AGENDA HIGHLIGHTS

• FY 2018 TransNet TRIENNIAL PERFORMANCE AUDIT

• PLAN OF EXCELLENCE IMPLEMENTATION

PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING

YOU CAN LISTEN TO THE BOARD OF DIRECTORS MEETING BY VISITING OUR WEBSITE AT SANDAG.ORG

MESSAGE FROM THE CLERK

In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) $100, Board of Directors (BOD) $150, and Regional Transportation Commission (RTC) $100. Compensation rates for the EC and BOD are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.

MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transit; and provides information on a broad range of topics pertinent to the region's quality of life.

San Diego Association of Governments · 401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900 · Fax (619) 699-1905 · sandag.org
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the item. Please complete a Request to Comment form, which is located in the rear of the room, and then present the form
on the Clerk of the Board seated at the front table. Members of the public may address the Board on any issue under the agenda
item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per
person. The Board may take action on any item appearing on the agenda.

Both agenda and non-agenda comments should be sent to SANDAG via comment@sandag.org. Please include the Board
meeting date, agenda item, your name, and your organization. Any comments, handouts, presentations, or other materials
from the public intended for distribution at the Board meeting should be received by the Clerk of the Board no later than
12 noon, two working days prior to the meeting. All public comments and materials received by the deadline become part of
the official project record, will be provided to the members for their review at the meeting, and will be posted to the agenda
file as a part of the handouts following each meeting.

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BOARD OF DIRECTORS
Friday, July 13, 2018

ITEM NO.  RECOMMENDATION

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

CHAIR’S REPORT

2. UPDATE ON SANDAG EXECUTIVE DIRECTOR RECRUITMENT INFORMATION

Chair Sinnott will provide an update on the status of recruitment efforts to fill the SANDAG Executive Director position.

REPORTS

+3. PROPOSED FY 2019 PROGRAM BUDGET AMENDMENTS: I-5/VOIGT DRIVE IMPROVEMENTS PROJECT AND I-5/GILMAN DRIVE BRIDGE PROJECT (Mayor Jim Desmond, Transportation Committee Chair; Allan Kosup, Caltrans) APPROVE

The Transportation Committee recommends that the Board of Directors approve amendments to the FY 2019 Program Budget to: (1) add $400,000 in UC San Diego funds to the I-5/Voigt Drive Improvements project (Capital Improvement Program [CIP] Project No. 1200507) for design of UC San Diego betterments; and (2) add $4 million in UC San Diego funds to the I-5/Gilman Drive Bridge project (CIP Project No. 1200508) for construction of UC San Diego betterments.

+4. FY 2018 TransNet TRIENNIAL PERFORMANCE AUDIT (Cathy Brady and Lien Luu, Sjoberg Evashenk Consulting; Ariana zur Nieden)* DISCUSSION

Staff from Sjoberg Evashenk Consulting, Inc. will present the results of the FY 2018 TransNet Triennial Performance Audit, including an overview of progress toward meeting TransNet Extension Ordinance goals.

+5. PLAN OF EXCELLENCE IMPLEMENTATION (Melissa Coffelt, David Hicks, John Kirk, Ray Major, and José Nuncio)* DISCUSSION

Staff will provide an update on the continued implementation of the SANDAG Plan of Excellence.
6. CONTINUED PUBLIC COMMENTS
If the five-speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

7. UPCOMING MEETINGS
The next Board Business meeting is scheduled for Friday, July 27, 2018, at 9 a.m.

8. ADJOURNMENT

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item
PROPOSED FY 2019 PROGRAM BUDGET AMENDMENTS: I-5/VOIGT DRIVE IMPROVEMENTS PROJECT AND I-5/GILMAN DRIVE BRIDGE PROJECT

Introduction

SANDAG, the Metropolitan Transit System (MTS), and Caltrans have been working collaboratively with UC San Diego to plan and design transportation improvements for the region near the university. In March 2015, SANDAG approved a Memorandum of Understanding with MTS, UC San Diego, and Caltrans to cooperate on the implementation of the Mid-Coast Corridor Transit (Mid-Coast) Project and other transportation projects in the UC San Diego area.

Discussion

The I-5/Voigt Drive Improvements and the I-5/Gilman Bridge projects are included in the portfolio of Mid-Coast Corridor improvements being coordinated with UC San Diego. The I-5/Voigt Drive Improvements project includes street realignment and intersection improvements along Voigt Drive. The I-5/Gilman Bridge project will construct a bridge over I-5 to connect the west and east campuses of UC San Diego. In May 2015, the Board of Directors approved delivery of the I-5/Voigt Drive Improvements project and the I-5/Gilman Bridge project through the Mid-Coast Construction Manager/General Contractor contract with Mid-Coast Transit Constructors (MCTC).

Proposed Budget Amendments

At its July 6, 2018, meeting, the Transportation Committee recommended that the Board of Directors approve the two budget amendments described in this report to fund the requested improvements for the I-5/Voigt Drive Improvements and the I-5/Gilman Bridge projects.

 Recommendation

The Transportation Committee recommends that the Board of Directors approve amendments to the FY 2019 Program Budget to: (1) add $400,000 in UC San Diego funds to the I-5/Voigt Drive Improvements project (Capital Improvement Program [CIP] Project No. 1200507) for design of UC San Diego betterments, in substantially the same form as Attachment 1; and (2) add $4 million in UC San Diego funds to the I-5/Gilman Drive Bridge project (CIP Project No. 1200508) for construction of UC San Diego betterments, in substantially the same form as Attachment 2.

1 Other projects include the Mid-Coast Project, I-5/Genesee Avenue Interchange, and I-5 North Coast Corridor.
The proposed budget amendments would add UC San Diego funding to the FY 2019 Program Budget to support the delivery of betterments within the current projects’ scopes of work, allowing for the coordination of phasing and implementation of construction on the campus to limit construction impacts to the public. Specifically, the budget amendments propose to:

1. Add $400,000 of UC San Diego funds to the I-5/Voigt Drive Improvements project (Capital Improvement Program [CIP] Project No. 1200507) to complete the design of UC San Diego improvements (utilities, sidewalks, Genesee Avenue/Campus Point Drive Interchange).

   This funding is in addition to funding approved in January 2018 for design of other betterments for UC San Diego for utility, intersection, and active transportation improvements. The design of the I-5/Voigt Drive Improvements Project currently is 90 percent complete. Additional Transportation Committee and Board actions will be requested to accept UC San Diego funding for construction, which is expected to begin in early 2019 and open to traffic in late 2020.

2. Add $4 million of UC San Diego funds to the I-5/Gilman Bridge project (CIP Project No. 1200508) to complete the construction of UC San Diego betterments (community signage, fencing, lighting) at the request of UC San Diego.

   Construction of the I-5/Gilman Bridge project began in September 2016. The project is 75 percent complete and is anticipated to be open to traffic in early 2019.

Next Steps

Pending approval of the budget amendments by the Board of Directors, existing cooperative agreements with SANDAG and Caltrans would be amended to add the requested improvements for the I-5/Voigt Drive Improvements and the I-5/Gilman Bridge projects. Additionally, a Guaranteed Maximum Price for the I-5/Voigt Drive Improvements project, which would include the proposed betterments, would be negotiated with MCTC and presented to the Board for approval in fall 2018.

KIM KAWADA
Chief Deputy Executive Director

Attachments:  1. Proposed Program Budget Amendment for CIP Project No. 1200507, I-5/Voigt Drive Improvements
            2. Proposed Program Budget Amendment for CIP Project No. 1200508, I-5/Gilman Bridge Project

Key Staff Contact: Allan Kosup, I-5 Corridor Director, (619) 688-3611, allan.kosup@dot.ca.gov
### FY 19 Capital Budget Amendment in '000's

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#### Major Milestones
- Project Contingencies
- Design
- Right-of Way Support
- Right-of Way Capital
- Construction Support
- Construction Capital
- Vehicles
- Legal Services
- Communications
- Close-Out

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### Notes
- Environmental clearance completed under the I-5 North Coast: 4 Express Lanes project (1200501): Voigt Drive design is 90 percent complete.
**FY 19 CAPITAL BUDGET AMENDMENT IN '000'S**

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**Scope:**
Construct new overcrossing over Interstate 5 (I-5) between Gilman Drive and Medical Center Drive.

**Progress to Date:**
Construction is 75 percent complete.

### Major Milestones
- Draft Environmental Document: N/A
- Final Environmental Document: N/A
- Ready to Advertise: Jan-19
- Begin Construction: Sep-19
- Open to Public: Jan-20
- Close-Out: Dec-20

### Project Limits:
On I-5 between La Jolla Village Drive and the Voigt Drive overcrossing.

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**FY21:**
Total SANDAG: $6,284
Total Caltrans: $24,607

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**FY21:**
Total Caltrans: $6,284
Total SANDAG & Caltrans: $31,007

### Funding Plan (‘000)

**Funding Source:**

<table>
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<th>PRIOR YEARS</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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<th>FY26</th>
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**TOTAL:**
$11,054

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**Notes:**
- Attachment 2
FY 2018 TransNet TRIENNIAL PERFORMANCE AUDIT

Introduction

In accordance with the TransNet Extension Ordinance, one of the responsibilities of the Independent Taxpayer Oversight Committee (ITOC) is to conduct triennial performance audits of SANDAG and other agencies involved in the implementation of TransNet-funded projects and programs to review project delivery, cost control, schedule adherence, and related activities. The ITOC conducted the FY 2018 Triennial Performance Audit (fourth performance audit), covering the three-year period FY 2015 through FY 2017, with the assistance of an independent auditor in accordance with the requirements of the TransNet Extension Ordinance.

Staff from the audit firm of Sjoberg Evashenk Consulting, Inc. will present the audit report results for discussion by the Board of Directors.

Discussion

The ITOC selected Sjoberg Evashenk Consulting, Inc. to conduct the FY 2018 TransNet Triennial Performance Audit on its behalf. Changes to operational processes and overall performance of programs since the third audit (FY 2015 performance audit) were examined, along with recommendations to further improve the efficiency and effectiveness of the TransNet Program.

Key audit results reveal that SANDAG and its partner agencies have made significant progress toward accomplishing many TransNet goals. The audit also found that while solid practices over areas such as capital construction of projects, Environmental Mitigation Program activities, and transit services are in place, SANDAG should continue implementing, and potentially expanding, a formal performance framework to track accomplishments against the TransNet Extension Ordinance goals.

