



Board Report

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Agenda Number: 11.

FINANCE, BUDGET AND AUDIT COMMITTEE FEBRUARY 15, 2023

SUBJECT: MEASURE M FIVE YEAR COMPREHENSIVE ASSESSMENT AND EQUITY REPORT CRITERIA

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

CONSIDER:

- A. APPROVING criteria for the Measure M Five Year Comprehensive Assessment and Equity Report (Attachment A); and
- B. AUTHORIZING an increase in the Contract Modification Authority (CMA) for Task Order No. PS87260-5433000 under Countywide Planning and Development Bench Contract PS54330009 with Fehr & Peers, in the not-to-exceed amount of \$100,000, increasing the current not-to-exceed CMA amount from \$100,000 to a new CMA amount not-to-exceed \$200,000, thereby increasing the task order value to \$561,713.83 should all modifications be executed.

ISSUE

The Measure M Ordinance requires that every five (5) years, Metro conduct a comprehensive review of all projects and programs implemented under the Measure M Expenditure Plan (Plan) to evaluate the performance of the overall program and make recommendations to improve its performance based on current practices, best practices, and organizational changes to improve coordination. In addition, the Measure M Guidelines require that the specific evaluation areas, performance metrics, and criteria of the Program Assessment be approved by the Metro Board of Directors in consultation with the Measure M Independent Taxpayer Oversight Committee (MMITOC).

BACKGROUND

Since the passage of Measure M, Metro has followed a continuous monitoring approach for the oversight of the projects and programs included in the Plan. This has been realized through the quarterly updates provided to the MMITOC on budget and expenses for the program, status on Transit and Highway capital projects, as well as updates of the Active Transportation and State of Good Repair programs. In addition, annual independent audits are conducted to determine Metro's

and the subrecipient's compliance with the provisions of the Ordinance related to the receipt and expenditure of sales tax revenues during each fiscal year. The quarterly and annual reviews, along with the five- and ten-year assessments, provide ongoing oversight, as well as transparency to Los Angeles County taxpayers, as set forth in the Ordinance.

Additionally, Metro renewed its commitment to equity with Board approval of the Metro Equity Platform Framework ("Equity Platform") in 2018. The Equity Platform consists of four pillars to guide Metro's equity implementation in projects, programs, policies, services, processes, and all that Metro does:

- Define and Measure
- Listen and Learn
- Focus and Deliver
- Train and Grow

The Measure M Five Year Comprehensive Assessment and Equity Report supports two pillars: Define and Measure and Focus and Deliver. The report's evaluation of the first five years of Measure M funding will define and measure equity impacts from the sales tax measure and provide findings from this analysis period demonstrating Metro's progress and delivery of the Measure M expenditure plan.

In the Summer of 2022, Metro started initial research and outreach to identify preliminary objectives and criteria for a report analyzing the impacts of Measure M's first five years of funding.

Measure M is a revenue source for many major multi-year capital projects that will bring mobility improvements across the Los Angeles region. The preliminary research and outreach focused on impacts on the people of Los Angeles for this assessment, resulting in five key themes for the analysis: Mobility, Experience, Community, Regional, and Stewardship. These themes are proposed to also serve as a foundation to analyze the performance and progress of Measure M-funded activities within the Five Year Comprehensive Assessment and Equity Report.

DISCUSSION

The intent of the Assessment is to evaluate the performance and impact of the overall Measure M program and support the successful delivery of Measure M projects and programs. Key among the steps towards completing the Assessment was the development of objectives and criteria that measure Metro's implementation of the Plan in the initial five years (FY18 - FY22).

As contained in Attachment A, staff is proposing Assessment objectives and performance criteria that guide the comprehensive evaluation of the performance from June 2017 to June 2022 and lead to recommendations for opportunities to improve the performance in future phases. They are based on best practices and are aligned with those used by other agencies. The objectives support effective decision making by identifying and evaluating process improvement opportunities, best practices and suggestions for improved internal coordination, as well as potential barriers in achieving the effective delivery of the program. Furthermore, the identified assessment areas will examine Metro's performance on a range of activities including, financial performance, effectiveness of project delivery, Metro's program management approach, compliance with the Ordinance and, transparency

to the Board and public and alignment with Metro's equity objectives.

