



Regional Network Management (RNM)

Network Management Business Case Evaluation: Final Report

—
February 21, 2023



Table of Contents

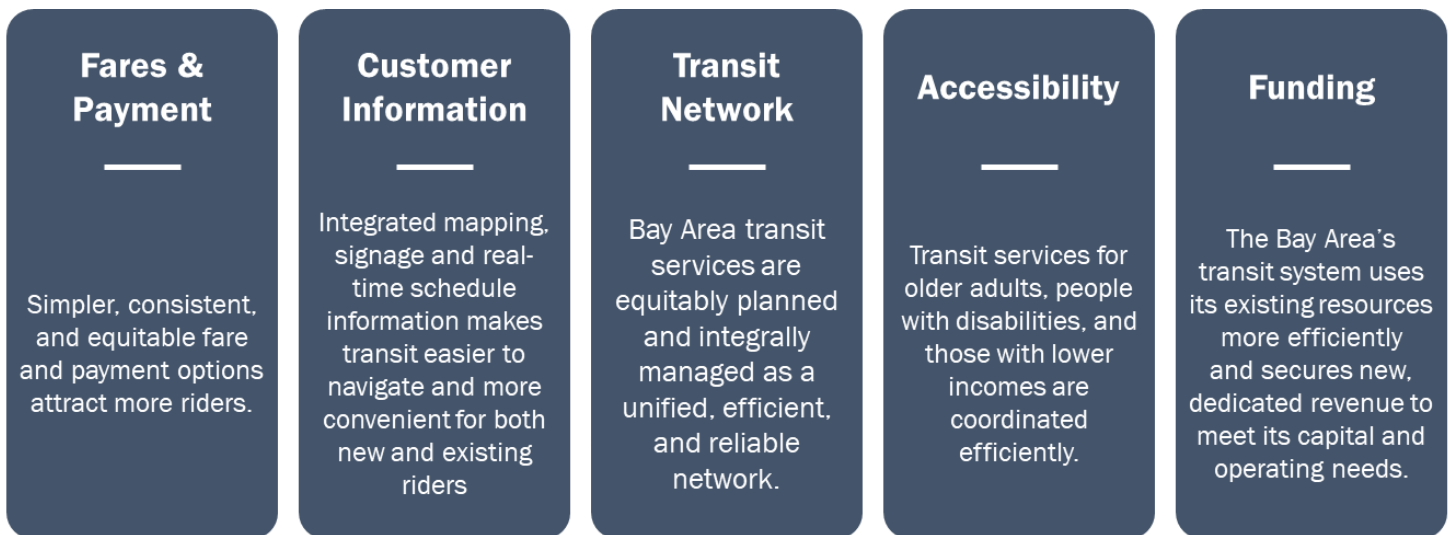
| | |
|---|-----------|
| Document Purpose | ii |
| Background | 1 |
| Approach & Methodology | 3 |
| Functional Area Findings | 7 |
| Recommended RNM Framework | 9 |
| Next Steps | 18 |

Document Purpose

This report provides an overview of findings from the Network Management Business Case Evaluation project to progress decision making by the Metropolitan Transportation Commission (MTC). This report summarizes the background, approach, methodology, findings, recommendations, and next steps for regional network management in the Bay Area.

Background

In May 2020, MTC created a 32-member Blue Ribbon Transit Recovery Task Force (“Task Force”) to support MTC in the development of a regional response to address the adverse impacts of the COVID-19 pandemic on transit systems in the Bay Area. In July 2021, the Task Force approved 27 specific near-term actions to re-shape the region’s transit system into a more connected, more efficient, and more user-focused mobility network across the entire Bay Area. These actions comprise the [Bay Area Transit Transformation Action Plan](#) (“Action Plan”). The Action Plan sought to drive several transformational outcomes, including:



As a part of the efforts to drive these outcomes, the Task Force requested in the Action Plan that a study be completed to select a preferred structure for “Regional Network Management” and recommend next steps to achieve its implementation. Accordingly, MTC established a “Network Management Business Case Evaluation” project to assess and recommend a preferred regional network management (“RNM”) structure to achieve near-term (i.e., Near-Term RNM) and longer-range transit mobility goals (i.e., Long-Term RNM).

To support this evaluation, a consulting team comprised of VIA (“VIA”) a Perkins Eastman Studio, Access Planning (“Access”), KPMG LLP (“KPMG”), Sam Schwartz, InfraStrategies LLC (“InfraStrategies”), and Bluebird Advisors; collectively, the “Consultant Team”, was engaged by MTC.

As an initial step of the evaluation, the Task Force identified 14 potential “functional areas” (i.e., categories of activities required to deliver a particular aspect of transit services) where the RNM might have roles and responsibilities. In September 2021, the [Regional Network Management Structures Evaluation Summary Report](#) was developed to provide insight into MTC’s ability to regionalize roles and responsibilities related to these 14 functional areas and considered several pathways to reorganize the governance of regional transit. In June 2022, the context of regional transit was further investigated through a *Draft Existing Conditions Report* that was circulated with stakeholders to receive input on transit operations, funding, and Bay Area organizational mandates and responsibilities relative to leading practices in peer regions.

In the summer of 2022, due to the interdependent nature of regional transit delivery, input from stakeholders, and the need to expedite actions critical to transit recovery, MTC directed the Consultant Team to focus on six of the 14 functional areas. The six functional areas selected were chosen as (a) they would be representative of the challenges facing Bay Area transit across all 14 functional areas and (b) were areas that had already benefited from significant study. These six functional areas include:

| Functional Area | Description |
|-----------------------------------|---|
| Fare Integration Policy | Developing, funding, and managing the fare system, including all aspects of how and what riders pay to use the regional transit system. |
| Wayfinding and Mapping | Funding, planning, development and delivery of infrastructure and services to deliver the information travelers use to plan and navigate their journey including signage, maps, schedules, travel times, and updates. |
| Connected Network Planning | Developing, funding, and prioritizing an integrated and coordinated regional transit system. |
| Bus Transit Priority (BTP) | Funding, planning, development, and delivery of infrastructure changes to enable public transit vehicles to achieve better travel times and reliability, including reserved lanes, queue jumps, roadway adjustments, and signal changes. |
| Rail Network Management | Project planning, funding, policy, implementation, and management of the rail network. |
| Accessibility | Funding, planning and development of the accessibility of the fixed route network and planning for the complementary paratransit network, including the integration of paratransit with the fixed route network, and the effective coordination of services for older adults, and people with disabilities. |

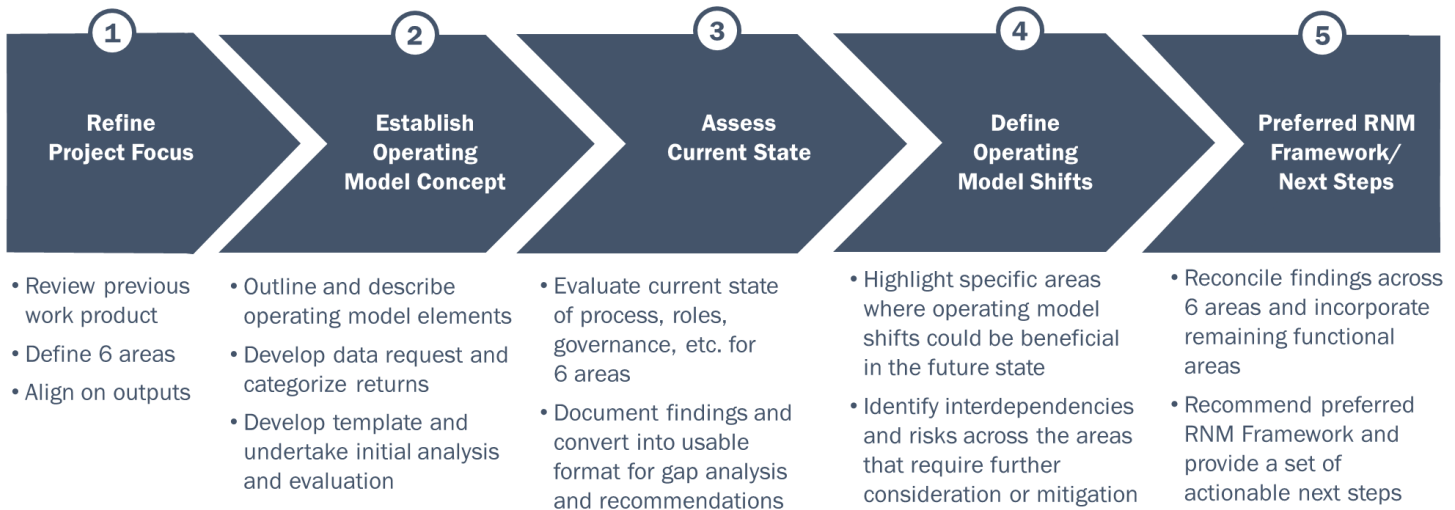
Following this refinement, in October 2022, a *Network Management Problem Statement Memo* was developed and issued to the to key stakeholders for review. The memo provided a scope of the current challenges, roles and responsibilities, and potential benefits of regionalization for each of the selected functional areas.