In accordance with TransNet Extension Ordinance provisions, the Transportation Committee reviewed the draft performance audit report at its April 20, 2018, meeting, including the audit recommendations for program improvements, which can be found at www.sandag.org/finaltransnet2018performanceaudit. An Executive Summary of the audit can be found in Attachment 1, and SANDAG staff-prepared responses to the audit recommendations are included in Attachment 2.
Next Steps

Staff is scheduled to present an update on the implementation status of performance audit recommendations at the July 20, 2018, Transportation Committee meeting. Future updates on implementation will be presented on a regular basis and approximately twice a year to the ITOC, Transportation Committee, and Board of Directors.

KIM KAWADA
Chief Deputy Executive Director

Attachments: 1. FY 2018 TransNet Triennial Performance Audit: Executive Summary and Recommendations
2. FY 2018 TransNet Triennial Performance Audit Appendix H: Auditee Response

Key Staff Contacts: Cathy Brady, Sjoberg Evashenk Consulting, Inc., (916) 443-1300, cathy@secteam.com
Lien Luu, Sjoberg Evashenk Consulting, Inc., (916) 443-1300, lien@secteam.com
Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org
EXECUTIVE SUMMARY

In June 2017, the Independent Taxpayer Oversight Committee (ITOC) selected Sjoberg Evashenk Consulting, Inc. (SEC), to conduct the required triennial performance audit of the TransNet Program for the three-year period between Fiscal Years 2015 and 2017. Because the audit was conducted simultaneously with the TransNet 10-Year Look-Back Review required by the TransNet Extension Ordinance and Expenditure Plan, relevant data since the start of the TransNet was incorporated, as appropriate.

Mostly, we found that the San Diego Association of Governments (SANDAG) and its TransNet partners were on track towards meeting the primary goals of TransNet as outlined for voters at the 10-year mark of the 40-year program—with the exception of mixed results for relieving congestion and improving safety. Since the start of the TransNet Extension Ordinance 61 percent of major corridor projects were either completed or in-process and significant progress was made toward many of the TransNet goals.

<table>
<thead>
<tr>
<th>TransNet Goal</th>
<th>Progress To Date</th>
<th>Goal Met?</th>
</tr>
</thead>
</table>
| 1  Relieve Congestion | • Commutes of less than 30 minutes decreased from 67% percent to 64%.  
• Highway pavement condition improved, although local roadway pavement condition declined.  
• Also, use of alternate modes as a percent of total commute decreased from 18% to 17%.                                                       | Mixed Results Thus Far  |
| 2  Improve Safety | • Highway and Roadways injuries decreased by 9% and fatalities decreased by 19%.  
• However, Bike and Pedestrian injuries and fatalities increased by 21% and 18%, respectively.                                                                                          | Mixed Results Thus Far  |
| 3  Match State and Federal Funds | • Major corridor funds was leveraged at $1.89 to $1.00.  
• Local Street and Road planned leveraging was $1.10 to $1.00.                                                                                                           | Yes                     |
| 4  Expand Freeways | • Expanded freeways; for example, projects were completed on the I-15, I-805, SR 52, and SR 76.  
• 61% of capital construction projects were completed or in-progress.                                                                                                            | Yes                     |
| 5  Maintain and Improve Roads | • At least 136 projects completed and approximately $714 million dedicated for local streets and roads.                                                                                     | Yes                     |
| 6  Increase Transit for Seniors and Persons with Disabilities | • Ridership for seniors and persons with disabilities appeared to have increased by 7% since the start of the TransNet Extension Ordinance.                                                              | Yes                     |
| 7  Expand Commuter Express Bus, Trolley, and COASTER | • Expanded transit services; for example, 3 new Rapid Bus Services Routes were put into service.  
• 94 vehicles (including 65 light-rail trolley vehicles) were purchased.                                                                                     | Yes                     |

Notes: 1 For years where data was available. 2 Local Street and Road leveraging was based on project funding planned per the Regional Transportation Improvement Program data and not actual local funds expended.

Like other entities across the nation, SANDAG faces continued challenges funding the TransNet Program and balancing less than expected sales tax revenues with often increasing project costs. We found the assumptions and strategies used in the latest TransNet Plan of Finance aligned with others and incorporated leading practices including increased transparency over the uncertainty of revenue sources. Yet, if needed funds do not materialize to cover major capital construction, SANDAG may need to assess options and make critical decisions such as delaying projects, reducing scope, or eliminating projects.

Further, while solid practices were in place over areas such as capital construction projects, Environmental Mitigation Program activities, and transit service, we noted areas where SANDAG and its TransNet partners could further strengthen and improve efficiency and effectiveness of TransNet Program oversight and delivery. This includes continuous rigorous monitoring of economic conditions that may impact sales tax revenues and project costs in addition to the development of a formal performance framework to analyze TransNet progress against Ordinance goals among other enhancements that can be made.
Finance

Many of the fiscal challenges since the start of TransNet were also experienced at other similar organizations such as lower than forecasted sales tax collections and balancing project costs with reduced revenues. Yet, we found financing practices were reasonable, given the process changes made to recent revenue estimation processes, and aligned with industry practices including leveraging of sales tax funds and the use of debt. However, because construction costs increased at a faster pace than TransNet revenues, it may become more difficult to complete major corridor projects within the 2048 horizon year without historic leveraged rates of additional funding sources.

FINANCING STRATEGY
- Use of Plan of Finance followed leading practices and met TransNet leveraging goals.
- Revised Plan of Finance used leading practices and funds were leveraged as intended.
- Recent Plan of Finance reflected SANDAG’s efforts to increase transparency of revenue uncertainty.
- Funds leveraged met intent of TransNet with SANDAG securing $1.89 in state and federal funds for every $1 of TransNet funds.

REVENUES
- TransNet collections were lower than forecasted, but not unlike similar organizations.
- Updated forecasts show a decline in future revenues that could potentially impact future projects.
- Positive changes were made to help reduce any future revenue forecasting errors.

COSTS
- Initial project cost assumptions were reasonable, but transparency of cost updates could be improved.
- Initial cost estimate assumptions were conservative and reasonable.
- Construction costs since 2005 increased at a faster rate than revenues.
- Regular updates and better communication of reasons for project cost changes are needed.

DEBT SERVICE
- While debt financing was reasonable, transition to pay-as-you-go could impact pace of project completion.
- Debt financing allowed SANDAG to accelerate early action program projects.
- SANDAG’s use of debt versus pay-as-you-go financing compared with similar agencies’ practices.
- Major corridor debt service and related revenue growth must be closely monitored to assess impact on other TransNet areas.
- Annual TransNet revenues are projected to exceed debt service, but periods of higher risk exist.

CAPACITY FOR FUTURE
- Capacity for future projects must be closely managed to complete major corridor projects.
- Given current revenue projections, SANDAG needs to effectively leverage other funds to deliver major corridor projects by 2048.
- Future mix of projects needed may change and affect funding needs.

TransNet Transit Operations Plan
- As additional Rapid routes begin service, changes to the TransNet Transit Operations Plan may be needed.
- Assumptions used in Transit Operations Plan were generally reasonable, but future shortfalls exist.

"Annual TransNet revenue growth needs to be approximately 2.9%, on average, to cover increased debt service by FY 2026."
Performance

Key elements of a performance framework were not established at the start of the Ordinance to measure output and performance against the goals of TransNet. Even though certain performance data was available through a variety of sources, it was not consistently summarized and reported regionally at the SANDAG level.

- While TransNet established goals, performance targets were not established; yet, government best practices recommend using targets as part of a comprehensive performance plan.
- Performance not measured for all TransNet areas, and additional data is needed to assess performance in certain modes.
- Significant performance data is still needed for Local Street and Road Program.
- Detailed performance analysis and more reporting are needed.
- Story map tracked some outputs and accomplishments, although more is needed.

Major Corridor Capital Construction

Like others in the nation, highways continue to be congested and injuries and fatalities have recently increased after a declining trend since the start of TransNet. However, since the beginning of TransNet, 61 percent of projects were completed or started. Solid project management practices were in place, including innovative project delivery methods that appear to be realizing benefits and cost savings.

CONGESTION
- Vehicle miles of travel (VMT) slightly increased as has commute time less than 30 minutes.
- Hours of delay per capita increased.

SAFETY
- Injuries and fatalities on highways and roadways recently increased after a declining trend over the last decade.

<table>
<thead>
<tr>
<th>TOTAL COLLISIONS PER 100 MILLION VMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
</tr>
<tr>
<td>46</td>
</tr>
</tbody>
</table>

2013 | 2014 | 2015

PAVEMENT AND BRIDGE CONDITION
- Highway pavement quality increased, and fewer bridges were in distressed condition.

INNOVATIVE CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CMGC) PROJECT DELIVERY METHOD REPORTS ADVANTAGES
- CMGC relatively new to transportation industry.
- Caltrans considered CMGC leading practices and developed a framework to measure success.
- Although premature to fully assess, I-5 North Coast Corridor (Build NCC) partners already report synergies from CMGC.
- Mid-Coast Corridor partners also reports early benefits of CMGC although data to capture performance of CMGC is not yet available.
Local Street and Road

Absent performance outcome data, resulting performance of local street and road improvements was limited to pavement condition as a measure of road quality. Additionally, both the Ordinance and SANDAG Board of Directors (Board) policy requirements pertaining to local jurisdictions’ 70/30 fund split for congestion relief and maintenance compliance and compliance with bicycle (bike) and pedestrian accommodations need to be reevaluated.

- Pavement condition declined, but recent efforts may reverse trend as survey results show improving conditions.
- 70/30 congestion relief and maintenance project split needs revisiting to provide more flexibility for locals to meet infrastructure needs.
- Continued effort is needed to demonstrate compliance with bike and pedestrian accommodations under SANDAG Board Policy No. 031, Rule 21.

Transit Services

With $344 million allocated to transit operators since the start of TransNet, the Metropolitan Transit System and North County Transit District served over 100 million riders annually—an increase since the start of TransNet, although ridership has recently declined. Systemwide, the transit network generally demonstrated strong performance as compared to peers with results mostly meeting targets. TransNet-only funded Rapid services also showed positive performance.