The project team began collecting five-year Metro data on service, ridership, maintenance, safety, funding expenditures, program and project delivery, and many other metrics. The team also began collecting data outside of the agency that captured the broader conditions of the five-year period (FY2018 - FY2022), including many significant external drivers such as new state and federal funding sources, the 2028 Olympics announcement, and of course, the COVID-19 pandemic. The team met with eight Metro advisory committees to identify equity impacts and key themes from the five-year period to guide research and the framework of a final comprehensive assessment. These committees included the Accessibility Advisory Committee, Community Advisory Council, Metro Youth Council, Office of Strategic Innovation working group, Policy Advisory Council, Sustainability Council, Technical Advisory Committee, and a preliminary presentation to the MMITOC. The team also presented to and solicited feedback from the Aging/Disability Transportation Network. During Fall 2022, the team hosted four community-based organization (CBO) listening sessions (three virtual, one in-person), inviting over 120 individuals from 96 CBOs, meeting with 25 individuals and receiving 11 virtual surveys from community members who could not attend the listening sessions. Interpretation services were available at all sessions.

During the Quarterly MMITOC meeting in December 2022, staff sought feedback on an initial draft of the Assessment criteria and objectives. Following this meeting, the MMITOC provided some initial recommendations and feedback. To ensure adequate engagement with the MMITOC prior to presentation to the Board, staff convened a special meeting on January 10, 2023. During the special meeting, staff discussed the specific comments provided by the MMITOC and demonstrated how the comments would be addressed within the refined objectives and/or Assessment to fully engage the MMITOC in the process. See Attachment B for full MMITOC comments received and corresponding Assessment Objectives refinement.

The final report is scheduled to be completed before the end of FY 2023. With the remaining timeline, staff is requesting a CMA increase to streamline any potential future task order modifications related to additional analysis and outreach. The requested CMA increase amount is based on the existing project contract tasks and rates.

DETERMINATION OF SAFETY IMPACT

There is no anticipated safety impact associated with the recommended action. This action would set criteria and performance metrics for Metro's Measure M Five Year Assessment.

FINANCIAL IMPACT

Adoption of the Measure M Assessment criteria does not have a direct financial impact to the agency.

Impact to Budget

No impact to Metro's budget is anticipated as a result of the Board approving the Assessment criteria.

EQUITY PLATFORM

Proposed objectives and criteria for the Measure M Five Year Comprehensive Assessment and Equity Report will analyze the first five years of Measure M investments through Metro's Equity Platform framework by focusing on impacts to people as well as progress on projects. Metro continues to serve riders throughout the Los Angeles region, who are predominantly lower income, Black, Indigenous, and other People of Color (BIPOC), and without access to other mobility options. Further, the ongoing COVID-19 pandemic and daily disruption to health and economic stability has hit already-vulnerable communities hardest. Metro plays a key role in the region, as an operator, employer, planner, builder, and funder. The proposed objectives and criteria are intended to meet Measure M guidelines within the broader Assessment and support a deep understanding of how Measure M has allowed Metro to continue to provide essential services for Los Angeles, with an equity lens, in its first five years.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This item supports Strategic Plan Goal #5, which seeks to "Provide responsive, accountable, and trustworthy governance within Metro. The Measure M Comprehensive Assessment seeks to ensure the continued effective delivery of Measure M projects and programs and transparency to the Board, MMITOC, stakeholders and public.

ALTERNATIVES CONSIDERED

The Board may choose to not proceed with the recommended objectives and criteria however, the proposed assessment criteria are aligned with feedback from stakeholders, and reflect consultation with the MMITOC, as well as benchmark with other self-help transit agencies measure assessment best practices.

NEXT STEPS

With the approval of this item, and as stipulated in the Ordinance and Guidelines, staff will finalize the Assessment and present the results to the MMITOC in the Spring of 2023 to enable them to add findings or recommendations. The results of the MMITOC's review and feedback will be included in the staff report to the Metro Board as part of the adoption of the Assessment.

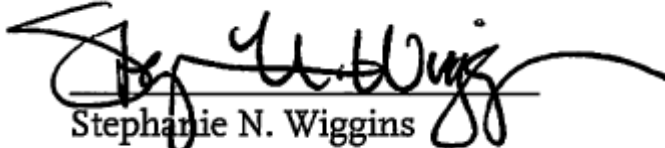
ATTACHMENTS

Attachment A - Proposed Assessment Objectives and Criteria
Attachment B - MMITOC Comments on Assessment Objectives and Criteria
Attachment C - Procurement Summary
Attachment D - Contract Modification and Change Order Log
Attachment E - DEOD Summary

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