These findings were further assessed in subsequent steps, leading to the recommended RNM structure. This *Network Management Business Case Evaluation: Final Report* provides details on the approach, methodology, findings, recommendations, and next steps for the RNM from the subsequent assessment.

Approach & Methodology

Approach

The Network Management Business Case Evaluation, following the refinement in the summer of 2022, was a five-step process that was completed in December 2022:



This process began with the refinement of the project focus from the initial 14 functional areas to the six functional areas identified above, including defining the scope and identifying desired outcomes for the six functional areas to support the overall evaluation of potential RNM structures.

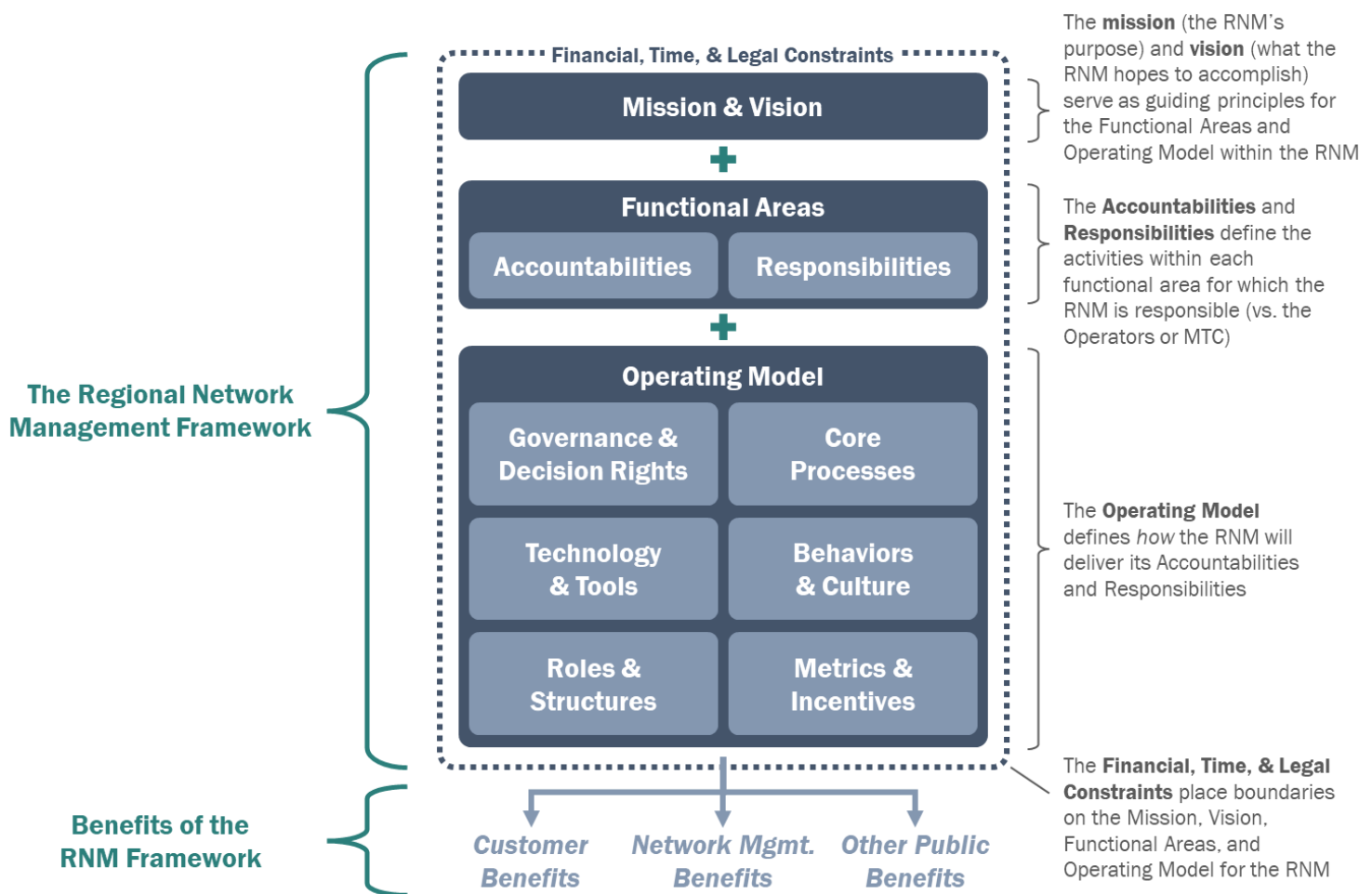
The second step was to (a) establish a framework against which the delivery of the functional areas and recommended RNM would be evaluated and (b) establish key guiding principles for what activities might be completed through a regional approach or through a local approach.

Using the framework and guiding principles, the next two steps assessed the current-state accountabilities, responsibilities, and operations and developed recommendations of future-state accountabilities, responsibilities, and operations (both in the near term and long term).

Based on the findings from each functional area and the desired outcomes identified by the Task Force, a recommended RNM structure was developed and refined in the final step.

Methodology

To guide both the ongoing analysis and ultimate development of the recommended RNM structure, the Consultant Team developed an “RNM Framework” to detail the key components that will contribute to an effective RNM. The below figure represents this RNM Framework:



As depicted above, the RNM Framework is made up of four components:

1. **Mission & Vision:** The Mission (the RNM’s purpose) and Vision (what the RNM hopes to accomplish) serve as the highest-level guiding principles for the Functional Areas and Operating Model within the RNM
2. **Functional Areas:** The Accountabilities and Responsibilities define the activities within each functional area for which the RNM is responsible (vs. the Transit Operators or MTC)
3. **Operating Model:** The Operating Model defines how the RNM will deliver its Accountabilities and Responsibilities
4. **Financial, Time, & Legal Constraints:** The Financial, Time, & Legal Constraints place boundaries on the Mission, Vision, Functional Areas, and Operating Model for the RNM

Ultimately, these components of the RNM Framework are intended to establish an RNM that can deliver three types of benefits to the Bay Area: customer benefits, network management benefits, and other public benefits, which are represented at the bottom of this graphic. Examples of these various benefits include, but are not limited to:

Customer Benefits

- Enhanced experience
- Improved safety
- Reduced travel times
- Increased accessibility
- Simplification of feedback
- Increased ease of use

Network Mgmt. Benefits

- Improved planning capabilities
- Enablement of sharing of costs
- Generation of economies of scale
- Increased ridership
- Improved decision making