- Ridership declined 3 percent, but Rapid route ridership funded solely by TransNet grew 31 percent.
- On-time performance fluctuated by mode, but Rapid on-time performance was consistently higher than 82 percent.
- Rapid passengers per hour increased 7 percent, and farebox recovery increased as well.

- TransNet goal of increased services for seniors and those with disabilities was met with increases of 1.7 million riders and 7 percent since 2007.
- Transit pass subsidy disparity may impact funds available for other transit services.
- TransNet limitations on operating cost increases may be too restrictive.
Bicycle and Pedestrian

Bicycle (bike) and pedestrian modes of transportation increased since the start of TransNet, but have fluctuated over the past three years with a downward trend between 2014 and 2016 for both bike ridership and bike commute share.

- Bike ridership and its share of commute increased since the start of TransNet, but decreased from 2014 to 2016.
- Total commutes increased 4 percent across all modes, yet bike ridership decreased 13 percent. This is not unlike trends observed across the nation. In contrast, average annual bike commuters increased by 35 percent since the start of TransNet.
- Limited data exists to establish ridership baselines for bike and pedestrian performance.
- Bike and pedestrian safety was better over last three years, but worse since start of TransNet.
- Regional bike early action program project management methods align with leading practices.
- EAP activities recently ramped up, but some projects showed delays.

Environmental Mitigation

With nearly $222 million spent to-date on TransNet’s Environmental Mitigation Program (EMP), much has been accomplished—more than half of the mitigation projects outlined in the Ordinance have mitigation activities underway or are being restored. However, more work needs to be done to communicate performance toward environmental goals.

- EMP processes and agreements were successful and significant progress was made—although much work remains as efforts shift towards restoration efforts.
- Restoration costs are expected to exceed estimates mostly because the program is restoring more wetlands that were acquired as agreed by the California Coastal Commission for the North Coast Corridor.
- Funds collected and land acquired for local street and road mitigation were underutilized by local entities.
- Habitat conservation performance structure was in place, but communicating complex results to the public remains a challenge.
- Too early in program lifecycle for significant land management activities.
Information and Transparency

While TransNet represents a significant portion of the region’s transportation improvements, progress toward TransNet goals was not tracked. To increase visibility of the TransNet Program and its contribution for the region, more can be accomplished through SANDAG and its TransNet partners’ websites and social media features.

- SANDAG did not specifically track or report progress against Ordinance goals such as congestion relief, safety, and increased services to seniors and persons with disabilities.
- Public surveys reveal mixed results on transportation services.
- TransNet Program promotion could be strengthened.
- Visibility of TransNet for the public could be enhanced.
- Dashboard is innovative tool, but projects were not always easily linked with Ordinance, and initial budgets were not included to allow public to get full snapshot of activities.

- Decision makers and public would benefit from succinct summarized insights from SANDAG staff to navigate voluminous information presented.

**EXAMPLE STAFF SUMMARY REPORT FOR AGENDA ITEM**

**PROS & CONS:**
PROS: Notification can lead to action to forestall development activity in freeway o minimize costs as well as ensure eventual completion of the facility.
CONS: By utilizing funds for advance purchase of right-of-way, these funds are not a uses such as design and construction.

**TECHNICAL & POLICY IMPLICATIONS:**
TECHNICAL: Unless precluded early in the process, development within freeway alig in increased right-of-way costs in the future.

POLICY: With the passage of Proposition 400 on November 2, 2004, the RTP inc right-of-way acquisition as part of the funding for individual highway projects. This l over the four phases of the Plan. Funding for advance acquisitions may be made av by-case basis.
Summary of Recommendations

To improve efficiency, effectiveness, and accountability to the taxpayers of the San Diego region, ITOC should request that the SANDAG Board direct its staff and TransNet partners to consider and implement recommendations summarized in the table that follows. Priority classifications and significance of recommendations were categorized into 4 rankings based on the impact on TransNet Program goals and functions, SANDAG’s responsibilities, and critical path activities. Priority categories are:

- Critical Priority: Substantial risk to achievement of TransNet goals or is fundamental to TransNet’s success and critical path activities. Immediate attention is warranted.
- High Priority: Significant risk to achievement of TransNet goals or is fundamental to TransNet’s success or program activities. Prompt attention is warranted.
- Medium Priority: Some risk to achievement of TransNet goals or is important to TransNet’s success or program activities. Moderate attention is warranted.
- Low Priority: Opportunity for improvement, but not vital to TransNet’s success or program activities. Routine attention is warranted.

Three recommendations classified as “Critical Priority” are highlighted below, with the full set of recommendations presented in the table beginning on page 8 of this report.

1. Ensure the “Plan of Excellence” and its 7-point Data Accuracy and Modeling Work Plan are implemented to reduce the potential for data errors and develop formal procedures covering version control, periodic archival of dynamic or continuously updated data and documents, data validation and accuracy, and release and reporting of data. The status of the implementation of the 7-point plan and new procedures for data authentication should be documented and reported back to decision makers.

2. Establish a comprehensive performance framework by implementing the following:
   - Setting targets to measure TransNet performance against the TransNet Extension Ordinance goals in-line with federally mandated deadlines or at a faster pace. At a minimum, some narrative could accompany performance reporting to help others understand whether data and results were favorable or unfavorable.
   - Capturing performance outcome data related to safety metrics, pavement condition, and bridge condition for highways, local roadways, and bicycle (bike) and pedestrian modes.

3. Modify staff reports for SANDAG Board and other oversight committees to summarize elements related to public input, pros and cons on recommended actions, and implications or impacts of those recommended actions. Ensure that staff reports are summarized to one or two pages.
   – Chapter 8, Recommendation No. 24, Report pages 111-112.
# Audit Recommendation Matrix

## Chapter 1: TransNet Financing

<table>
<thead>
<tr>
<th>Audit Recommendation</th>
<th>Report Page</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Enhance the Plan of Finance (POF) process and information provided to decision makers by implementing the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Leveraging historical data and previous POFs to provide additional information regarding estimates of future revenue sources, by comparing projections against historical data as well as comparing estimates from previous POFs against actual funding secured.</td>
<td>21 – 24</td>
<td>High</td>
</tr>
<tr>
<td>b. Continuing efforts to increase the transparency of sales tax revenue forecasts by showing a range of possible values based on a true confidence interval. SANDAG staff should work with the Independent Taxpayer Oversight Committee (ITOC) and the SANDAG Board to select a confidence level or levels that best communicates the range of possible values projected by the forecast including best case, worse case, or reasonably expected scenarios.</td>
<td>29 – 33</td>
<td>High</td>
</tr>
<tr>
<td>c. Developing a process or policy for more frequent reporting—such as quarterly—to oversight committees on cost increases and include factors used to estimate costs, project stage or milestone used as basis for cost, and reasons for cost increase such as inflation, materials spike, or scope changes using Dashboard data and other reliable data sources.</td>
<td>29 – 33</td>
<td>High</td>
</tr>
<tr>
<td><strong>2.</strong> Ensure the “Plan of Excellence” and its 7-point Data Accuracy and Modeling Work Plan are implemented to reduce the potential for data errors and develop formal procedures covering version control, periodic archival of dynamic or continuously updated data and documents, data validation and accuracy, and release and reporting of data. The status of the implementation of the 7-point plan and new procedures for data authentication should be documented and reported back to decision makers.</td>
<td>27 – 28</td>
<td>Critical</td>
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<tr>
<td><strong>3.</strong> Regularly track and report on the TransNet Program’s financial capacity to complete projects and programs by implementing the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Establishing a formal structured protocol to review funding sources and uses occurring in the last 10 to 20 years of the TransNet Extension Program to identify potential capacity and revenue constraints that would impact the ability to complete the major corridor projects by 2048 and assess options such as delaying projects, eliminating projects, or reducing scope as warranted. This capacity assessment should be formally revisited on a regular basis, so that decision makers are aware of periods in which the agency may have to consider delaying projects or reducing project scope as needed.</td>
<td>35 – 36</td>
<td>High</td>
</tr>
<tr>
<td>b. Monitoring TransNet revenues and debt service obligations against needed growth projections to better ensure that revenues are sufficient to meet debt service, as well as regularly reporting on results and options to oversight committees that could include restructuring, refinancing, or retiring existing debt or delaying the transition to a pay-as-you-go approach for financing capital projects.</td>
<td>37 – 40</td>
<td>High</td>
</tr>
<tr>
<td>c. Identifying methods to assess options, if needed, to delay, eliminate, or reduce scope of projects and whether the method would follow the same priority process used in the San Diego Forward: The Regional Plan or a different process would be used.</td>
<td>40 – 41</td>
<td>High</td>
</tr>
<tr>
<td>d. Monitoring and reporting on the impacts of changing transportation technologies on the transportation network and future TransNet projects as part of long-term planning to avoid building expensive infrastructure that could be rendered obsolete.</td>
<td>40 – 41</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>4.</strong> Continue to work closely with the Metropolitan Transportation System (MTS) and North County Transit District (NCTD) to monitor the TransNet Transit Operations Plan by comparing actual TransNet revenues and operating costs against the TransNet Transit Operations Plan projections as additional services begin operations to highlight and mitigate the impact to the local operators.</td>
<td>41 – 43</td>
<td>High</td>
</tr>
</tbody>
</table>
Audit Recommendation Report Page Priority

- how to absorb any discrepancies through other funding sources, or potential scenarios for reductions in service if warranted. Communicate status, recommended actions, and any mitigation activities.

