

# *Realignment Implementation*

*Board of Directors*

*11/18/21*



# Why we are here

- Status of Resolution No. R2021-05 implementation to date
- Organization of Resolution No. R2021-05 work elements
- Timeline of upcoming activities

Note: no Board action requested for this presentation.



Completing  
the Spine



Connecting  
Regional  
Centers



Ridership  
Potential

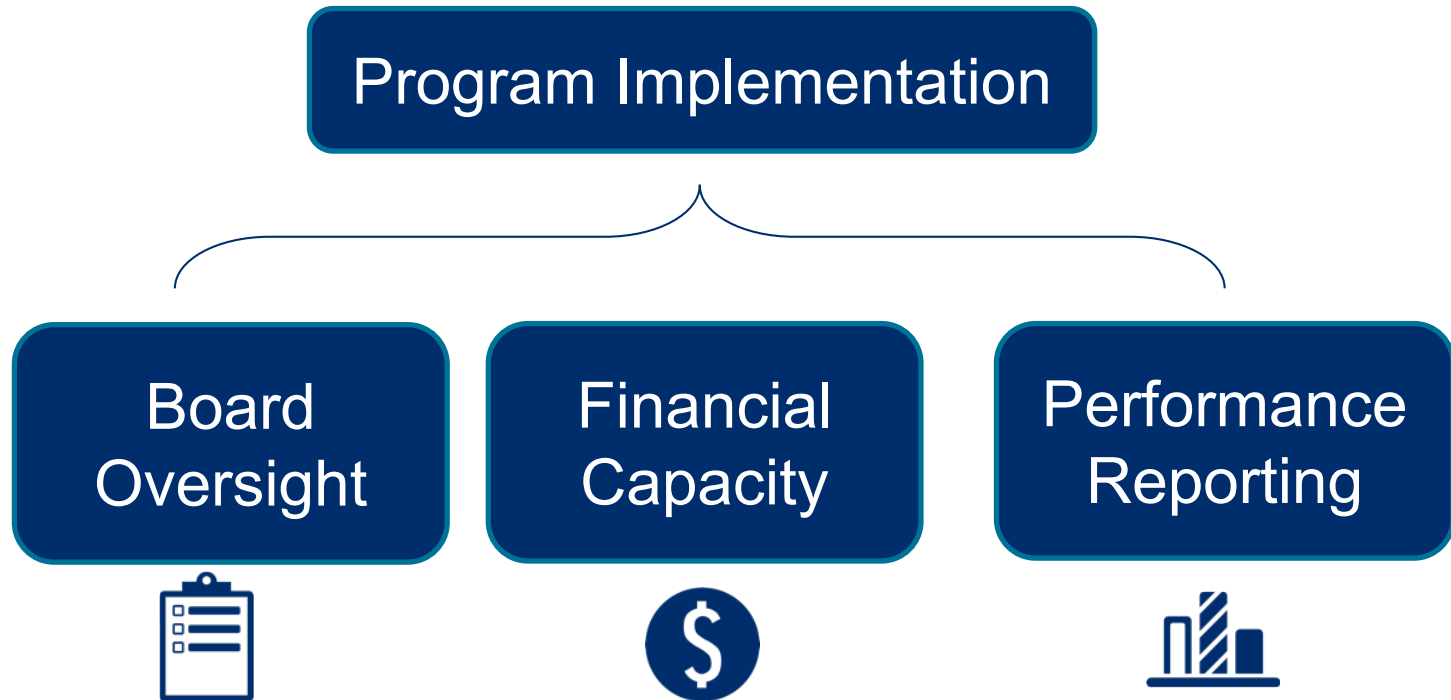


Socioeconomic  
Equity



Advancing Logically  
Beyond the Spine

# Organizing the Work





# ***Board Oversight & Accountability***

***Objective: enhance Board's ability to address issues before they grow***

- Annual Program Review
- Future Independent Consultant
- Incorporate 2021 Triunity recommendations



# *Board Oversight & Accountability*

## ***Status:***

- Procuring independent consultant: **now**
- Developing format and data inputs for Annual Program Review (Q2 2022)
- Staff-level actions to incorporate Triunity's recommendations: **now**



# ***Board Oversight & Accountability***

## ***Triunity Recommendations\* – Major themes:***

- Advance project-specific recommendations for WSBLE, TDLE, OMFS, and BRT
- Refine cost estimating methodology for construction costs and right-of-way acquisitions
- Update project management polices, procedures, guidelines
- Refine risk management practices and tools
- Ensure adequate resourcing for program and project partners
- Refine reporting and internal governance

*\*More information provided in memo in Board packet*

# *Financial Capacity*

***Objective: seek ways to reduce affordability gap***

- Pursue expanded financial capacity
- Pursue additional revenue

# *Financial Capacity*

## ***Status:***

- Recent TIFIA and bond refinances: projected borrowing cost savings of over \$970M combined: **included**
- Secured COVID relief grant funding: **included**
- Infrastructure Investment and Jobs Act (IIJA): **evaluating opportunities**



# *Financial Capacity*

***Objective: seek ways to reduce affordability gap***

- Seek cost savings for ST3 capital projects

# *Financial Capacity*

## ***Status:***

- Examining cost savings at project levels: **starting Q1 2022**
- Examining cost savings at programmatic levels: **underway**
- Independent review of cost estimates and cost savings: **underway**



# *Performance Reporting*

***Objective: enhance transparency and accountability to support the Board advancing affordable projects***

- Ad-hoc Technical Advisory Group (TAG)
- Quarterly and project-specific cost savings updates
- Biannual cost drivers reports
- Schedule assessments at project milestones
- Unscheduled updates for material impacts to project cost and schedule






# Performance Reporting

## **Status:**





- Identifying experts to participate in TAG: **now**
- Developing report formats: **now**
- Internal governance framework → unscheduled updates

# Timeline






## Q4 2021 Highlights

-  Hire the independent consultant
-  Select experts for TAG
-  Program performance dashboard initial version



## Q1 2022 Highlights

-  Independent consultant begins; informs Annual Program Review and cost savings work plan
-  Streamlined internal governance framework
-  TAG forms and begins work
-  Project-specific schedule assessments and cost savings updates begin

## Q2 2022 Highlights

-  Annual Program Review: initial version
-  Begin reporting of material impacts on project cost and schedule
-  Long-term financial plan and revenue projections
-  Biannual cost drivers report: initial report
-  Program performance dashboard: online version

## Q3 2022 Highlights

-  Board and independent consultant feedback; continuous improvement
-  TAG recommendations to accelerate system expansion program

-  System Expansion Committee
-  Finance & Audit Committee
-  Board of Directors
-  Consultant Resource Selection Panel

*Thank you.*



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