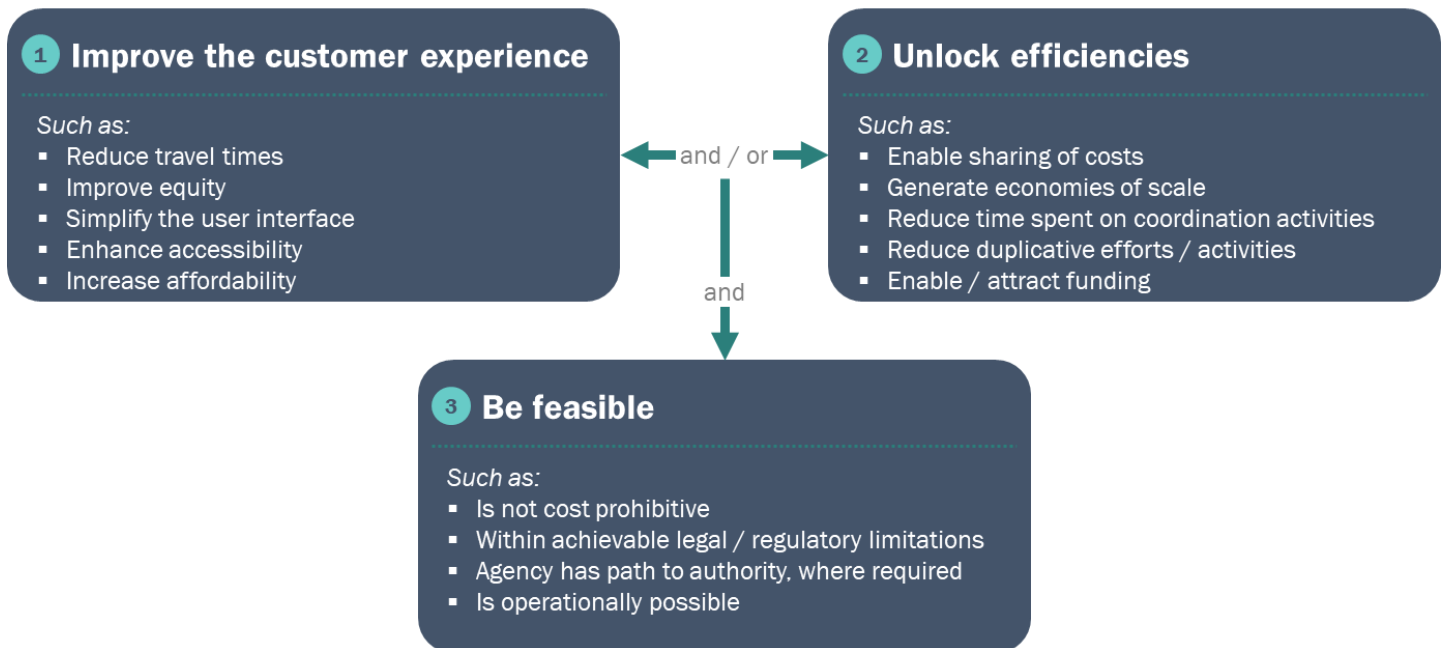
Other Public Benefits

- Reduced VMT
- Economic growth
- Reduced emissions / pollution
- Beautification of spaces
- Enhanced connectivity
- Increased equity

An important distinction to note is that the focus of the Network Management Business Case Evaluation was on *developing an RNM that could have the capabilities to deliver these benefits* rather than specific initiatives to deliver these benefits.

In addition to the RNM Framework, the Consultant Team developed criteria for considering whether a specific activity could be performed through a regional approach (e.g., through MTC or the RNM) or through a local approach (e.g., through individual Transit Operators). These “Regionalization Criteria” included:

Will regionalizing this activity...



These Regionalization Criteria state that an activity within a functional area should be regionalized if it will improve the customer experience and/or unlock efficiencies *and* is feasible. These criteria were used to support the assessment of the six functional areas and identify which activities should be regionalized.

Stakeholder Engagement

Stakeholder engagement was critical to this evaluation. To help ensure ongoing and effective stakeholder engagement, MTC established a 14-member Advisory Group to review the analysis and recommendations. The Advisory Group included 7 transit agency representatives and 7 stakeholder representatives and was constructed to help provide a wide range of perspectives and inputs from the various stakeholder groups. Participants included:

- **Denis Mulligan**, Chair, Golden Gate Bridge, Highway and Transportation District
- **Alicia John-Baptiste**, Vice-Chair, SPUR
- **Michelle Bouchard**, Caltrain
- **Bill Churchill**, County Connection
- **Christine Fitzgerald**, Silicon Valley Independent Living Center (SVILC)
- **Carolyn Gonot**, VTA
- **Michael Hursh**, AC Transit
- **Adina Levin**, MTC Policy Advisory Council
- **James Lindsay**, Amalgamated Transit Union
- **Therese McMillan**, MTC
- **Bob Powers**, BART
- **Suzanne Smith**, SCTA
- **Jeff Tumlin**, SFMTA
- **Jim Wunderman**, Bay Area Council

The Advisory Group met eight times from January 2022 through December 2022 and was highly involved in the final recommendations that are being put forward to the MTC Commission. All information in this report was presented to the Advisory Group and is reflective of the feedback and comments received from the Advisory Group.

Outside of the Advisory Group, additional stakeholders were consulted throughout the evaluation in coordination with MTC to increase the breadth and depth of stakeholder input. This included, but was not limited to, stakeholders from two of MTC's related initiatives: (1) the Regional Rail Partnerships Study and (2) the Major Projects Advancement Policy.

Functional Area Findings

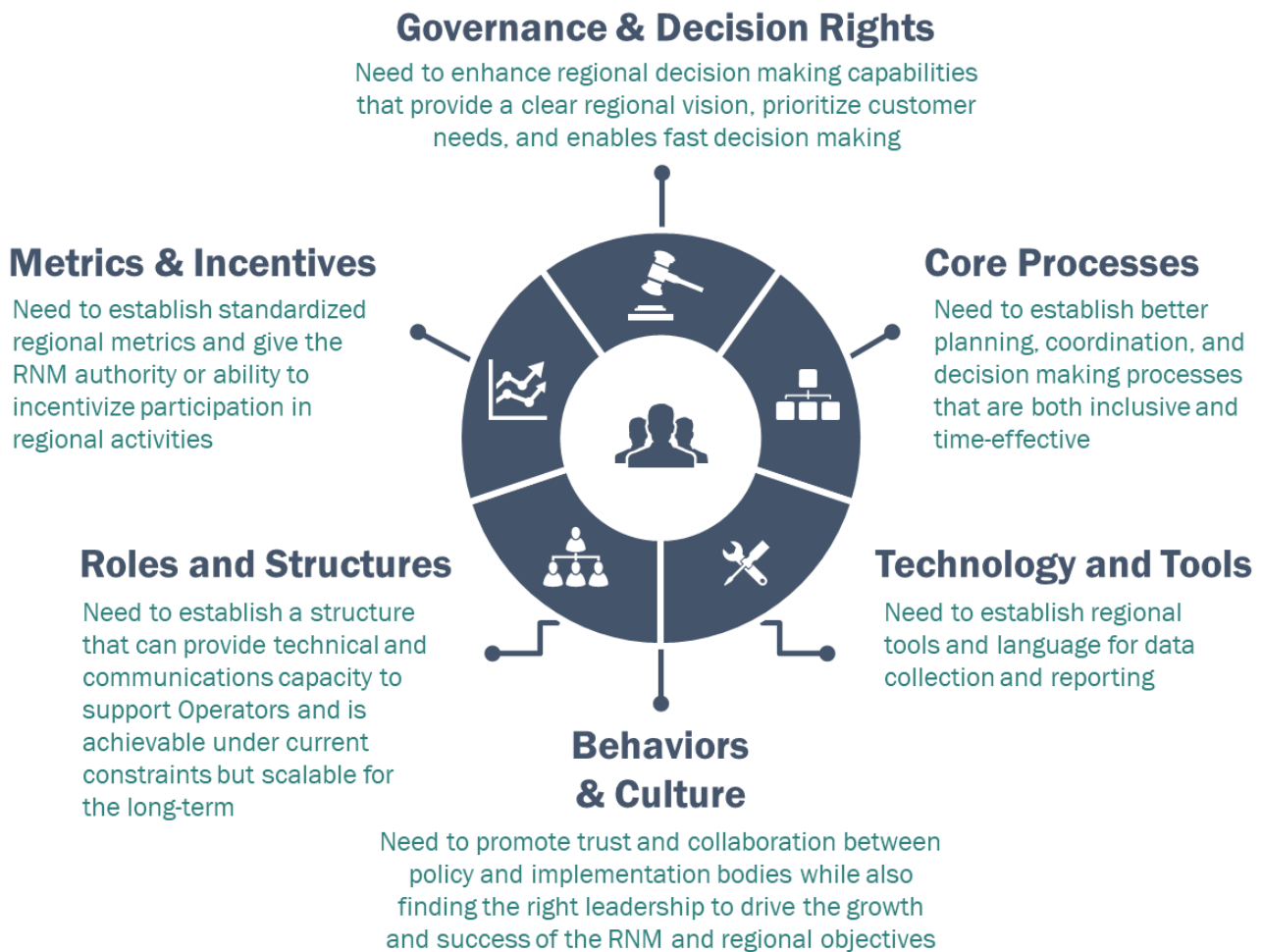
Through stakeholder interviews and synthesis of existing reports and studies, the current challenges, existing accountabilities and responsibilities, and expected future needs were captured for the functional areas. Accordingly, in conjunction with the Regionalization Criteria, the Consultant Team identified the following proposed future-state accountabilities and responsibilities that could be completed through a regional approach (e.g., through MTC or the RNM) for each of the six functional areas, as follows:

| Fare Integration Policy | Wayfinding & Mapping | Accessibility |
|--|---|--|
| <ul style="list-style-type: none"> ▪ Set the regional vision ▪ Establish regional policies ▪ Establish policy implementation plans, including the identification of funding | <ul style="list-style-type: none"> ▪ Set the regional vision ▪ Establish regional policies (e.g., design standards, compliance requirements) ▪ Establish policy implementation plans, including the identification of funding ▪ Deliver centralized procurement, where relevant | <ul style="list-style-type: none"> ▪ Embed accessibility within each of the other functional area plans ▪ Define a regional vision for paratransit operations ▪ Identify improvements needs re: implementation of paratransit policies and requirements ▪ Establish a regional implementation plan |
| Bus Transit Priority | Rail Network Mgmt. | Connected Network Planning |
| <ul style="list-style-type: none"> ▪ Set the regional vision ▪ Define BTP corridors and identify needs / initiatives ▪ Serve as the central coordination point for state, county, and city stakeholders ▪ Establish policy implementation plans, including the identification of funding | <ul style="list-style-type: none"> ▪ Set the vision for the regional rail network ▪ Translate regional vision into regional implementation plan (project prioritization, sequencing, integration points, project funding, delivery approach, etc.) | <ul style="list-style-type: none"> ▪ Identify critical regional transit gaps to create CNP ▪ Establish and create data tools for regional planning ▪ Identify funding priorities and establish service standards ▪ Draft changes to Countywide Transportation Plan guidelines, as needed |

The potential future-state regional accountabilities and responsibilities for each of the functional areas make clear that the RNM Framework will need to be designed to facilitate the effective and efficient interplay and balance between two roles:

1. **Regional Role:** Setting vision, making select funding decisions, developing regional policies, creating implementation plans, and implementing regional programs (as needed) by coordinating stakeholders will be completed at the regional level (e.g., by MTC or the RNM)
2. **Local Role:** Participation in regional decision making, providing local stakeholder perspectives / needs, and implementing regional policies will be completed through at a local level in support of regional network management (e.g., by Transit Operators)

Delivering these accountabilities and responsibilities, however, will require overcoming both the current and expected future challenges identified for the functional areas, many of which are common across all functional areas. In addition to (1) a lack of a common vision for regional transit and (2) inadequate funding dedicated to regional transit, an overview of these common challenges related to each element of the Operating Model are shown below:



These challenges served as direct inputs for the development of the recommended RNM structure in its role to better enable regional network management in the Bay Area.

Recommended RNM Framework

Mission & Vision

The two key overarching elements that define the RNM are its Mission and Vision. Based on the findings and the original intent for establishing an RNM, the following Mission and Vision statements were developed:

Proposed Mission Statement ("Core Purpose")

To drive transformative improvements in the customer experience for regional Bay Area transit

Proposed Vision Statement ("Why")

To advance regional goals in equity, livability, climate, and resiliency through a unified regional transit system that serves all Bay Area populations

These Mission and Vision statements are intended to be long term in nature, applying to both the Near-Term RNM as well and the Long-Term RNM.

Near-Term RNM

To address the findings related to the functional areas, the RNM will need three key elements to deliver the accountabilities and responsibilities for regional network management: (1) a Regional Visioning Element, (2) a Steering Element, and (3) an Administrative / Operational Element. These elements and their respective accountabilities and responsibilities include:

Regional Visioning Element

- Set the strategic vision / direction and ensure outcomes for customers
- Be accountable for regional transit network policy and priorities
- Approve / create / revise regional policies
- Approve new and existing sources of funding
- Provide a voice to key stakeholders to enable trust

Steering Element

- Provide / reach consensus on policy recommendations (to be approved by Regional Visioning Element or Operators)
- Define and report performance metrics on outcomes for RNM
- Guide Administrative / Operational Element on execution

Administrative / Operational Element

- Provide a dedicated staff and tools to enable execution and provide capacity support
- Develop policy recommendations / options to be acted on by Steering Element
- Support the Steering Element through subject matter expertise, execution, and coordination
- Provide a voice to key stakeholders to enable trust

These three elements can be delivered through five proposed components in the near term:

Regional Visioning Element

1. MTC RNM Committee: Leverage existing regional purview and planning capabilities to help set the regional vision for transit in the Bay Area and drive the direction of the RNM

Steering Element

2. “Voice of the Customer” Advisory Committee: Group of stakeholders who represent the customer and can help inform decision-making with the customer in mind

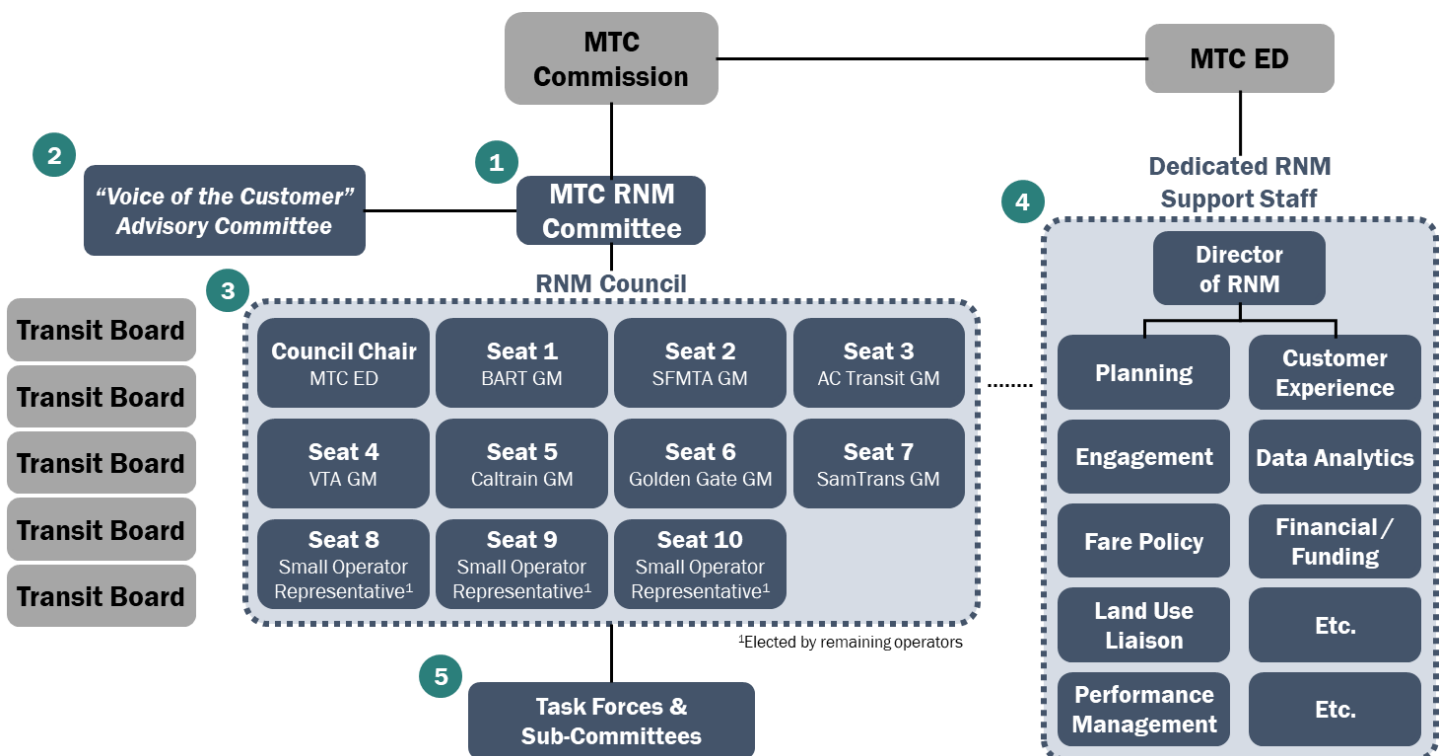
Administrative / Operational Element

3. RNM Council: Council comprised GM-level Operator and MTC representatives who understand transit operations and can represent the interests of their stakeholders, make critical decisions on regional policies, and provide leadership