Chapter 2: Performance Framework

5. Establish a comprehensive performance framework by implementing the following:
   a. Setting targets to measure TransNet performance against the TransNet Extension Ordinance goals in-line with federally mandated deadlines or at a faster pace. At a minimum, some narrative could accompany performance reporting to help others understand whether data and results were favorable or unfavorable.

   b. Capturing performance outcome data related to safety metrics, pavement condition, and bridge condition for highways, local roadways, and bicycle (bike) and pedestrian modes.
      1. Use the California Highway Patrols' Statewide Integrated Traffic Records System (SWITRS) to measure and monitor safety statistics—both for motorized and non-motorized fatalities and serious injuries—especially against the new safety targets developed by Caltrans and adopted by SANDAG.
      2. Track and report highway pavement and bridge condition available from Caltrans on the SANDAG website or provide a hyperlink to where that information is available for taxpayers. Additionally, work with Caltrans to determine if bridge and pavement data can be isolated for San Diego County from the Imperial County data contained within the Caltrans District 11 reported data.
      3. Track and report on local jurisdiction pavement condition by requiring local jurisdictions to provide pavement condition index data as soon as pavement condition surveys are performed and results become available.
      4. Obtain and use private sector data to analyze congestion and delay on local streets and roads or evaluate status of Caltrans’ Performance Measurement System (PeMS) to capture road performance including level of coverage of detection.

   c. Conducting more robust analysis of cause and effect for all performance metrics to provide meaning to results or help determine if different strategies or projects should be employed to get a better result. For instance, consider using heat maps to identify where the majority or significant severity accidents occur and work with Caltrans and local jurisdictions to inform solutions and future projects.

   d. Providing regular performance monitoring reports that consider past performance in relation to TransNet goals through quarterly updates to the SANDAG Board and committees, annual public reports on the status of TransNet, and website postings.

   e. Considering allocating funding for additional performance monitoring activities given that SANDAG will likely require more data sources, tools, and resources to track, validate, analyze, ensure quality, and report performance.

6. Explore and study public-private partnerships with entities such as Google, Waze, Scoop, TomTom, or others to integrate and summarize performance results as well as provide information on a real-time basis to travelers identifying different commute times and options.

7. Enhance the Story Map tool, TransNet project status listing (shown in Appendix A), or develop a different tool to capture project output details and track TransNet accomplishments over time by implementing the following:
   a. Developing a comprehensive universe of TransNet projects completed, underway, and planned. Reconcile universe back to TransNet Extension Ordinance and what was expected to be delivered. Once universe is reconciled for historic projects, update universe as new
<table>
<thead>
<tr>
<th>Audit Recommendation</th>
<th>Report Page</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>projects are started and continue reconciliation of those new projects to the TransNet Extension Ordinance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Building upon planned output data currently captured through the Regional Transportation Improvement Program’s automated ProjectTrak database and reported in the Annual Output and Outcome report by reconciling those planned outputs with actual accomplishments. Consider requiring local jurisdictions to provide a closeout report with updated, actual data as projects are completed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Chapter 3: Major Corridor Capital Construction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Update and refine the project listing started in the 10-Year Look-Back Review to ensure all major corridor projects are tracked back to those in the TransNet Extension Ordinance. Regularly report on project and financial status using the project listing developed in 10-Year Look-Back Review as a foundation or develop an alternate tool to accomplish the goal of tracking against the TransNet Extension Ordinance.</td>
<td>58 – 64</td>
<td>Medium</td>
</tr>
<tr>
<td>9. Begin gathering data on whether the Construction Manager/General Contractor (CMGC) method used on the Mid-Coast Corridor Transit project is delivering on expectations for cost savings, efficiencies, better quality, or collaboration to solve problems rather than using a typical silo-approach between design, construction, contractors, and owners by implementing the following:</td>
<td>65 – 71</td>
<td>Medium</td>
</tr>
<tr>
<td>a. Comparing SANDAG’s proposed metrics for assessing Mid-Coast Corridor project performance to the performance metrics and practices used by Caltrans’ to determine whether there are any additional practices SANDAG may want to include or adopt, such as the Caltrans innovations log, to help formally track benefits, successes, and challenges.</td>
<td></td>
<td></td>
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<tr>
<td>b. Addressing recent survey comments related to possible schedule impacts from project activities in addition to the perceived higher value of change orders.</td>
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<td>10. Gather and store documents to support “benefit” statistics tracked for the North Coast Corridor and the Mid-Coast Corridor whether using the innovations log utilized by Caltrans or another method used by SANDAG. Maintain supporting documentation, such as cost comparisons, in a centralized repository that is linked or reconciled with the log or summary statistics.</td>
<td>69 – 71</td>
<td>Medium</td>
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<tr>
<td><strong>Chapter 4: Local Street and Road</strong></td>
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<tr>
<td>11. Revisit the TransNet Extension Ordinance congestion relief and maintenance split to be more relevant with local needs as the TransNet lifecycle matures by considering elimination of the 70/30 split, change to the percentage limitations, or modification of the categorical definitions within the TransNet Extension Ordinance limitations.</td>
<td>75 – 76</td>
<td>Medium</td>
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<tr>
<td>12. Continue to monitor compliance with SANDAG Board Policy No. 031, Rule 21, until otherwise amended, by implementing the following:</td>
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<tr>
<td>a. Following-up on the results from the SANDAG Board Policy No. 031, Rule 21 evaluation conducted by SANDAG in 2014:</td>
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<tr>
<td>1. Use results from SANDAG Board Policy No. 031, local Rule 21 review to make identified changes to the Ordinance definitions and follow-up on areas of noncompliance noted during the review.</td>
<td>78 – 79</td>
<td>High</td>
</tr>
<tr>
<td>2. Work with locals to determine a method to demonstrate compliance with SANDAG Board Policy No. 031, Rule 21.</td>
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<td>3. Amend or establish a SANDAG Board Policy to require local jurisdictions to track and report on the number of bike and pedestrian facilities implemented using TransNet funds.</td>
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<tr>
<td>b. Conducting another review of local projects and considering whether any adjustments are warranted in light of SANDAG’s Complete Streets Policy.</td>
<td>78 – 79</td>
<td>High</td>
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<td>Audit Recommendation</td>
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<tr>
<td><strong>Chapter 5: Transit Services</strong></td>
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<tr>
<td>13. Continue to analyze major transit commute routes and services and report on whether commute times have improved or should be improved.</td>
<td>87 – 88</td>
<td>Low</td>
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<tr>
<td>14. Regularly track and report on TransNet goals to increase services to seniors and persons with disabilities.</td>
<td>88 – 89</td>
<td>High</td>
</tr>
<tr>
<td>15. Work together with the region’s transit operators to analyze options offsetting the impact subsidy disparities have on available funds for expanding transit services, such as funding the pass subsidy disparity for seniors and persons with disabilities from other TransNet areas—as allowed by the TransNet Extension Ordinance—adjusting the discount offered for senior/disabled and youth riders, determining whether disparities can be funded through other sources, or maintaining existing funding and process.</td>
<td>89 – 91</td>
<td>Medium</td>
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<tr>
<td>16. Collaborate with the operators to revisit the operating cost ceiling tied to changes in the Consumer Price Index as specified in the TransNet Extension Ordinance so that operators have some flexibility with reasonable cost increases while still maintaining the intent of TransNet to provide some assurance of the reasonableness of those cost increases. This could include allowing for a wider variance in cost increases, setting a threshold for a not-to-exceed limit, expanding the target by a specified percent in years when changes to the Consumer Price Index decline, or allowing cost exclusions that can be supported, or modify TransNet Extension Ordinance language to apply the cost thresholds at the operator level rather than by individual mode.</td>
<td>91 - 92</td>
<td>Medium</td>
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<tr>
<td><strong>Chapter 6: Bike and Pedestrian Modes of Transportation</strong></td>
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<td>17. Continue efforts to establish baseline data for bike and pedestrian volume to identify trends and set targets.</td>
<td>95 – 96</td>
<td>Medium</td>
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<tr>
<td>18. Improve project management practices and project delivery for the Bike Early Action Program projects by implementing the following:</td>
<td>96 – 98</td>
<td>Medium</td>
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<tr>
<td>a. Finalizing and implementing the in-progress Regional Bikeway Program Management Plan.</td>
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<tr>
<td>b. Using Dashboard data that currently tracks frequent causes of delays during the design and environmental phases of bike projects, to summarize lessons learned, identify and mitigate future preventable occurrences, and improve scheduled delivery of the remaining projects.</td>
<td>97 – 98</td>
<td>High</td>
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<tr>
<td><strong>Chapter 7: Environmental Mitigation Program</strong></td>
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<td>19. Continue efforts to establish a new Memorandum of Agreement with Caltrans, California Department of Fish and Game, and the U.S. Fish and Wildlife Service to replace current one expiring before funding expires in June 2018.</td>
<td>100</td>
<td>High</td>
</tr>
<tr>
<td>20. Enhance the financing and use of TransNet funding for the Environmental Mitigation Program (EMP) by implementing the following:</td>
<td>102 – 103</td>
<td>High</td>
</tr>
<tr>
<td>a. Reviewing and updating EMP cost estimates in light of higher costs than anticipated associated with restoring coastal wetlands.</td>
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<td>b. Considering the most efficient use of available funding and possible adjustments, as allowed by the TransNet Extension Ordinance, to focus on higher priority activities and projects such as restoring coastal wetlands, given updated revenue forecast information and cost estimates.</td>
<td>100 – 102</td>
<td>High</td>
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<tr>
<td>c. Revisiting the established economic benefit methodology to ensure the calculation accurately represents the cost savings that have been achieved.</td>
<td>103 – 104</td>
<td>High</td>
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<tr>
<td>21. Make changes, as appropriate, to marketing efforts for the local streets and road mitigation bank funding available for local projects, consider revising eligibility criteria for public entities, or</td>
<td>104</td>
<td>High</td>
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<td>Audit Recommendation</td>
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<td>consider whether those monies could be better utilized within other EMP priority actions, as allowed under the TransNet Extension Ordinance.</td>
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<td>Measure progress in meeting specific and detailed EMP goals, objectives, and action items for regional monitoring and management under the Management Strategic Plan. Specifically, develop metrics using the abundance of data to holistically understand the status and trend of the overall health of the preserve against the baselines established in regional conservation plans and formalize a system to communicate complex performance results to the public.</td>
<td>105</td>
<td>Medium</td>
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### Chapter 8: Information and Transparency

| 23. Regularly report on implementation of TransNet Extension Ordinance goals by annually publishing progress on SANDAG’s website, annual report, or other easily visible reporting tool. | 110         | High     |
| 24. Modify staff reports for SANDAG Board and other oversight committees to summarize elements related to public input, pros and cons on recommended actions, and implications or impacts of those recommended actions. Ensure that staff reports are summarized to one or two pages. | 111–112     | Critical |
| 25. Better link TransNet funding to project and program activities for general public awareness by implementing the following: a. More prominently featuring the TransNet logo on SANDAG and TransNet partner websites as well as through other media such as Facebook and Twitter. | 113–114     | Low      |
| b. Revamping SANDAG website to capture documents pertinent to TransNet in a centralized area for each TransNet Extension Ordinance component. This includes linking Dashboard projects with those listed in the TransNet Extension Ordinance. | 114–115     | Low      |
| 26. Ensure data on completed projects is maintained in the Dashboard—even if under an archived location still accessible to the public—and separate past and future expenditures between the original TransNet amounts and the TransNet Extension Ordinance amounts. | 115–116     | Medium   |
Appendix H: Auditee Response

April 3, 2018

File Number 1500200

Ms. Cathy Brady
Director
Sjoberg Evashenk Consulting, Inc.
455 Capitol Mall, Suite 700
Sacramento, CA 95814

Dear Ms Brady:

SUBJECT: Transmittal of Responses to FY 2018 TransNet Triennial Performance Audit Report and Recommendations

We thank you for the opportunity to respond to the FY 2018 TransNet Triennial Performance Audit report and recommendations as conducted by Sjoberg Evashenk Consulting, Inc. on behalf of the TransNet Independent Taxpayer Oversight Committee (ITOC). The San Diego Association of Governments (SANDAG) appreciates your firm’s efforts and the staff time dedicated to the comprehensive review of the TransNet Program for the period FY 2015 through FY 2017. The recommendations received will assist SANDAG as we continue to implement processes that improve the overall performance of the program to ensure all voter mandates are carried out as required by the TransNet Extension Ordinance (Ordinance).

