



Board Report

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REVISED
REGULAR BOARD MEETING
MAY 26, 2016

SUBJECT: OFFICE OF EXTRAORDINARY INNOVATION - MISSION AND PROGRESS REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on the **mission and progress of the Office of Extraordinary Innovation.**

DISCUSSION

The Office of Extraordinary Innovation (OEI) is now staffed and moving forward with its mission of bringing best practices in transportation from around the world to Los Angeles County. OEI has two primary functions:

- 1) Partnering with the private sector to deliver innovations in mobility, customer experience, and project finance and;
- 2) Developing a strategic plan for LA Metro that will enable innovation and best practices across the agency.

Each of these functions is discussed below.

Partnering with the Private Sector

OEI is looking for potential partnerships (including engaging externally with non-traditional private sector partners) with the private sector in an unconventional manner. Rather than beginning with the answer, we are starting with a question for innovators - what can you do to help LA Metro better achieve its goals of mobility, reduced environmental impact, safety, and customer experience? This includes both large scale infrastructure projects, where a public-private partnership (P3 delivery model could potentially deliver a project faster, better, or cheaper). It also includes small-scale technological or operational improvements that can have a more immediate impact. With the release of our new unsolicited proposal policy in February at our kickoff Transformation Through Transportation Event, we drew attention to the idea that LA Metro is open to new ideas and that they will be given fair consideration. The new unsolicited proposal policy promises a response within 60

days to any proposal that meets basic criteria for an unsolicited proposal. OEI is responsible for putting together a project evaluation team, made up of expert personnel within LA Metro, to evaluate and respond to each proposal. If initial proposals (Phase I) are of interest to LA Metro, proposers are encouraged to submit a more detailed (Phase II) proposal for further evaluation. The end result from any Phase II proposal will be either 1) Rejection of the proposal, 2) An RFP process, or 3) A sole source agreement.

Since the release of the new unsolicited proposals policy, OEI has been receiving a steady stream of proposals, approximately one per week. As of this date we have received eight proposals. All of these proposals are smaller scale improvements or pilot programs rather than large-scale infrastructure projects. We expect that larger P3 project proposals will take more time to develop, but we have had some conversations with potential proposers for the High Desert Corridor, Sepulveda Pass, and 710 South projects. We have also had conversations with some parties interested in proposing new ideas for transportation and infrastructure improvements that are not included in the long-range plan.

OEI and LA Metro must respect the confidential nature of the unsolicited proposal process. However, we can say that we have received proposals to:

- Provide better information for on-board passengers about their location
- Partner on new mobility services that could provide improved service for certain customers
- Partner on new mobility services that could provide better access to our existing stations
- Upgrade existing equipment
- Utilize a new financing tool
- Provide incentives for people to switch modes
- Facilitate a policy discussion
- Provide better operations information
- Improve fare collection

Development of Strategic Plan

The Metro Strategic Plan will establish a clear vision for what LA Metro hopes to become in the future. OEI is currently developing a work plan for the strategic planning process. The idea behind a strategic plan is to work with the Board, staff, and larger community to define mobility goals for the County. This will mean developing agency goals, objectives, and performance measures, and then working to make the changes that will enable us to achieve these ends. Likely necessary improvements will include breaking down silos within Metro, creating a culture that rewards innovation and enables risk-taking, and infusing an improved customer-orientation throughout the agency.

We expect the strategic planning process to take at least one year. We have set the internal goal of completing the process and releasing a strategic plan in 2017. Once complete, the strategic plan is intended to guide the agency over the next decade and beyond. It is also intended to be an outward-facing public document that is easily digestible and comprehensible for the entire community. The next steps in the process are listed below, and targeted milestone dates will be provided once the

work plan is complete in June 2016.

- Finalize work plan, including schedule; determine tasks that will require contractor assistance
- Develop scope of work for RFP
- Procure contractor to assist with strategic planning process
- Work with contractor, Board, staff, and general public to develop strategic plan
- Present draft strategic plan for comment
- Present draft strategic plan to Board for final comments
- Board approval of strategic plan

NEXT STEPS

Staff will continue to provide regular progress updates to the Board.

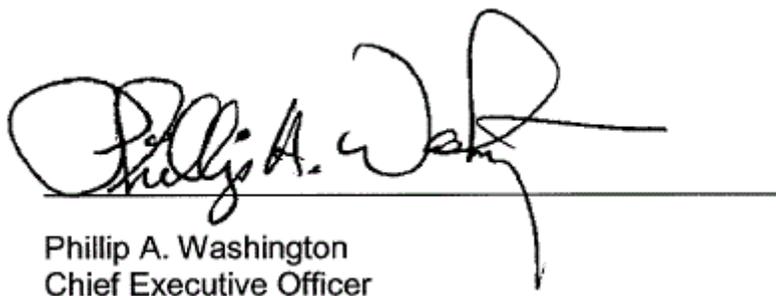
Next steps on the strategic plan process can be found under the “Development of Strategic Plan” subsection under “Discussion.”

ATTACHMENTS

Attachment A - OEI Presentation

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