4. Dedicated RNM Support Staff: Group of dedicated staff (potential opportunity for seconded staff as well) with a broad range of capabilities and expertise to support the operations and analysis of the RNM

5. Task Forces & Sub-Committees: Temporary (Task Forces) or longer-term (Sub-Committees) groups comprised a broad range of representatives, including Operators, stakeholders, and subject matter experts, that will help complete analysis and develop policy recommendations / options for topics

Together, these five components make up the “RNM” and are structurally organized as follows:



Note that the Director of RNM and Dedicated RNM Support Staff will be MTC employees and, therefore, have a “solid” reporting line to MTC (i.e., hiring, performance reviews, etc. will be completed by MTC); however, these roles will have a “dotted” reporting line to the RNM Council (i.e., the RNM Council will provide more strategic direction for where these roles should prioritize their time). Further, note that the boxes depicted in the graphic above for the Dedicated RNM Staff are intended to represent potential functions that can be delivered by dedicated staff, but do not represent individual staff members at this time. Actual staffing will ultimately be determined by the RNM Council in conjunction with the Director of RNM.

Additionally, while members of the RNM Council will not be MTC employees, the RNM Council will have a direct reporting line to the MTC RNM Committee. This reporting structure is recommended in this Near-Term RNM as (1) it will help ensure accountability of the delivery of the regional vision for transit by the RNM Council that will be set by the MTC RNM Committee using its existing purview and planning capabilities and (2) allows the RNM to be stood up quickly to begin working on priority items.

At its core, this overall recommended Near-Term RNM structure achieves three key outcomes:

✓ **A Customer-Focused RNM:**

- Enables highly inclusive decision making to bring a broad range of perspectives
- Multiple engagement points for the “Voice of the Customer” to prioritize customers in decision making
- Holds the RNM accountable to addressing customer needs

✓ **An RNM that is Structured for Scale:**

- Team of Dedicated Support Staff can grow over time to provide needed capacity to Operators
- Joint teams, with potential opportunities for seconded staff, enable high quality proposals to reach the Council, driving effective use of GM time
- Task Forces and Sub-Committees can be added or subtracted as regional priorities shift

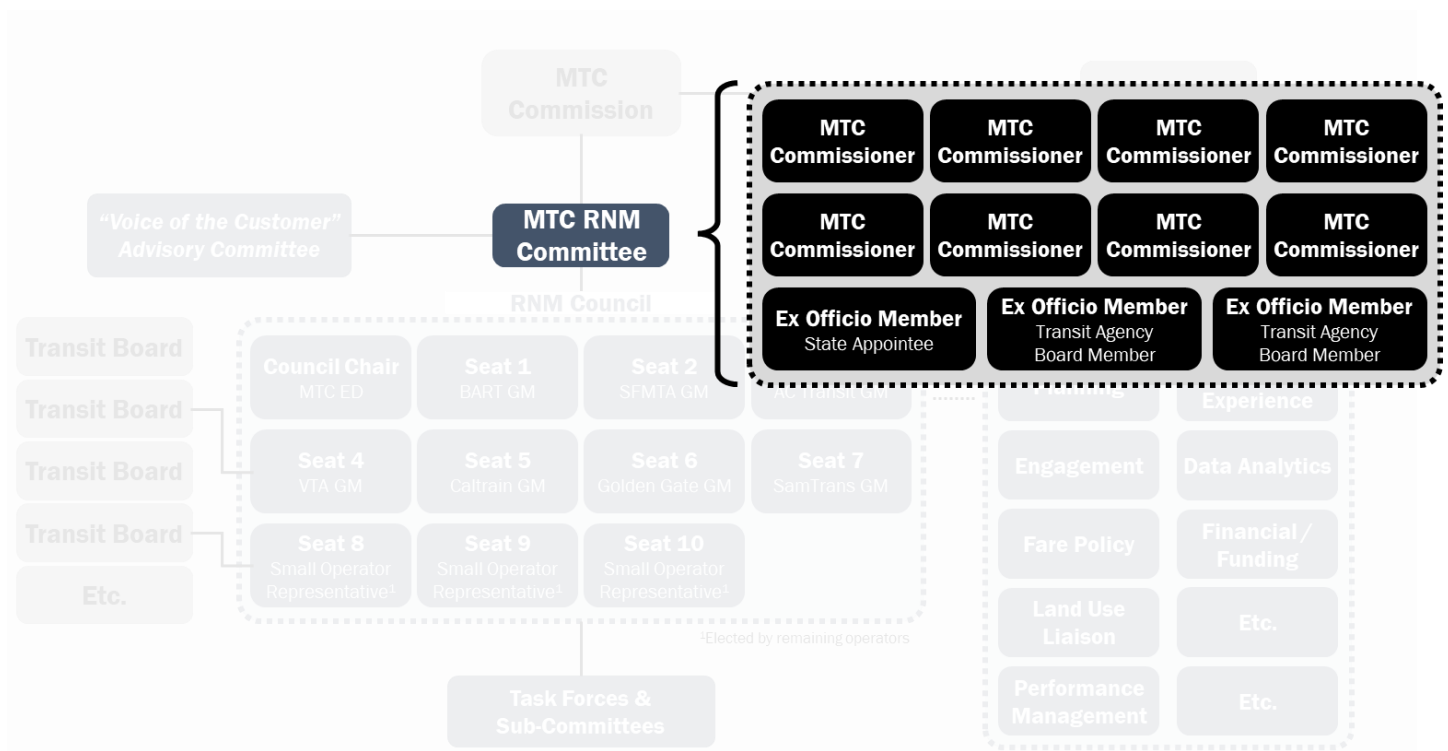
✓ **An RNM that Balances Near-Term Momentum with Long-Term Transformation:**

- Allows RNM to be stood up quickly to begin working on priority items, but also allows continuous evolution
- Seeks to drive cost and time effectiveness
- Feasible within current legislative constraints

Additional detail on the RNM MTC Committee and the Voice of the Customer Advisory Committee are provided below:

MTC Committee

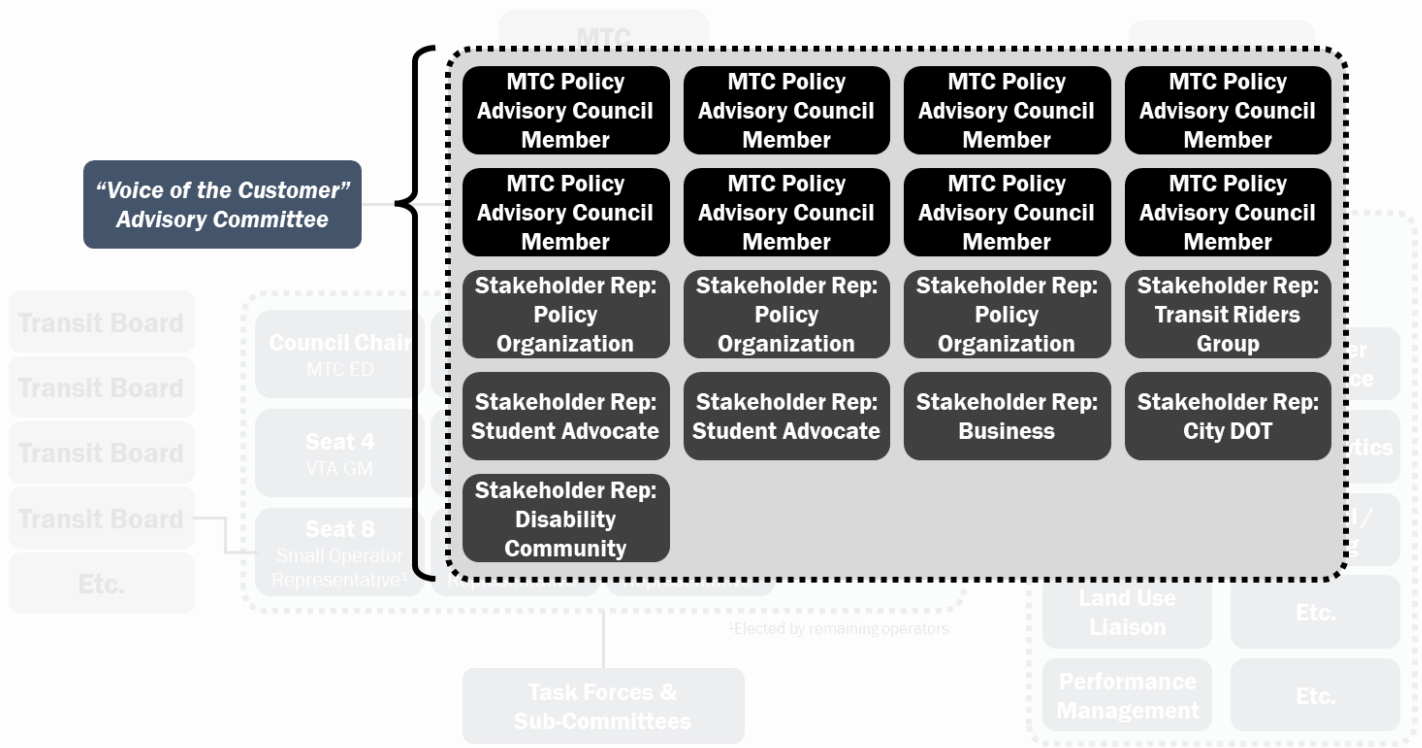
For the MTC RNM Committee, the Consultant Team recommends 8 voting seats for MTC Commission Members, 2 non-voting seats for transit agency board members, and 1 non-voting seat for a state appointee:



This committee structure is similar to how MTC operates today and models the structure of similar existing MTC committees. This committee is not intended to be an extra layer for decision making, but a focused group of individuals from MTC who can help drive progress for the RNM and its objectives. It is important for the RNM Committee members to be geographically diverse and representative of the customer base. It is also important to ensure the Transit Agency board members are represented and have a voice on the Committee and that this is balanced with the need to ensure MTC Commissioners set the direction, in terms of formal decision making. Finally, the state appointee will help bring existing regional priorities and key interests to the table, such as those that are being worked through under Bus Transit Priority.

Voice of the Customer Advisory Committee

For the Voice of the Customer, the Consultant Team recommends 8 members from MTC's Policy Advisory Council and 9 stakeholder representatives that will represent a broad range of interests:

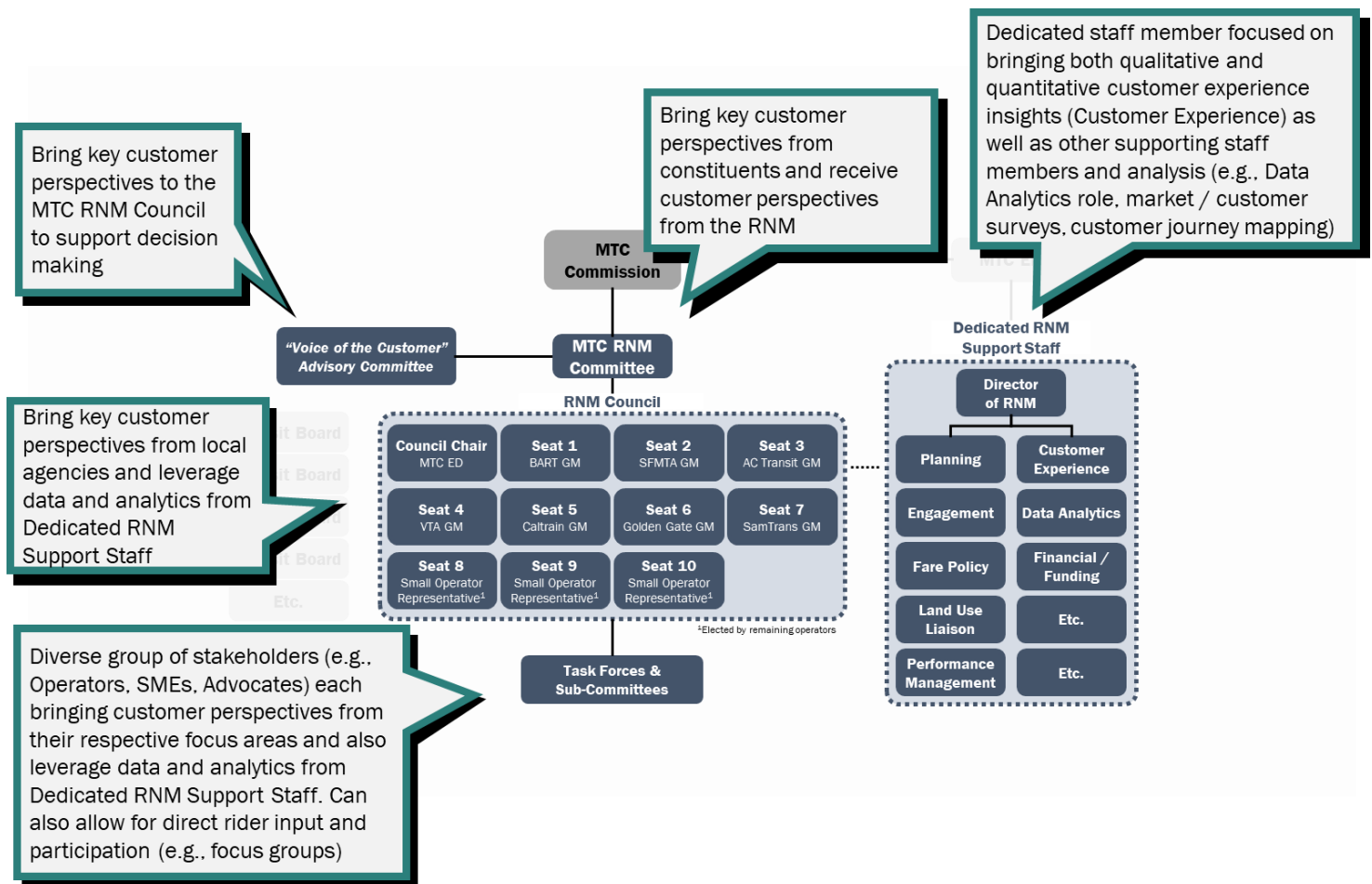


This committee could be established through a re-purposing of the TTAP (Transit Transformation Action Plan) Sub-Committee with some refinements to membership to better support the mission and vision of the RNM.

While the Voice of the Customer Advisory Committee is a critical component for putting customers at the forefront of decision making, the Near-Term RNM was intentionally structured to create multiple engagement points for the voice of the supplemented by insightful data, analytics, and surveying. Outside of the Voice of the Customer Advisory Committee, these engagement points include:

- The **MTC RNM Committee** which will bring key customer perspectives from constituents and receive customer perspectives from the RNM
- The **Dedicated RNM Support Staff** which will have a dedicated staff member focused on bringing both qualitative and quantitative customer experience insights (Customer Experience) as well as other supporting staff members and analysis (e.g., Data Analytics role, market / customer surveys, customer journey mapping)
- The **RNM Council** which will bring key customer perspectives from local agencies and leverage data and analytics from Dedicated RNM Support Staff
- **Task Forces and Sub-Committees** which will be comprised a diverse group of stakeholders (e.g., Operators, SMEs, Advocates) each bring customer perspectives from their respective focus areas and also leverage data and analytics from Dedicated RNM Support Staff.