The Fiscal Year 2018 TransNet Triennial Performance Audit is the fourth performance audit conducted by the ITOC. The audit includes a review of the three-year period between FY 2015 and FY 2017, focusing on the changes implemented since the third audit was conducted. Key audit results reveal that SANDAG and its partner agencies have made significant progress toward many of the TransNet goals outlined for voters in the Ordinance. The audit also found that while many solid practices are in place, SANDAG and its partner agencies should continue working toward further strengthening and improving the efficiency and effectiveness of TransNet program oversight and delivery to continually enhance operations and proactively address recommendations for improvement.

In general, SANDAG agrees with the recommendations set forth in the audit report and is committed to working with the ITOC and our partner agencies to address recommendations and continue implementing best practices for the TransNet Program. SANDAG appreciates that the report acknowledges that SANDAG, other transportation agencies, and the federal government have been evolving in terms of performance goals, target-setting, and data collection methods. In addition, SANDAG values that the report acknowledges that fiscal challenges also were experienced at other similar organizations, including lower than forecasted revenue collections and balancing higher project costs with reduced revenues.
However, SANDAG also would like to take this opportunity to offer further clarification regarding the notion that SANDAG was challenged to measure and report performance indicators in certain TransNet areas. In 2004, when the Ordinance was approved by voters, performance measurement was tied to project completion as opposed to target-setting, data collection, and reporting. As noted in the audit report, SANDAG has delivered on that promise to voters, with 61 percent of the Major Corridor projects either completed or underway and in only 25 percent of the time. We recognize that tracking and analyzing performance data also are important, and we are committed to augmenting our efforts in this area.

To reiterate, SANDAG is committed to working toward implementation of audit recommendations. SANDAG responses to audit recommendations are attached.

We are pleased that throughout the audit process, members of your staff were accessible and helpful in clarifying issues raised. We appreciate your efforts in assisting SANDAG and its partner agencies to ensure the continued success of the TransNet Program.

Sincerely,

[Signature]

KIM KAWADA
Chief Deputy Executive Director

cc: Dustin Fuller, ITOC Chair
     Dick Vortmann, ITOC Vice Chair

Attachment
## Chapter 1: TransNet Financing

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| 1. | Enhance the Plan of Finance (POF) process and information provided to decision makers by implementing the following:   
   a. Leveraging historical data and previous POFs to provide additional information regarding estimates of future revenue sources, by comparing projections against historical data as well as comparing estimates from previous POFs against actual funding secured.  
   b. Continuing efforts to increase the transparency of sales tax revenue forecasts by showing a range of possible values based on a true confidence interval. SANDAG staff should work with the Independent Taxpayer Oversight Committee (ITOC) and the SANDAG Board to select a confidence level or levels that best communicates the range of possible values projected by the forecast including best case, worse case, or reasonably expected scenarios.  
   c. Developing a process or policy for more frequent reporting—such as quarterly—to oversight committees on cost increases and include factors used to estimate costs, project stage or milestone used as basis for cost, and reasons for cost increase such as inflation, materials spike, or scope changes using Dashboard data and other reliable data sources.  
   Ensure the “Plan of Excellence” and its 7-Point Data Accuracy and Modeling Work Plan are implemented to reduce the potential for data errors and develop formal procedures covering version control, periodic archival of dynamic or continuously updated data and documents, data validation and accuracy, and release and reporting of data. The status of the implementation of the 7-point plan and new procedures for data authentication should be documented and reported back to decision makers. | This process will be more formally incorporated as part of the TransNet Major Corridors Plan of Finance annual updates.  
   Staff Lead - Dawn Vettese (TransNet)  
   SANDAG staff and economic consultants are working to create sales tax forecasts that incorporate ranges and scenarios and will present this work to ITOC for input.  
   Staff Lead - Jim Miller (Technical Services)  
   Staff will present information on cost estimating practices and methods used to communicate cost changes to the ITOC, Transportation Committee and Board in April/May 2018 for input.  
   Staff Lead - Jim Linthicum (MMPI) |
| 2. | Regularly track and report on the TransNet Program’s financial capacity to complete projects and programs by implementing the following:  
   a. Establishing a formal structured protocol to review funding sources and uses occurring in the last 10 to 20 years of the TransNet Extension Program to identify | This process will be more formally incorporated as part of the TransNet Major Corridors Plan of Finance, in coordination with the adopted Regional Plan.  
   Staff Lead - Susan Huntington (TransNet) |
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<td>potential capacity and revenue constraints that would impact the ability to complete the major corridor projects by 2048 and assess options such as delaying projects, eliminating projects, or reducing scope as warranted. This capacity assessment should be formally revisited on a regular basis, so that decision makers are aware of periods in which the agency may have to consider delaying projects or reducing project scope as needed.</td>
<td>SANDAG Finance and TransNet staff will continue to communicate information on a regular basis, including cash flow needs, changes to project timing, and sales tax projections; meet and discuss with the SANDAG financial advisor any potential changes to needs; meet with investment bankers to understand instruments currently on the market that could fit SANDAG needs; and include all relevant information at regular intervals or on an as-needed basis at ITOC meetings. Staff Lead - André Douzdjian (Finance)</td>
</tr>
<tr>
<td>b. Monitoring TransNet revenues and debt service obligations against needed growth projections to better ensure that revenues are sufficient to meet debt service, as well as regularly reporting on results and options to oversight committees that could include restructuring, refinancing, or retiring existing debt or delaying the transition to a pay-as-you-go approach for financing capital projects.</td>
<td>As part of the 2019 Regional Plan update all projects, including TransNet projects, will be evaluated. Staff Lead - Phil Trom (Planning)</td>
</tr>
<tr>
<td>c. Identifying methods to assess options, if needed, to delay, eliminate, or reduce scope of projects and whether the method would follow the same priority process used in the San Diego Forward: The Regional Plan or a different process would be used.</td>
<td>SANDAG will include technology assumptions in the development of revenue constrained transportation scenarios for the 2019 Regional Plan. Staff Lead - Phil Trom (Planning)</td>
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<tr>
<td>d. Monitoring and reporting on the impacts of changing transportation technologies on the transportation network and future TransNet projects as part of long-term planning to avoid building expensive infrastructure that could be rendered obsolete.</td>
<td>SANDAG will work with MTS and NCTD to develop a new methodology to proactively monitor TransNet Transit Operations funding, focusing on existing data for costs and revenues and recognizing the limitations of estimating costs and revenues over such a long term. Once a new methodology has been established, staff will report annually to ITOC and Transportation Committee. Staff Lead - Muggs Stoll (Planning)</td>
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<tr>
<td>Continue to work closely with the Metropolitan Transportation System (MTS) and North County Transit District (NCTD) to monitor the TransNet Transit Operations Plan by comparing actual TransNet revenues and operating costs against the TransNet Transit Operations Plan projections as additional services begin operations to highlight and mitigate the impact to the local operators, how to absorb any discrepancies through other funding sources, or potential scenarios for reductions in service if warranted. Communicate status, recommended actions, and any mitigation activities.</td>
<td>SANDAG will be setting performance management goals related to the MAP-21/FAST Act timelines and requirements. Staff will evaluate federal performance management goals in order to align with TransNet funded projects. Staff Lead - Rachel Kennedy (Planning)</td>
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Chapter 2: Performance Framework

