



Board Report

File #: 2016-0657, **File Type:** Informational Report

Agenda Number: 15.

FINANCE, BUDGET AND AUDIT COMMITTEE

SEPTEMBER 14, 2016

CONSTRUCTION COMMITTEE

SEPTEMBER 15, 2016

SUBJECT: FISCAL YEAR 2017 PROGRAM MANAGEMENT ANNUAL PROGRAM EVALUATION (APE)

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE report on the first **Program Management Annual Program Evaluation (APE)**.

ISSUE

In the Chief Executive Officer’s January 2016 State of the Agency address, the Annual Program Evaluation (APE) was introduced as a priority initiative to evaluate Metro’s Capital Program. Given the challenges of managing a multi-billion dollar capital program, a comprehensive review of the risks associated with the cost and schedules of the program is to be conducted on an annual basis. This report summarizes the results of the first APE initiative performed by Program Management.

DISCUSSION

Introduction of APE

The APE initiative is a comprehensive evaluation of Metro’s Capital Program, including Transit, Highway, and Regional Rail projects. As part of the APE process, staff reviewed and updated project costs and schedule to current conditions and challenges. Any changes to project budgets/schedules and the reasons for the adjustments are to be reported to the Board annually for approval. In addition, APE serves as a project management tool bringing greater consistency, transparency, and discipline in project managers to better manage and deliver Board-approved projects. The APE is a dynamic tool, which is updated annually as projects move towards completion and any changes approved by the Board are incorporated.

FY2017 APE

For the FY2017 APE, Program Management focused on new and carry-over projects to FY2017 with project cost estimated at least \$5 million or greater. Program Management staff evaluated sixty-one

projects, including 29 Transit projects, 25 Highway projects, and 7 Regional Rail projects (see Attachment A for a complete project listing) which total approximately \$11 billion.

Since many of Metro Transit projects are in construction or near completion, the major focus is on managing the projects within the Board-approved life-of-project (LOP) budgets and schedules established for these projects.

A summary of the potential adjustments to the Metro's Capital Program in FY17 is reported in the FY2017 Program Management APE presentation (Attachment A; pgs. 39-40).

FINANCIAL IMPACT

The FY17 Program Management APE report does not have any specific budgetary or financial impacts. The APE report serves as an annual and early notice instrument to assess the scope, cost and schedule risk items affecting the respective projects under the oversight of Program Management. Risk items affecting scope, cost and schedule are identified on a project by project basis within the APE Presentation (Attachment A).

Should any of the potential project risks affecting scope, cost and schedule parameters be realized, the Chief Program Management Officer and affected project staff will return to the Board with separate board report recommendations to address the identified risks and adjust the project element (s) of the Board adopted project parameters.

NEXT STEPS

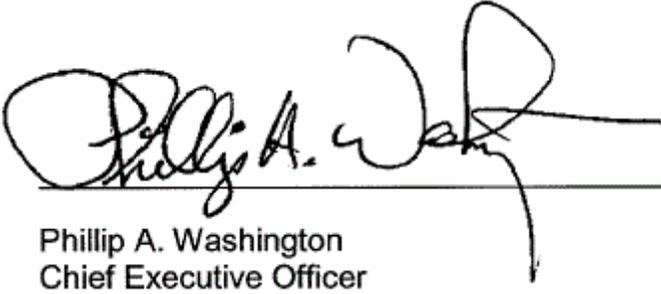
Staff will manage to deliver projects on-time and within the Board-approved budgets. Staff will continue to provide the Board with monthly updates on the project status throughout the year. The next FY2018 Program Management APE report will be presented to the Board in Spring 2017.

ATTACHMENTS

Attachment A - Fiscal Year 2017 Program Management Annual Program Evaluation (APE) presentation

Prepared by: Brian Boudreau, Senior Executive Officer, Program Control (213) 922-2474

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington
Chief Executive Officer