Together, these engagement points represent all components of the Near-Term RNM, helping to ensure that the RNM is truly customer-focused across all facets:



In addition to the RNM structure, the Consultant Team recommends establishing three other elements to help enable the success of the Near-Term RNM: (1) an RNM Charter, (2) RNM Key Performance Indicators (“KPIs”), and (3) Priority Initiatives.

RNM Charter

A “charter” is often used to help stakeholders within an organization align on an organization’s purpose as well as set clear expectations for the objectives and operations of that organization. A charter for the RNM could provide a helpful overview of the intended purpose and operations of the RNM as well as serve as a transitional document to help decision makers see what is being committed to and how the RNM will operate when mobilized. The Consultant Team believes bringing together key components from the overall set of recommendations, in the form of a charter, will reinforce roles and responsibilities as well as how the mechanics of the proposed RNM will function. Key items for inclusion in the charter include:

- The RNM’s Mission and Vision Statements
- The RNM’s roles and responsibilities

- The RNM’s KPIs
- The RNM’s meeting cadence
- The RNM’s reporting requirements
- The process for the continuous improvement of the RNM

An example mock-up an RNM Charter with these items is provided below:

RNM Charter (Illustrative)

| Mission | To drive transformative improvements in the customer experience for regional Bay Area transit | Vision | To advance regional goals in equity, livability, climate, and resiliency through a unified regional transit system that serves all Bay Area populations | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---------------|--|--|--------------|-------------------|------------------------|-----------------------|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Roles & Responsibilities | | Key Performance Indicators (KPIs) | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ▪ MTC/MTC RNM Committee: Leverage existing regional purview and planning capabilities to help set the regional vision and policies for transit in the Bay Area and drive the direction of the RNM ▪ RNM Council: Council comprised GM-level Operator and MTC representatives who understand transit operations and can represent the interests of their stakeholders, make critical recommendations on regional polices, and provide leadership and implementation of policies ▪ “Voice of the Customer” Advisory Committee: Group of stakeholders who represent the customer and can help inform decision-making with the customer in mind ▪ Dedicated RNM Support Staff: Group of dedicated staff (potential opportunity for seconded staff as well) with a broad range of capabilities and expertise to support the operations and analysis of the RNM ▪ Task Forces & Sub-Committees: Temporary (Task Forces) or longer-term (Sub-Committees) groups comprised a broad range of representatives, including Operators, stakeholders, and subject matter experts, that will help complete analysis and develop policy recommendations / options for topics | | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="background-color: #2c4e64; color: white;">Benefits KPIs</th> <th style="background-color: #2c4e64; color: white;">Program KPIs</th> </tr> <tr> <th style="background-color: #2c4e64; color: white;">Customer Benefits</th> <th style="background-color: #2c4e64; color: white;">Network Mgmt. Benefits</th> <th style="background-color: #2c4e64; color: white;">Other Public Benefits</th> <th style="background-color: #2c4e64; color: white;">RNM Program Performance</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> </tr> <tr> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> </tr> <tr> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> <td style="text-align: center;">▪ TBD</td> </tr> </tbody> </table> <p style="text-align: center; background-color: #2c4e64; color: white; padding: 2px;">Note: KPIs to be Developed</p> | | Benefits KPIs | | | Program KPIs | Customer Benefits | Network Mgmt. Benefits | Other Public Benefits | RNM Program Performance | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD |
| Benefits KPIs | | | Program KPIs | | | | | | | | | | | | | | | | | | | | |
| Customer Benefits | Network Mgmt. Benefits | Other Public Benefits | RNM Program Performance | | | | | | | | | | | | | | | | | | | | |
| ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | | | | | | | | | | | | | | | | | | | | |
| ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | | | | | | | | | | | | | | | | | | | | |
| ▪ TBD | ▪ TBD | ▪ TBD | ▪ TBD | | | | | | | | | | | | | | | | | | | | |
| Reporting Requirements | | Meeting Cadence | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ▪ Bi-Monthly (Every Other Month) Progress Report to MTC RNM Committee (RNM Council) ▪ Semi-Annual Report on Achievements, KPIs, and Next Steps (RNM Council) ▪ Bi-Monthly (Every Other Month) Voice of the Customer Report (V.O.C. Advisory Committee) | | <ul style="list-style-type: none"> ▪ MTC RNM Committee: Every other month (minimum) ▪ RNM Council: Monthly (minimum) ▪ “V.O.C.” Advisory Committee: Every other month (minimum) ▪ Task Forces & Sub-Committees: To be determined on an individual basis | | | | | | | | | | | | | | | | | | | | | |
| Continuous Improvement | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ▪ RNM Program KPIs to help inform improvement needs ▪ Continuous improvement of RNM operations to be driven by Director of RNM and Dedicated Support Staff ▪ Continuous improvements to RNM framework to be driven by RNM Council ▪ Formal review of RNM to be completed by MTC 2 years after establishment | | | | | | | | | | | | | | | | | | | | | | | |

RNM KPIs

It is critical to define what the RNM is intended to achieve and how the RNM’s progress will be measured. This can be done through the creation of Key Performance Indicators, or KPIs. For the RNM, the Consultant Team recommends establishing two types of KPIs:

1. **Benefits KPIs:** KPIs to track the achieved benefits of regional transit (i.e., customer, network management, and other public benefits) and inform regional transit policy decisions
2. **Program KPIs:** KPIs to monitor the performance of the RNM organization and inform RNM evolution needs

KPIs

Benefits KPIs

Program KPIs

KPIs to track the achieved benefits of regional transit and inform regional transit policy decisions

KPIs to monitor the performance of the RNM and inform RNM evolution

Customer Benefits

Examples include:

- Connection times
- Regional commute time
- % of accessible transit stations
- Etc.

Network Management Benefits

Examples include:

- Regional ridership
- Total regional operating costs
- Regional fare revenue
- Etc.

Other Public Benefits

Examples include:

- Commute mode choice
- GHG Emissions
- % of income spent on transit
- Etc.

RNM Program Performance

Examples include:

- % and timeliness of priority initiatives complete
- % of RNM vacancies
- Regional policies implemented
- Etc.

These KPIs should be established collaboratively with key stakeholders including the MTC RNM Committee, the Voice of the Customer Advisory Committee, the RNM Council, and the Director of the RNM.

Additionally, these KPIs should be continuously monitored and re-evaluated with these stakeholders to determine to select the most appropriate KPIs.

