAS, The Project will bring direct and indirect benefits to City residents and the Public Trust by providing improved regional and statewide rail connections to downtown San Francisco through easier and more efficient transit options for commuters, tourists, and business travelers will support downtown San Francisco businesses and contribute to the economic revitalization of San Francisco at large and the neighborhoods surrounding the Project in particular; and,

WHEREAS, The Project is a critical rail link in the Bay Area, Northern California mega-region, and statewide transportation system and will be most efficiently and effectively delivered through a multi-agency partnership among local, regional, and state stakeholder agencies with expertise in developing, funding, and implementing major infrastructure projects; and,

WHEREAS, in 2020, the key stakeholders on the Project - TJPA, the Metropolitan Transportation Commission (MTC), the San Francisco County Transportation Authority

(SFCTA), Caltrain, the CHSRA, and the City (collectively, the Partners) executed a Memorandum of Understanding (2020 MOU) to explore initial implementation of the Project; and,

WHEREAS, The 2020 MOU established the organizational structure and work program to get the Portal to “ready for procurement” status; and,

WHEREAS, Pursuant to the 2020 MOU, the TJPA and SFCTA prepared a Governance Study, which was subsequently approved by the TJPA Board, that recommended drafting a successor MOU to guide the multi-agency coordination, administrative organizational structure, and processes that will support the Project; and,

WHEREAS, the 2020 MOU expired in May 2024; and,

WHEREAS, The Portal Project Implementation Memorandum of Understanding (Portal Implementation MOU) is a successor to the 2020 MOU, and supports the multi-agency coordination, administrative organizational structure, and processes that will support the efforts of the TJPA in delivery of the Project; and,

WHEREAS, Because the term of the MOU extends through the later of the following milestones: substantial completion of the major contracts, and completion of a project evaluation report, to be presented to the TJPA Board within 12 months after the start of Revenue Service, the Partners anticipate the Portal Implementation MOU will be in place for at least ten years; and,

WHEREAS, The Portal Implementation MOU does not commit the City to any particular approval, does not commit City resources, does not provide for mutual indemnities or otherwise implicate City finances; and,

WHEREAS, On May 16, 2023, the SFMTA Board of Directors enacted Resolution No. 230516-042, approving the SFMTA’s participation in and Interagency Cooperation Agreement between TJPA and the City relating to Phase 2 of the Transbay Program to provide for the City’s consultation, services, and cooperation with TJPA to facilitate the planning, design, and construction of the Project; and,

WHEREAS, On April 22, 2004, by Motion No. 16773, the Planning Commission certified the final Environmental Impact Statement/Environmental Impact Report for the Transbay Program (2004 EIS/EIR) (Planning Department Case No. 2000.048E) in accordance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (Cal. Code of Regulations Title 14, sections 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code; and,

WHEREAS, On June 15, 2004, by Motion No. 04-67, the Board of Supervisors affirmed the Planning Commission’s certification of the 2004 EIS/EIR; and on September 28, 2004, by Resolution No. 612-04, adopted findings that various actions related to the Transbay Program complied with CEQA; and in 2005 and 2006, by Ordinance Nos. 124-05 and 99-06, adopted

additional CEQA findings related to the Transbay Program; and,

WHEREAS, Subsequent to the adoption of the Final EIS/EIR, the San Francisco Redevelopment Agency, the Successor Agency to the San Francisco Redevelopment Agency, and the TJPA have approved ten addenda to the 2004 EIS/EIR, and made requisite findings under CEQA; and,

WHEREAS, In 2018, the Federal Transit Administration and TJPA prepared a joint Supplemental EIS/EIR to evaluate certain proposed changes to the Transbay Program (2018 SEIS/EIR); and on December 13, 2018, the TJPA certified the 2018 SEIS/EIR, approved certain revisions to the Transbay Program, adopted the additional mitigation measures identified therein, and adopted CEQA findings (2018 Transbay Program CEQA findings); and,


WHEREAS, On January 12, 2023, the TJPA approved certain revisions to the DTX component of the Transbay Program (DTX Revisions), adopted an Addendum to the 2018 SEIS/EIR, which contains an analysis of the environmental effects that may result from the DTX Revisions, adopted a Revised Mitigation Monitoring and Reporting Program, attached to the Interagency Cooperation Agreement as Exhibit C, and determined that the DTX Revisions do not require major revisions to the 2018 SEIS/EIR due to new or substantially more severe environmental effects and do not require further environmental review; and,

WHEREAS, Copies of the EIS/EIR, SEIS/EIR, and addenda are on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Transbay Joint Powers Authority at <https://tjpa.org/> or 425 Mission Street, Suite 250 in San Francisco, and are incorporated herein by reference; and, now therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors finds that recommendation to the Board of Supervisors for approval of the Portal Project Implementation Memorandum of Understanding (Portal Implementation MOU) is within the scope of the EIS/EIR, SEIS/EIR, and addenda described herein; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommends the Board of Supervisors approve the Portal Project Implementation Memorandum of Understanding (Portal Implementation MOU) between the Transbay Joint Powers Authority (TJPA), the Metropolitan Transportation Commission (MTC), the San Francisco County Transportation Authority (SFCTA), the Peninsula Corridor Joint Powers Board (Caltrain), the California High-Speed Rail Authority (CHSRA), and the City and County of San Francisco (City); collectively, the “Partners,” regarding Phase 2 of the TJPA’s Transbay Program, referred to as The Portal (Project).

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 3, 2024.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

President, District 3
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-6546

Aaron Peskin

PRESIDENTIAL ACTION

Date: 12/4/24

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____

(Primary Sponsor)

Title, _____

☐ Transferring (Board Rule No 3.3)

File No. _____

241137

Mayor

(Primary Sponsor)

Title. _____

Portal Project Implementation Memorandum of Understanding -
Transbay Joint Powers Authority - Phase 2 of the Transbay Program

From: Budget & Finance _____

Committee

To: Land Use & Transportation _____

Committee

☐ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: _____

Replacing Supervisor: _____

For: _____


(Date)

(Committee)

Meeting

Start Time: _____ End Time: _____

Temporary Assignment: ☒ Partial ☐ Full Meeting



Aaron Peskin, President
Board of Supervisors