

South Bay Cities Council of Governments

March 27, 2014

TO: SBCCOG Measure R Oversight Committee  
SBCCOG Board of Directors

FROM: Jacki Bacharach, Executive Director  
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SUBJECT: Transition and Simplification of SBHP Project Monitoring and Reporting

BACKGROUND

As reported at the November Measure R Oversight Committee and Infrastructure Working Group meetings, with the expiration of the Iteris contract at the end of December, Metro and the SBCCOG are transitioning the technology and staffing approach for monitoring and reporting SBHP project progress. Although Metro only requires quarterly reports from its lead agencies, since the inception of the SBHP three years ago, the SBCCOG has required monthly and quarterly reports to be incorporated into Metro's SBHP-related funding agreements with lead agencies. Our cities have expressed concerns that the monthly reporting requirement imposes an administrative burden that does not significantly change the progress being made in SBHP project implementation.

Under the current process, lead agencies have been submitting their monthly reports via email or via Metro's Project Management System to the Metro Highway Department. The lead agency quarterly reports and quarterly invoices are submitted directly to the Metro Accounts Payable Department. Metro Highway Department posts the reports to a Metro FTP site. Iteris and HDR have been downloading the reports from the FTP site into SBHP project folders and reviewing the reports on a monthly basis with the lead agencies to clarify any unclear or missing data. The reports and conversations provide the source data for the monthly Measure R Oversight Committee Project Progress Gantt Chart and Risk Report that Iteris has been preparing.

In recognition that risks related to delayed projects have not been changing on a monthly basis and that little change occurs between the monthly risk reports, a new procedure was initiated in November 2013 that allows project risk reports to be scheduled as needed on the Measure R Oversight Committee agenda when the lead agency and SBCCOG staff agree that an SBCCOG action or update is timely. Upcoming scheduled risk reports are noted on the monthly Project Progress Gantt chart.

As the transition is being made from Iteris to SBCCOG staff administration, Metro and the SBCCOG staff have conceptually agreed to recommend a new simplified process which would eliminate the monthly project progress reporting required in current SBHP funding agreements

between the lead agencies and Metro for projects less than \$20 million. This would also allow the monthly Project Progress Gantt Chart update to become a quarterly process. The quarterly process would still enable ad hoc scheduling of risk reporting on at-risk projects at the monthly Measure R Oversight Committee meetings should an urgent issue arise. In addition, should the Measure R Oversight Committee desire to continue monthly reporting, a simplified monthly project progress reporting form could be managed via email between the SBCCOG and the lead agency. However, the funding agreements would be amended to eliminate the requirement for a monthly report to be submitted to Metro.

Metro and SBCCOG staff have also conceptually agreed to abandon the Metro Project Management Information System and replace it with a simplified email-based reporting form. SBCCOG staff would create a consolidated and simplified single form in MSWord that lead agencies would email to the SBCCOG. SBCCOG staff would communicate with the lead agency to complete or correct the form which would be used to prepare the Project Progress Gantt Chart and for the Measure R Oversight Committee. SBCCOG would post the Gantt Chart and the project progress reports to the Metro FTP site. Lead agencies would still need to submit their invoices and appropriate Metro quarterly report directly to Metro's Accounts Payable Department. Metro would post a quarterly SBHP financial status report and the quarterly reports to the FTP site.

Although Metro and the SBCCOG had hoped to complete the transition by the end of December when the Iteris contract term expired, the transition process has proven much more complex than initially expected and will take longer to accomplish. Because the new process requires amendment of the SBHP Special Conditions in the standard Metro funding agreement, these changes must be approved by Metro's Highway Department, Programming Department, Metro's legal counsel, and the SBHP lead agencies. SBCCOG is not a signatory to these funding agreements.

The funding agreement amendment process may take several months to accomplish. As a result, an interim process is in place beginning with the December monthly report and January quarterly report. During the interim period, lead agencies have been requested by Metro to post Monthly Progress Reports on Metro's FTP site instead of via email or the PMIS online database. Invoices with the appropriate Quarterly Expenditure Report will continue to be submitted directly to Metro Accounts Payable for payment. Metro expected that the FTP site and lead agency FTP passwords needed to access the site would be available by the end of December. The SBCCOG also will have access to lead agency submittals on the FTP site so it can perform the project progress monitoring and reporting administrative functions formerly provided by the Iteris team. SBCCOG staff is preparing the Project Progress Report beginning with this month's meeting

The Infrastructure Working Group reviewed the proposed simplification at its January 15, 2014 meeting. Those present unanimously supported shifting to a quarterly reporting process for new funding agreements between the lead agency and Metro. They also recommended that the lead agency be allowed to determine if it will request Metro to amend current funding agreements to eliminate the monthly reporting requirement or if it will continue to provide Metro with monthly reports until the current project is completed and the funding agreement is closed out.

## RECOMMENDATION

To reduce the administrative burden on SBHP lead agencies while retaining SBHP program accountability and timely completion of SBHP projects, the Measure R Oversight Committee recommends SBCCOG Board approval of a transition from monthly and quarterly reporting to quarterly reporting for new projects and allow lead agencies of current projects the discretion to determine if they want to continue to report monthly until the project is completed or if they wish to request a funding agreement amendment from Metro to eliminate the monthly reporting requirement. If this policy is approved by the Board, the Measure R Oversight Committee will return to the Board with a report on the effectiveness of the changes in March 2015.