Priority Initiatives

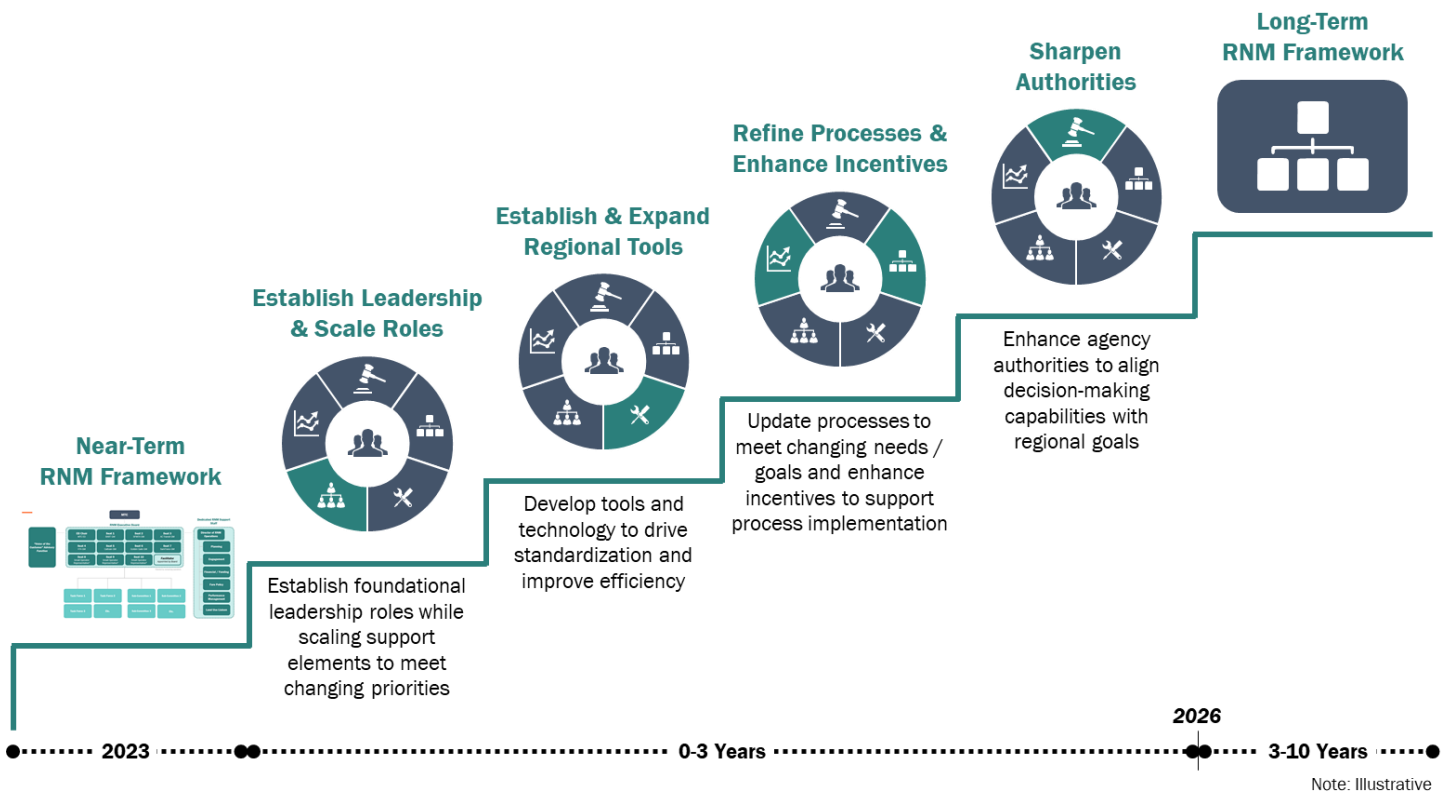
Separately from KPIs, specific initiatives should be identified as priority items for the RNM to address (i.e., “Priority Initiatives”). Examples of Priority Initiatives could include:

- **Fares and Payment:** Simpler, consistent, and equitable fare and payment options attract more riders (Source: BRTF Outcome)
- **Wayfinding & Mapping:** Integrated mapping, signage, and real-time schedule information to make transit easier to navigate and more convenient for both new and existing riders (Source: BRTF Outcome)
- **Connected Network Planning:** Bay Area transit services are equitable planned and integrally managed as a unified, efficient, and reliable network (Source: BRTF Outcome)

These Priority Initiatives should be identified and tracked to help guide the actions of the RNM as well as help track progress against identified transit needs in the Bay Area.

Long-Term RNM

The Consultant Team recognizes that while the current proposed Near-Term RNM Framework can be quickly stood up to begin delivering critical initiatives for regional transit in the Bay Area, the RNM will need to continue to evolve over time to address remaining transit performance gaps. As the Near-Term RNM is stood up term, this evolution towards the long-term view is being kept clearly in focus. The Operating Model Framework upon which the Near-Term RNM was created will continue to serve as a framework for this evolution as each element of the Operating Model Framework can be continuously improved upon. An illustrative view of how this evolution could occur through the various Operating Model elements is provided below:



This evolution which will be triggered through: (1) recurring reviews by MTC that will occur every 2-years and (2) ongoing continuous improvement that will be drive by the RNM Director and the Dedicated Support Staff.

These improvements will be heavily informed by both the KPIs and the Priority Initiatives which will enable the ability to assess both the achievement of desired benefits as well as how the program is performing against operational expectations. These KPIs and Priority Initiatives should, minimally, be reviewed and updated in concurrence with the recurring reviews completed by MTC.

Next Steps

180-Day Plan

To help ensure that the establishment of the RNM occurs in a timely manner, the Consultant Team has developed a proposed 180-day plan that sets out the activities that will need to be completed over a 180-day period to effectively stand up the RNM:

| Pre-Launch | Days 0-60 | Days 61-120 | Days 121-180 |
|--|--|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Develop initial budget, determine funding requirements, and identify funding sources <input type="checkbox"/> Write RNM Director job description / requisition <input type="checkbox"/> Finalize RNM Charter <input type="checkbox"/> Develop draft MOU (or other agreement mechanism) <input type="checkbox"/> Write job descriptions / requisitions for any immediate Dedicated Support Staff (likely 2-3 staff) <input type="checkbox"/> Identify members for the "Voice of the Customer" Advisory Committee <input type="checkbox"/> Determine mechanism to enable seconded staff <input type="checkbox"/> Obtain final approval from MTC Commission on RNM for launch | <ul style="list-style-type: none"> <input type="checkbox"/> Align on RNM KPIs <input type="checkbox"/> Align on Priority Initiatives <input type="checkbox"/> Begin hiring process for RNM Director <input type="checkbox"/> Begin seeking MOU approval from Transit Boards <input type="checkbox"/> Begin hiring process for any immediate Dedicated Support Staff <input type="checkbox"/> Identify MTC RNM Committee Members (after new chair of MTC is appointed) <input type="checkbox"/> Hold first MTC RNM Committee meeting <input type="checkbox"/> Hold first Voice of the Customer Advisory Committee meeting | <ul style="list-style-type: none"> <input type="checkbox"/> Hold first RNM Council meeting <input type="checkbox"/> Hold second Voice of the Customer Advisory Committee meeting <input type="checkbox"/> Hold second MTC RNM Committee Meeting <input type="checkbox"/> Develop and approve annual RNM budget | <ul style="list-style-type: none"> <input type="checkbox"/> Establish KPI reporting process and begin reporting on KPIs <input type="checkbox"/> Issue first Bi-Monthly (Every Other Month) Progress Report to MTC RNM Committee <input type="checkbox"/> Hold second RNM Council meeting <input type="checkbox"/> Hold third Voice of the Customer Advisory Committee meeting <input type="checkbox"/> Hold third MTC RNM Committee Meeting <input type="checkbox"/> Hold second RNM Council Meeting |

As standing up the RNM will not be able to officially begin until after the MTC Commission has actioned the proposed RNM framework, the Consultant Team has identified a group of activities that can still be progressed in preparation for launch to help expedite the establishment of the RNM (i.e., "Pre-Launch Activities").

During Pre-Launch, the Consultant Team proposes focusing on activities such as developing draft MOUs, getting all necessary approvals, and finalizing specific details such as committee members and writing job requisitions such that in the first 60 days, MTC can begin seeking transit board approvals of the MOU, begin hiring processes, establish KPIs, and hold the first meetings for the RNM Committee and the Voice of the Customer Advisory Function.

Budget

A key item for standing up the RNM will be getting the appropriate funding for several of the key roles within the RNM such as the RNM Director and Dedicate Support Staff. In the immediate term, the Consultant Team expects that the dedicated RNM staff group will require the RNM Director as well as 2-3 staff members that will likely be more general analysts that can support across a wide variety of topic areas. As the RNM grows and the RNM Council determines how it would like to prioritize its budget/funding, then more dedicated staff roles are likely to be added, as needed. An estimated cost for the RNM Director and 2-3 Dedicated Support staff is as follows:

| Role | Quantity | Fully Loaded Staff Costs ¹ | Total |
|-------------------------------|----------|---------------------------------------|------------------------|
| Director of RNM | 1 | \$600k | \$600k |
| Dedicated Staff Member | 2-3 | \$350k - \$500k | \$700k - \$1.5m |
| | | | \$1.3m - \$2.1m |

¹Source: Fully loaded rates (salaries, benefits, and overhead) from MTC

Note that these values are “fully loaded rates” which include salaries, benefits, and overhead costs.

Also note that these values are for incremental personnel and would be *in addition* to the 10-15 existing staff currently working in similar capacities at MTC and Transit Agencies.

The source(s) of funding for this initial budget plus other ongoing budget needs is currently being explored by MTC. Determining source(s) that will enable regional transit, without adversely affecting the ability of Operators, particular smaller Operators, to deliver services will be a key enabler to the success of the RNM.

Action by MTC Commission

One of the most important next steps will be an action by the MTC Commission to approve a Near-Term RNM and enable implementation to begin. This action is anticipated to occur in February of 2023.