5. Establish a comprehensive performance framework by implementing the following:
   a. Setting targets to measure TransNet performance against the TransNet Extension Ordinance goals in-line with federally mandated deadlines or at a faster pace. At a minimum, some narrative could accompany performance reporting to help others understand
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<td>whether data and results were favorable or unfavorable.</td>
<td>1. SANDAG staff is collaborating with Caltrans on target-setting for safety. Caltrans is helping to provide county level SWITRS data to MPOs for both motorized and non-motorized fatalities and serious injuries. SANDAG has supported the statewide 2018 safety targets and will be highlighting safety projects included in the 2018 RTIP and 2019 Regional Plan. Staff will continue to monitor and analyze SWITRS safety data as it becomes available. SANDAG and Caltrans will collaborate on establishing annual safety targets as per MAP-21/FAST Act requirements.</td>
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<tr>
<td>b. Capturing performance outcome data related to safety metrics, pavement condition, and bridge condition for highways, local roadways, and bicycle (bike) and pedestrian modes.</td>
<td>2. SANDAG is collaborating with Caltrans on target setting for bridge and pavement condition. Caltrans will be providing county level data for these measures for facilities on the National Highway System (NHS). SANDAG will look for opportunities to share this information as it may relate to TransNet projects.</td>
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<tr>
<td>1. Use the California Highway Patrols’ Statewide Integrated Traffic Records System (SWITRS) to measure and monitor safety statistics—both for motorized and non-motorized fatalities and serious injuries—especially against the new safety targets developed by Caltrans and adopted by SANDAG.</td>
<td>3. For additional data collection efforts on Pavement Conditions, SANDAG staff will need to work with CTAC to determine an approach for reporting readily available pavement data. This may involve an amendment to the ordinance to make such data collection a requirement.</td>
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<td>2. Track and report highway pavement and bridge condition available from Caltrans on the SANDAG website or provide a hyperlink to where that information is available for taxpayers. Additionally, work with Caltrans to determine if bridge and pavement data can be isolated for San Diego County from the Imperial County data contained within the Caltrans District 11 reported data.</td>
<td>4. Currently, SANDAG uses PeMS data, and use of private sector data will be examined subject to existing third data sources (INRIX). Examination of other sources is subject to implementation and efforts under Recommendation 5e.</td>
</tr>
<tr>
<td>3. Track and report on local jurisdiction pavement condition by requiring local jurisdictions to provide pavement condition index data as soon as pavement condition surveys are performed and results become available.</td>
<td>Staff Lead - Rachel Kennedy (Planning)</td>
</tr>
<tr>
<td>4. Obtain and use private sector data to analyze congestion and delay on local streets and roads or evaluate status of Caltrans’ Performance Measurement System (PeMS) to capture road performance including level of coverage of detection.</td>
<td>The recommended analysis likely will require the use of modeling/other analytical tools and additional resources. SANDAG staff will propose an approach to implement this recommendation based on the outcome of Recommendation 5e.</td>
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<td>Staff Lead - Rachel Kennedy (Planning)</td>
<td>Staff Lead - Rachel Kennedy (Planning)</td>
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<tr>
<td>c. Conducting more robust analysis of cause and effect for all performance metrics to provide meaning to results or help determine if different strategies or projects should be employed to get a better result. For instance, consider using heat maps to identify where the majority or significant severity of accidents occur and work with Caltrans and local jurisdictions to inform solutions and future projects.</td>
<td>More regular reporting is feasible for highway system performance, as more robust data is available via Caltrans PeMS. Local street and road performance (in terms of average speed and travel time) is now available via a third-party vendor (INRIX). Transit data reporting (in terms of passengers per revenue hour, passengers per revenue mile, operating cost per passenger, operating cost per revenue hour, revenue hours per employee, and farebox recovery ratios) also is feasible and can be made available.</td>
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<tr>
<td>d. Providing regular performance monitoring reports that consider past performance in relation to TransNet goals through quarterly updates to the Board and committees, annual public reports on the status of TransNet, and website postings.</td>
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<td>via reporting currently conducted under Transportation Development Act monitoring. Staff Lead - Ellison Alegre (Operations)</td>
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<tr>
<td>e. Considering allocating funding for additional performance monitoring activities given that SANDAG will likely require more data sources, tools, and resources to track, validate, analyze, ensure quality, and report performance.</td>
<td>SANDAG staff will develop options to implement this recommendation, including any potential budget impacts, and bring to the Transportation Committee and Board for review and direction. Staff Leads - José Nuncio (TransNet), Ray Traynor (Operations),</td>
</tr>
<tr>
<td>6. Explore and study public-private partnerships with entities such as Google, Waze, Scoop, TomTom, or others to integrate and summarize performance results as well as provide information on a real-time basis to travelers identifying different commute times and options.</td>
<td>SANDAG staff in the Operations Department have been working on partnerships with transportation information providers such as Google and Waze. Our current 511 system uses Google traffic and transit data as well as utilizes the Google map. Future plans have us extending the regional Data Hub into a Transportation Mobility Cloud with the intent of utilizing third-party data as well as sharing public data with the private sector. Staff Lead - Alex Estrella (Operations)</td>
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<tr>
<td>7. Enhance the Story Map tool, TransNet project status listing (shown in Appendix A), or develop a different tool to capture project output details and track TransNet accomplishments over time by implementing the following:</td>
<td>The implementation of this recommendation will require changes to existing tools and processes. SANDAG staff will propose an approach to implement this recommendation based on the outcome of Recommendation 5e. Staff Lead - Michelle Smith (TransNet)</td>
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<tr>
<td>a. Developing a comprehensive universe of TransNet projects completed, underway, and planned. Reconcile universe back to TransNet Extension Ordinance and what was expected to be delivered. Once universe is reconciled for historic projects, update universe as new projects are started and continue reconciliation of those new projects to the TransNet Extension Ordinance.</td>
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<td>b. Building upon planned output data currently captured through the Regional Transportation Improvement Program’s automated ProjectTrak database and reported in the Annual Output and Outcome report by reconciling those planned outputs with actual accomplishments. Consider requiring local jurisdictions to provide a closeout report with updated, actual data as projects are completed.</td>
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### Chapter 3: Major Corridor Capital Construction

<p>| Update and refine the project listing started in the 10-Year Look-Back Review to ensure all major corridor projects are tracked back to those in the TransNet Extension Ordinance. Regularly report on project and financial status using the project listing developed in 10-Year Look-Back Review as a foundation or develop an alternate tool to accomplish the goal of tracking against the TransNet Extension Ordinance. | Project Office staff will utilize the project list crosswalk created with the 10-Year Look-Back Review and incorporate the data field into the dashboard webform as part of the 2019 upgrade. Staff Lead - Susan Huntington (TransNet) |</p>
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<td>9.</td>
<td>Begin gathering data on whether the Construction Manager/General Contractor (CMGC) method used on the Mid-Coast Corridor Transit project is delivering on expectations for cost savings, efficiencies, better quality, or collaboration to solve problems rather than using a typical silo-approach between design, construction, contractors, and owners by implementing the following:</td>
<td>Mid-Coast has procedures and tools in place to capture CM/GC savings and efficiencies including comment and review logs, risk matrix and RFI response process. To address the recommendation, an innovations log or other method of formally tracking will be developed. SANDAG will research industry standards for comparing construction contracting methods for application to CM/GC to Low Bid. Mid-Coast will be compared to Mission Valley East Light Rail Transit Extension as the closest side-by-side comparative example. Project, Construction, and CM/GC managers will continue to meet regularly to review change orders and schedule impacts identified in the survey.</td>
</tr>
<tr>
<td></td>
<td>a. Comparing SANDAG’s proposed metrics for assessing Mid-Coast Corridor project performance to the performance metrics and practices used by Caltrans’ to determine whether there are any additional practices SANDAG may want to include or adopt, such as the Caltrans innovations log, to help formally track benefits, successes, and challenges.</td>
<td>Staff Lead - John Haggerty (MMPI), Allan Kosup (Caltrans)</td>
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<td></td>
<td>b. Addressing recent survey comments related to possible schedule impacts from project activities in addition to the perceived higher value of change orders</td>
<td></td>
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<tr>
<td>10.</td>
<td>Gather and store documents to support “benefit” statistics tracked for the North Coast Corridor and the Mid-Coast Corridor whether using the innovations log utilized by Caltrans or another method used by SANDAG. Maintain supporting documentation, such as cost comparisons, in a centralized repository that is linked or reconciled with the log or summary statistics.</td>
<td>Mid-Coast data are maintained on a project file sharing site and project record documents including logs and cost data will be permanently stored in a SANDAG SharePoint location.</td>
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<td></td>
<td></td>
<td>Staff Lead - John Haggerty (MMPI), Allan Kosup (Caltrans)</td>
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**Chapter 4: Local Street and Road**

| 11. | Revisit the TransNet Extension Ordinance congestion relief and maintenance split to be more relevant with local needs as the TransNet lifecycle matures by considering elimination of the 70/30 split, change to the percentage limitations, or modification of the categorical definitions within the TransNet Extension Ordinance limitations. | SANDAG staff will work with CTAC to determine an approach and possible implementation steps for examining the 70/30 split recommendation. Discussion outcomes will be reported to ITOC to determine possible next steps including Board Policy expenditure guidelines changes. |
|   | | Staff Lead - Alex Estrella (Operations) |

<p>| 12. | Continue to monitor compliance with Board Policy No. 031, Rule 21, until otherwise amended, by implementing the following: | Board Policy No. 031 Rule No. 21 addresses accommodation of bicyclists and pedestrians. SANDAG will conduct a compliance review using the existing processes of the Policy. Results will be reported to CTAC for discussion and determination of need to modify compliance guidelines and processes. SANDAG will amend applicable Board Policy to track development of bicycle and pedestrian projects built using TransNet funds. |
|   | a. Following-up on the results from the Board Policy No. 031, Rule 21 evaluation conducted by SANDAG in 2014: | Staff Lead - Linda Culp (Planning) |
|   | 1. Use results from SANDAG Board Policy No. 031, local Rule 21 review to make identified changes to the Ordinance definitions and follow-up on areas of noncompliance noted during the review. | |
|   | 2. Work with locals to determine a method to demonstrate compliance with Board Policy No. 031, Rule 21. | |
|   | 3. Amend or establish a SANDAG Board Policy to require local jurisdictions to track and report on | |</p>
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| the number of bike and pedestrian facilities implemented using TransNet funds.     | SANDAG will conduct a compliance review using the existing processes of the Policy to determine if modifications are necessary to be more consistent with the SANDAG Complete Streets Policy.  
Staff Lead - Linda Culp (Planning)                                                 |
| b. Conducting another review of local projects and considering whether any adjustments are warranted in light of SANDAG’s Complete Streets Policy. |                                                                                                                                                                                                              |

### Chapter 5: Transit Services

| 13.         | Continue to analyze major transit commute routes and services and report on whether commute times have improved or should be improved. | SANDAG staff will continue to report on this area via the annual State of the Commute Report.  
Staff Lead - Brian Lane (Planning)                                                    |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 14.         | Regularly track and report on TransNet goals to increase services to seniors and persons with disabilities.                                                                                 | SANDAG staff will look at ways to report on this area via the annual State of the Commute Report beginning FY 2018.  
Staff Lead - Brian Lane (Planning)                                                    |
| 15.         | Work together with the region's transit operators to analyze options offsetting the impact subsidy disparities have on available funds for expanding transit services, such as funding the pass subsidy disparity for seniors and persons with disabilities from other TransNet areas—as allowed by the TransNet Extension Ordinance—adjusting the discount offered for senior/disabled and youth riders, determining whether disparities can be funded through other sources, or maintaining existing funding and process. | SANDAG staff is currently working with the transit operators on a Regional Fare Study that may help offset the revenue impacts of the discount subsidies. Additionally, SANDAG staff will work with both transit operators’ staff to study other options to increase ridership and revenues.  
Staff Lead - Brian Lane (Planning)                                                    |
| 16.         | Collaborate with the operators to revisit the operating cost ceiling tied to changes in the Consumer Price Index as specified in the TransNet Extension Ordinance so that operators have some flexibility with reasonable cost increases while still maintaining the intent of TransNet to provide some assurance of the reasonableness of those cost increases. This could include allowing for a wider variance in cost increases, setting a threshold for a not-to-exceed limit, expanding the target by a specified percent in years when changes to the Consumer Price Index decline, or allowing cost exclusions that can be supported, or modify TransNet Extension Ordinance language to apply the cost thresholds at the operator level rather than by individual mode. | SANDAG Planning and Finance staff will meet with the operators to collaborate on possible solutions to address this recommendation.  
It is expected that these solutions could be included in a future amendment to the Ordinance.  
Staff Lead - Brian Lane (Planning)                                                    |

