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**REVISED  
EXECUTIVE MANAGEMENT COMMITTEE  
NOVEMBER 16, 2017**

**SUBJECT: MEASURE M EARLY PROJECT DELIVERY STRATEGY**

**ACTION: APPROVE POLICY**

**RECOMMENDATION**

APPROVE the policy for a Measure M Early Project Delivery Strategy, outlined in Attachment A.

**ISSUE**

This item proposes a uniform policy for determining when Measure M projects can be delivered earlier than scheduled, as allowed by the Ordinance. Attachment A is the proposed Policy. Attachment B is an explainer about it, including the rationale and frequently asked questions. A comprehensive policy to transparently and uniformly guide decision-making about how and when projects can be delivered earlier increases the likelihood that project acceleration can be achieved. Furthermore, stating the fundamental responsibilities for collaboration between Metro and its many partners helps to keep projects on schedule and within budget.

**BACKGROUND**

**Policy Authority**

The Measure M Ordinance approved by Los Angeles County voters allows for project acceleration. Section 11, paragraph b states: *“By two-thirds (2/3) vote, the Metro Board of Directors may amend the “Schedule of Funds Available” columns listed in Attachment A to accelerate a project, provided that any such amendments shall not reduce the amount of funds assigned to any other project or program as shown in the “Measure M Funding 2015\$” column of Attachment A or delay the Schedule of Funds Available for any other project or program.”* This is essentially a hold harmless clause, which in laymen’s terms could be interpreted to mean that “projects can be accelerated as long as doing so does not delay or otherwise negatively impact other projects”.

**Policy Need**

During development of the Measure M Ordinance in 2016, many stakeholders expressed a desire to have projects delivered earlier. Therefore, the aforementioned authority was written into the Ordinance to allow for project acceleration. Despite the enabling language, a policy framework for an early project delivery strategy does not exist. This has resulted in requests for early delivery of

individual projects lacking supporting evidence, inefficient use of resources in addressing the requests and disappointment by proponents who have not been provided clarity in how to accelerate a project.

### Policy Benefits

The faster projects in Measure M can be completed, the sooner Metro can expand access to opportunity for the residents of Los Angeles County. These projects improve mobility for all those who live, work, play and visit the region. A strategic framework for how to accomplish early project delivery enables attaining it. That achieves all of the benefits set forth in the preamble of the Measure M Ordinance.

### Policy Approach

The four categories of strategic inputs for early project delivery - Funding, Partnerships, Process and Innovations - were identified because those are the areas most impactful in driving how projects are completed. These strategic inputs are project accelerators that could partially support facilitating early project delivery. Multiple inputs are generally needed to achieve early project delivery. For projects at risk of delay, a disclosure and recovery plan must be prepared.

### Policy Process

A screening tool is used to suggest the propensity for early project delivery. If the propensity exists, then staff conducts a further analysis to confirm the likelihood of early project delivery. For projects with potential for acceleration, the Board considers and then makes the final decision, following a public process set forth in controlling law.

### Policy Iteration

At its September 21, 2017 regular meeting, the Executive Management Committee (EMC) reviewed a concept for establishing a policy and factors for determining when a Measure M project can be accelerated or decelerated (File #2017-0596). EMC forwarded the concept to the Board for discussion at its September 28, 2017 regular meeting without recommendation. At that time, they conveyed a favorable view of the concept of acceleration, while finding a need for a guiding policy.

- The need and emphasis for the policy should be about early project delivery.
- Be clear that the screening tool itself does not result in a decision; generally multiple factors are needed to trigger early project delivery.
- Forward to Policy Advisory Council, Measure M Independent Taxpayers Oversight Committee and conduct stakeholder engagement.

The Board provided similar feedback. Concerns were also raised about addressing the potential for project delays/deceleration at an equivalent level to early project delivery/acceleration, when the goals are to standardize how projects are evaluated for early delivery and articulate how Metro and its many partners can collaborate to deliver Measure M projects on schedule and within budget. Staff has also undertaken ongoing stakeholder engagement since the Board meeting. As a result of this iterative process, this is the third draft of the Policy.

## Policy Changes

A Policy is proposed for Board consideration in Attachment A, based on Board feedback received in September and stakeholder engagement in October and November; an explainer is provided in Attachment B. The draft Policy has been substantively re-crafted to focus on a strategy for early project delivery. Instead of a “deceleration” component, the draft Policy now articulates fundamental responsibilities for maintaining project schedules. Other notable revisions made in response to specific Board input include:

- Removing the reference to other priorities in the Funding section
- Adding an early project delivery input for savings from the time value of money
- Removing the reference to a future Transit-oriented Communities Policy and replacing that with general language about advancing Metro goals and policies that promote the integration of land use and transportation
- Adjusting some of the funding percentages pertaining to local and sub-regional contributions as potential strategic inputs for early project delivery
- Generalizing the early project delivery inputs to more readily be transportation mode neutral

The score assigned to each input has been added along with various text, all of which advance the initial concept into a further developed policy document with greater clarity. The point value assigned to each input is based on the relative strength of the input to contribute toward achieving early project delivery. The three percentage ranges that define low, medium and high propensity for project acceleration are simplistically set at thresholds of a third.

## **DISCUSSION**

This version of the Policy recognizes and emphasizes the goal of the Board, Metro’s partners and the public to focus efforts on an early project delivery strategy, while also being clear what the fundamental responsibilities are to ensure projects can be completed on schedule and within budget. The Policy is structured yet flexible. With the clarity provided by the Policy, energies can be more effectively focused on actually achieving early delivery of projects.

## **FINANCIAL IMPACT**

The impacts of early project delivery decisions would be case-specific. Analysis of budget and long range financial programming would be an essential part of the analysis that would accompany any considerations under this proposed approach.

### Impact to Budget

Fiscal year budget impacts would be case-specific to the projects and schedules involved.

## **ALTERNATIVES CONSIDERED**

The Board could consider revising the Policy for Early Project Delivery Strategy as presented by

staff, or recommend that a Policy not be adopted. Should the Board elect not to adopt a Policy, the Chief Executive Officer requests that alternative direction be provided by the Board to ensure a transparent, unbiased and consistent process is in place to guide any decisions that will be forthcoming regarding early project delivery.

### **NEXT STEPS**

Implementation of the Policy, if adopted by the Board.

### **ATTACHMENTS**

Attachment A - Proposed Metro Board Policy: Early Project Delivery Strategy

Attachment B - About Metro's Proposed Policy: Early Project Delivery Strategy

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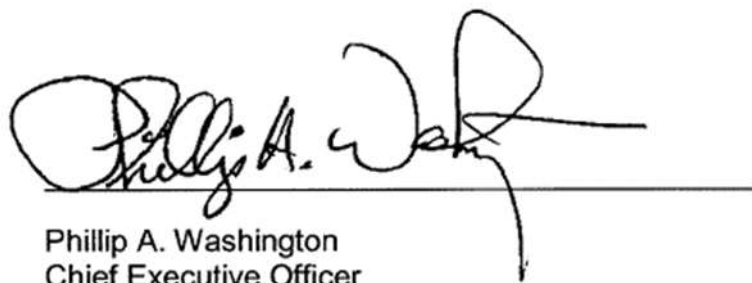
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