METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 8b

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Memorandum

TO: Joint MTC Planning Committee with the ABAG Administrative Committee

DATE: November 6, 2015

FR: MTC Executive Director and ABAG Executive Director

RE: Follow-up to MTC Commission and ABAG Administrative Committee Actions of October 28, 2015

Background

As you are aware, over the last several months there have been a series of staff and Chair reports and board discussions before both MTC and ABAG with respect to planning responsibilities and interagency funding agreements. On October 28th, the MTC Commission and ABAG Administrative Committee approved resolutions calling for development of a merger study and merger implementation plan (MIP). Specifically, the resolutions include the provision below:

> *MTC and ABAG shall expedite the retention of a mutually acceptable consultant to conduct a jointly funded merger study and a merger implementation plan of MTC and ABAG to be completed by June 1, 2016. The study shall examine the policy, management, financial and legal issues associated with further integration, up to and including institutional merger between MTC and ABAG and shall set forth the specific plans benchmarks, and milestones for implementation. This plan shall be referred to as the proposed ABAG/MTC Merger Implementation Plan (MIP). The study and plan shall be governed by the joint MTC Planning and ABAG Administrative committees and be informed by the full participation of designated ABAG and MTC representatives through public meetings governed by the Brown Act.*

For the complete resolutions, refer to the following web links:

- MTC Resolution No. 4210 (https://mtc.legistar.com/LegislationDetail.aspx?ID=2501410&GUID=8AF1BF0C-5FBF-4A1D-B286-77B5445FA89A&Options=&Search=)
- ABAG Administrative Committee Resolution No. 12-15 (http://abag.ca.gov/media/2015_merger/ABAG_Resolution_12-15.pdf)

Securing Consultant Assistance

As required by the resolutions, MTC and ABAG staff issued a Request for Qualifications on November 5th and expect to award a contract for consultant assistance with the development of the merger study and MIP by the end of the calendar year. This schedule assumes approval to authorize award by the MTC Commission at its December 16th with concurrence by the ABAG Administrative Committee in the same timeframe. While a preliminary scope of work (Attachment A) was developed for purposes of assessing qualifications and selecting a firm to assist with this effort, the actual scope of work will be discussed, directed, and finalized by the joint MTC Planning and ABAG Administrative Committee in the coming months.

Next Steps

Among the critical next steps will be identification of separate additional special meeting dates and times through June 2016 for the Joint MTC Planning and ABAG Administrative committee to meet and focus solely on the significant work associated with the merger study and MIP. A suggestion for consideration is the fourth Friday of each month and additional meetings as needed. This will preserve the current regular meeting time – generally the second Friday of each month – for the critical work ahead to develop and approve Plan Bay Area 2040. Another important step will be the establishment of a technical advisory committee or other forum for stakeholder input during the course of the merger study and MIP.

We look forward to beginning discussions on the merger study and scope of work.

Ezra Rapport

Steve Heminger

ER / SH : ab / bp

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ATTACHMENT A, PRELIMINARY SCOPE OF WORK (EXCERPT FROM RFQ)

The successful Proposer's preliminary scope of work is listed below. All required services shall be authorized by Task Order.

As required by MTC resolution No. 4210 and ABAG Administrative Committee Resolution No. 12-15, the Consultant shall perform a merger study and assist the agencies in developing a MIP. The study shall examine the policy, management, financial and legal issues associated with further integration of ABAG and MTC, up to and including institutional merger between MTC and ABAG. The MIP shall be comprised of the specific plans, benchmarks, and milestones for implementation of any further integration, up to and including institutional merger of MTC and ABAG. The study and MIP shall be governed by the joint MTC Planning and ABAG Administrative committees and be informed by the full participation of designated ABAG and MTC representatives through public meetings governed by the Brown Act.

Any interviews as part of a task will be solely for the purpose of gathering information and shall not be used to transmit views between or among MTC or ABAG board or committee members.

The detailed and final work plan will be developed in consultation with the joint MTC Planning and ABAG Administrative committees. The tasks below are examples of tasks and the type of work that may be involved in the effort:

Task 1. Develop Work Plan and Schedule

This task could involve a kick-off meeting with the joint MTC Planning and ABAG Administrative committees and interviews with the committee members, other Board and Commission members and staff. The task could include interviews to discuss the vision for the region, outcomes desired from an MTC/ABAG integration or merger, and concerns related to the further integration or merger of the two agencies. The final work plan should incorporate input received from the joint MTC and ABAG Administrative committees during the kick-off meeting and/or interviews, and clarify project goals and objectives, describe project management, identify milestones, budget, and schedule, and create oversight procedures. Consultant could submit the final work plan for approval by the joint MTC Planning and ABAG Administrative Committees

Task 2. Review Past Efforts to Integrate or Merge MTC and ABAG and Current Need for Integrated Regional Planning

This task could involve a literature review about past efforts to integrate or merge MTC and ABAG. Further, the task could include stakeholder interviews and focus groups with local elected officials and staffs working in the fields of land use, transportation, environment, economy, and equity about the most significant issues facing the Bay Area in the regional planning arena, and how ABAG and MTC currently support these issue areas and recommended areas for improvement. The purpose of this task is to ensure that the remaining consultant work is focused on integration or merger efforts that address regional transportation and land use planning issues and takes into account successful regional integration and merger models in California and elsewhere.

Task 3: Financial Review and Capital Assets

This task could include an analysis of the financial status and capacity of each agency, including interviews with MTC/ABAG Finance/Treasury/Debt staff as appropriate. Among the types of financial analysis to be considered are the cost of employees including salaries, benefits, overhead as well as long term liabilities including pension and other post-employment unfunded liabilities.

Task 4: Organization and Human Resource/Labor Review

This task could include an analysis and summary of the current organizational structures, staffing plans, position classifications, salary and benefits, employee labor representation and other related topics of each organization and identify key areas to be considered should functional consolidation or institutional merger be pursued. This task could also include confidential interviews with employees to better understand their skills/interests/ideas of how they might fit into a merged planning department or agency. This task could include alternative organizational structures.

Task 5: Mission/Authority

This task could consider the mission and authority as wells as duties/functions of national peer MPOs and COGs – that appear to have the same complexity as the Bay Area – to provide context to the current mission and authority of MTC and ABAG and whether a further integrated or merged agency should have modifications to the mission and authority.

Task 6. Structure and Governance

This task could include a review of information provided to the Consultant regarding the current form of governance of each agency, including relevant statutory, legal and fiduciary responsibilities and requirements, as well as other regional governance models, based on an evaluation of other regional agency governance structures in California and nationally for MPOs and COGs, or other agencies responsible for similar work. Consultant could then facilitate a discussion of the joint MTC Planning and ABAG Administrative Committees to seek feedback and to narrow the governance models under consideration.

Task 7: Merger Implementation Plan

Based on the tasks above, recommend specific plans, benchmarks, and milestones for implementation that will inform the Boards of MTC and ABAG in their consideration of a more integrated or fully merged agency.