### Chapter 6: Bike and Pedestrian Modes of Transportation

| 17.         | Continue efforts to establish baseline data for bike and pedestrian volume to identify trends and set targets.                                                                                 | SANDAG will continue to capture and maintain baseline data to identify trends and establish targets.  
Staff Lead - Linda Culp (Planning)                                                    |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 18.         | Improve project management practices and project delivery for the Bike Early Action Program projects by implementing the following:                                                       | Upon completion of Program Management Plan SANDAG Active Transportation Team will have trainings with project managers to implement PMP practices.  
Staff Lead - Linda Culp (Planning)                                                    |
| a. Finalizing and implementing the in-progress Regional Bikeway Program Management Plan. |                                                                                                                                                                                                              |
### Chapter 7: Environmental Mitigation Program

**19.** Continue efforts to establish a new Memorandum of Agreement with Caltrans, California Department of Fish and Game, and the U.S. Fish and Wildlife Service to replace current one expiring before funding expires in June 2018.

- **Audit Recommendation:** Continue efforts to establish a new Memorandum of Agreement with Caltrans, California Department of Fish and Game, and the U.S. Fish and Wildlife Service to replace current one expiring before funding expires in June 2018.

- **Auditee Response:** The MOA has expired, but funding under the SANDAG CIP budget will be available for FY 2019. SANDAG will be using the results of the Ten-Year Review Look-Back and FY 2018 TransNet Triennial Performance Audit as the basis for a new MOA starting in May 2018.

  - **Staff Lead:** Keith Greer (Planning)

**20.** Enhance the financing and use of TransNet funding for the Environmental Mitigation Program (EMP) by implementing the following:

- **a.** Reviewing and updating EMP cost estimates in light of higher costs than anticipated associated with restoring coastal wetlands.

  - **Audit Recommendation:** Enhance the financing and use of TransNet funding for the Environmental Mitigation Program (EMP) by implementing the following:

  - **Auditee Response:** SANDAG is tracking the change in cost for the lagoon restoration efforts and comparing it to the cost savings associated with lower than estimated land acquisition costs.

    - **Staff Lead:** Kim Smith (Planning)

- **b.** Considering the most efficient use of available funding and possible adjustments, as allowed by the TransNet Extension Ordinance, to focus on higher priority activities and projects such as restoring coastal wetlands, given updated revenue forecast information and cost estimates.

  - **Audit Recommendation:** Enhance the financing and use of TransNet funding for the Environmental Mitigation Program (EMP) by implementing the following:

  - **Auditee Response:** SANDAG will start to discuss ways to address this issue in spring 2018 and it will become part of the revised MOA identified in Recommendation 19 above.

    - **Staff Lead:** Keith Greer (Planning)

- **c.** Revisiting the established economic benefit methodology to ensure the calculation accurately represents the cost savings that have been achieved.

  - **Audit Recommendation:** Enhance the financing and use of TransNet funding for the Environmental Mitigation Program (EMP) by implementing the following:

  - **Auditee Response:** Cost savings are being tracked, but true cost savings will not occur until a project has completed close-out. This has not happened yet, but over the next years SANDAG will evaluate and assign a value considering the overall costs of the program as described in Recommendation 20a above.

    - **Staff Lead:** Keith Greer (Planning)

**21.** Make changes, as appropriate, to marketing efforts for the local streets and road mitigation bank funding available for local projects, consider revising eligibility criteria for public entities, or consider whether those monies could be better utilized within other EMP priority actions, as allowed under the TransNet Extension Ordinance.

- **Audit Recommendation:** Make changes, as appropriate, to marketing efforts for the local streets and road mitigation bank funding available for local projects, consider revising eligibility criteria for public entities, or consider whether those monies could be better utilized within other EMP priority actions, as allowed under the TransNet Extension Ordinance.

- **Auditee Response:** SANDAG has made several attempts to promote the availability of these credits. SANDAG will work with Communications staff to establish a systematic approach. Communications has met with the Planning EMP staff and has calendared upcoming milestones in order to plan public information releases on all communication platforms.

  - **Staff Lead:** Keith Greer (Planning)

**22.** Measure progress in meeting specific and detailed EMP goals, objectives, and action items for regional monitoring and management under the Management Strategic Plan. Specifically, develop metrics using the abundance of data to holistically understand the status and trend of the overall health of the preserve against the baselines established in regional conservation plans and formalize a

- **Audit Recommendation:** Measure progress in meeting specific and detailed EMP goals, objectives, and action items for regional monitoring and management under the Management Strategic Plan. Specifically, develop metrics using the abundance of data to holistically understand the status and trend of the overall health of the preserve against the baselines established in regional conservation plans and formalize a

- **Auditee Response:** SANDAG has already identified several similar efforts from around the country. SANDAG will develop a proposed approach to these complex ideas to the public and report as a report card or similar evaluation system. Work will start in summer 2018 to develop a detailed work plan. Communications is involved in the planning effort and will effectively work with the department to produce
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<th>Audit Recommendation</th>
<th>Auditee Response</th>
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| System to communicate complex performance results to the public. | Informative pieces for distribution on multiple communication platforms.  
Staff Lead - Keith Greer (Planning) |

**Chapter 8: Information and Transparency**

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<th>Audit Recommendation</th>
<th>Auditee Response</th>
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| 23. | Regularly report on implementation of TransNet Extension Ordinance goals by annually publishing progress on SANDAG's website, annual report, or other easily visible reporting tool. | Communications is working on and will complete a proactive annual plan for publishing progress that will entail multiple forms of communication pieces on a variety of communication platforms.  
Staff Lead - Irene McCormack (Communications) |
| 24. | Modify staff reports for SANDAG Board and other oversight committees to summarize elements related to public input, pros and cons on recommended actions, and implications or impacts of those recommended actions. Ensure that staff reports are summarized to one or two pages. | A comprehensive review of the agenda production process, including report preparation, is being conducted based on the Board's Plan of Excellence to ensure transparency and clear, concise, and easily understandable information in reports and presentations.  
Staff Lead - Victoria Stackwick (Government Relations) |
| 25. | Better link TransNet funding to project and program activities for general public awareness by implementing the following:  
a. More prominently featuring the TransNet logo on SANDAG and TransNet partner websites as well as through other media such as Facebook and Twitter. | SANDAG staff will review existing websites and make recommendations for additional TransNet logo and language placement to create stronger recognition of the TransNet Program. Staff also will begin review of partner agency websites to see where SANDAG and TransNet logos and corresponding language can be added/enhanced. SANDAG social media posts will reference the use of TransNet funding where appropriate, and #TransNetSD will continue to be used as a way of threading all TransNet-funded program and project posts together. Social media campaigns specific to TransNet-funded efforts and accomplishments will be more regularly pursued.  
Staff Lead - Joy DeKorte (Communications) |
|   | b. Revamping SANDAG website to capture documents pertinent to TransNet in a centralized area for each TransNet Extension Ordinance component. This includes linking Dashboard projects with those listed in the TransNet Extension Ordinance. | The sandag.org/TransNet web page will be reviewed and recommendations made will include each TransNet component, including the Dashboard. Staff has been pursuing a complete redesign of sandag.org, expected to begin in FY 2019, which is planned to include higher visibility of each TransNet component, including the Dashboard. Additionally, staff will begin a coordinated review of the Dashboard to determine the most effective way to link projects back to the Ordinance.  
Staff Lead - Joy DeKorte (Communications) |
| 26. | Ensure data on completed projects is maintained in the Dashboard—even if under an archived location still accessible to the public—and separate past and future expenditures between the original TransNet amounts and the TransNet Extension Ordinance amounts. | SANDAG will ensure all completed projects are maintained in the Dashboard, and that all expenditures have been associated with the appropriate funding source.  
Staff Lead - Lamont Dowell (TransNet) |
PLAN OF EXCELLENCE IMPLEMENTATION

Introduction

Introduced by the Board of Directors in late 2017, the Plan of Excellence is a comprehensive response to the requirements and recommendations SANDAG committed to undertake to strengthen the credibility of the organization through increased transparency and accountability.

Discussion

The Plan of Excellence incorporates more than 35 action items, organized into 8 focus areas, that integrate improvements to existing business practices and introduce new operational procedures to help SANDAG become a better regional agency based on a standard for excellence that benefits the entire San Diego region.

The attached Plan of Excellence Status Report summarizes progress made to date regarding implementation of the Plan’s components and outlines the expected completion timeframes for action items currently under way.

Next Steps

Staff will continue with Plan of Excellence implementation activities in FY 2019; another status report is expected to be presented to the Board of Directors later this year.

KIM KAWADA
Chief Deputy Executive Director

Attachment: 1. Plan of Excellence Status Report

Key Staff Contact: Melissa Coffelt, (619) 699-1955, melissa.coffelt@sandag.org
PLAN OF Excellence

An action plan committed to listening to stakeholders, learning from experience, and leading continual improvement.

Status Update, July 2018
Introduction

As a taxpayer-funded agency, integrity and reliability are essential for SANDAG to be effective. Introduced by the Board of Directors in late 2017, the Plan of Excellence is a comprehensive response to the requirements and recommendations SANDAG committed to undertake to strengthen the organization through increased transparency and accountability.

The Plan of Excellence reflects the convergence of people, processes, and technology that are fundamental to the agency’s success. More than 35 action items are organized into 8 focus areas that integrate improvements to existing business practices and introduce new operational procedures to help SANDAG become a better regional agency based on a standard for excellence that benefits the entire San Diego region.

The Plan’s components are derived from several sources and include implementing changes to governance and oversight functions, reviewing organizational structure and staffing resources, defining performance expectations for programs and employees, adopting efficient and effective project delivery and operational practices, and ensuring transparent communication both within and outside the agency. (See Appendix A for more information about the Plan’s source of recommendations.)

Sources of recommendations

<table>
<thead>
<tr>
<th>Sources of recommendations</th>
<th>SANDAG 7-Point Data Accuracy and Modeling Work Plan</th>
<th>San Diego County Taxpayers Association</th>
<th>Independent Examination of Measure A Revenue Estimate Communications</th>
<th>Assembly Bill 805</th>
<th>FY 2018 TransNet Triennial Performance Audit</th>
<th>SANDAG Board of Directors</th>
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<td>Data governance</td>
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<td>Regional forecasting practices</td>
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<td>Transparency initiatives</td>
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<td>Stakeholder communication</td>
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Plan of Excellence

- Organization structure: Conduct an independent review of department structure and staffing resources necessary for success.
- Data governance: Develop and implement practices to ensure the management, accuracy, and reliability of SANDAG data.
- Regional forecasting practices: Implement tools and practices to improve the accuracy, reliability, dissemination, and transparency of SANDAG forecasts.
- Stakeholder communication: Proactively inform member agencies, stakeholders, and the public to increase awareness of SANDAG programs and projects.
- Transparency initiatives: Enhance internal and external information sharing by ensuring SANDAG communications are straightforward, easy to understand, and reach a variety of audiences.
- Cost and revenue plans: Improve communication of funding capacity, revenue projections, and project cost estimates.
- Records management: Prepare policies, procedures, and training for SANDAG employees regarding the creation, maintenance, and retention of public records.
- Independent performance audits: Enhance operational oversight and review by establishing a Board-level audit program.
Progress at a glance

More than half the commitments made in the Plan of Excellence have been completed as of June 2018. The Progress Reports that start on the following pages summarize the status of action items within the Plan. For items that are under way, or not yet started, an estimated completion date is provided.

<table>
<thead>
<tr>
<th>Data governance</th>
<th>Implemented</th>
<th>In progress</th>
<th>Upcoming</th>
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<tbody>
<tr>
<td><strong>Develop and implement practices to ensure the management, accuracy, and reliability of SANDAG data</strong></td>
<td>Review and validate the Demographic and Economic Forecast Model</td>
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<td>Conduct an analysis to determine impacts of the forecasting error</td>
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<td>Map modeling process flow to improve quality assurance processes</td>
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<td>Improve data, analytic, and process transparency</td>
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<td>Improve data management and consistency</td>
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<td>Re-organize the Data, Analytics, and Modeling Department</td>
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<td>Establish an Office of Quality Assurance</td>
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<tr>
<th>Regional forecasting practices</th>
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<tr>
<td><strong>Implement tools and practices to improve the accuracy, reliability, dissemination, and transparency of SANDAG forecasts</strong></td>
<td>Develop a new economic and demographic forecast model</td>
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<td>Explain the need for developing a long-range forecast</td>
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<td>Communicate the range of uncertainty associated with long-term forecasts</td>
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<tr>
<th>Cost and revenue plans</th>
<th>Implemented</th>
<th>In progress</th>
<th>Upcoming</th>
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<tbody>
<tr>
<td><strong>Improve communication of funding capacity, revenue projections, and project cost estimates</strong></td>
<td>Implement a peer review process as part of developing cost and revenue projections</td>
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<td>Provide more frequent updates on Major Corridors Program projects</td>
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<td>Inform Board members, stakeholders, and others about the probabilities of cost estimates</td>
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<td>Demonstrate use of an “accordion” strategy for project implementation</td>
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<td></td>
<td>Report financial capacity to complete the TransNet Major Corridors and Transit Operations programs</td>
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Independent performance audits
Enhance operational oversight and review by establishing a Board-level audit program

- Develop Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities
- Establish the SANDAG Audit Policy Advisory Committee
- Hire an Independent Performance Auditor
- Adopt internal control guidelines
- Prepare an annual audit plan and budget
- Present reports to the Audit Committee and Board of Directors

Records management
Prepare policies, procedures, and training for SANDAG employees regarding the creation, maintenance, and retention of public records

- Update Board Policy No. 015: Records Management
- Develop records management standards for SANDAG business records
- Develop a public records management policy for employees
- Conduct public records and records retention training for employees

Transparency initiatives
Enhance internal and external information sharing by ensuring SANDAG communications are straightforward, easy to understand, and reach a variety of audiences

- Update Board Policy No. 025: Public Participation Plan Policy
- Implement new methods to exchange information
- Simplify agency communications

Stakeholder communication
Proactively inform member agencies, stakeholders, and the public to increase awareness of SANDAG programs and projects

- Prepare an annual report to the State legislature that outlines various matters related to public transit
- Partner with member agency representatives to participate in community outreach efforts
- Present annual reports to member agencies regarding SANDAG programs and projects
- Develop tools to track TransNet accomplishments and provide regular performance monitoring reports
- Coordinate with recipient agencies to submit reports describing how SANDAG funds have been used for projects

Organization structure
Conduct an independent review of department structure and staffing resources necessary for success

- Procure services from a management consultant
- Conduct an independent review of SANDAG internal structure
- Conduct an independent review of SANDAG staffing resources
- Present recommendations to the Board of Directors
Data governance

Develop and implement practices to ensure the management, accuracy, and reliability of SANDAG data.

Sources of recommendations

- SANDAG 7-Point Data Accuracy and Modeling Work Plan
- Independent Examination of Measure A Revenue Estimate Communications

Progress on actions

- Review and validate the Demographic and Economic Forecast Model
- Conduct an analysis to determine impacts of the forecasting error
- Map modeling process flow to improve quality assurance processes
  - Improve data, analytic, and process transparency
- Improve data management and consistency
- Re-organize the Data, Analytics, and Modeling Department
- Establish an Office of Quality Assurance

Staff contact

- Ray Major, Director of Data, Analytics, and Modeling, (619) 595-5668, ray.major@sandag.org
Review and validate the Demographic and Economic Forecast Model

- The findings of a comprehensive review of the Demographic and Economic Forecast Model (DEFM) were provided to the Board of Directors in November 2017. The analysis concluded that data input errors introduced to DEFM inflated industry output for 3 of DEFM’s 50 economic sectors. These errors caused the labor productivity, wages, personal income, and taxable retail sales variables in the model to be inflated. In particular, taxable retail sales were overestimated by about 25 percent, resulting in the miscalculation of Measure A revenue projections. Other economic variables also were affected, however the effects were not as pronounced or wide-ranging due to adjustments made by staff during the forecasting process.

- Staff determined that the most widely used planning variables from DEFM (population, jobs, and housing) were insulated from the effects of the over-estimations because they were developed independently from the economic variables and as such, did not have an effect on projections. Additional analysis showed the DEFM results for these variables appeared reasonable when compared to third-party forecasts.

- SANDAG discontinued the use of DEFM at the end of the Series 13 forecasting process and has developed a new long-range forecasting system; this is described in the Regional Forecasting Practices component of the Plan of Excellence.

Conduct an analysis to determine impacts of the forecasting error

- An extensive examination was conducted to identify SANDAG reports that used Series 13 data and determine the extent to which the DEFM data error may have affected agency products and other reports. This included a comprehensive internal survey of staff and work products, as well as outreach to Service Bureau customers and Planning and Public Works directors across the region.

- All known issues related to the Series 13 data error have been addressed; SANDAG will remain alert for instances where the affected variables may have been used both within and outside SANDAG and take any corrective action necessary.

Map modeling process flow to improve quality assurance processes

- In preparation for future forecasts, staff has documented the flow of data for the Regional Growth Forecast and Travel Demand Forecast - from origin to output. A data development diagram maps all externally sourced data and outlines how SANDAG will use that data to produce the forecasts. A Regional Growth Forecast and Travel Demand Forecast model flow diagram documents the components used to produce the two forecasts, and shows the links within and between the two models.

- The model flow diagrams are being used to institute and formalize quality assurance/quality control processes so that data review and checks occur on a consistent basis. These diagrams will serve as living documents as the SANDAG forecast and modeling processes continue to be improved and refined.
Improve data, analytic, and process transparency

- A new Peer Review Process (PRP) was introduced in 2017 that provides opportunities for internal and external analysts and experts to critically review and/or question models, calculations, assumptions, documentation, and analytics before work is finalized and released. The PRP also provides an opportunity for escalating anomalies/concerns to upper level management as needed.

- As of the end of June 2018, 41 PRPs had been convened, including interdepartmental, cross-departmental, and external reviews, leading to the identification of additional methods to improve the validity and reliability of the data, opportunities for further clarification and documentation, and alternative or additional data sources to consider.

- Results from the PRP and other independent expert review panels improve the accuracy, integrity, and transparency of the SANDAG data and modeling programs and other agency work products. For example, feedback from an expert review panel was incorporated into the development of the Regional Growth Forecast.

Improve data management and consistency

- Staff has implemented a formal data governance program to improve the availability, usability, accuracy, and integrity of data produced and used by SANDAG. A Data and Analysis Request process also has been implemented to track internal and external data requests. This process will help to ensure more efficient and consistent use of SANDAG data throughout the organization. Since inception in September 2017, more than 180 data requests have been logged.

- These efforts are being expanded to support the development of agency-wide data governance and management policies. This Data Governance Plan effort will be augmented with the use of consultant services, and is expected to be completed by the end of FY 2019.

- Building on the foundation of the Data Governance Plan, staff are developing a Data Acquisition and Management Strategic Plan. This effort will leverage the work from the Data Accuracy and Modeling Work Plan that created an inventory and assessment of all data and associated workflows that support the SANDAG suite of modeling and forecasting tools. This strategic plan will provide a standards-based roadmap for managing the data life-cycle.
Re-organize the Data, Analytics, and Modeling Department

- The Data, Analytics, and Modeling Department (formerly named Technical Services) underwent a significant reorganization effort in 2017 to advance the agency’s mission to build trust in SANDAG data and analytics by developing and formalizing processes to reduce errors and increase accountability, visibility, and efficiency.

- Six Centers of Excellence emerged as part of the reorganization:
  - Program Management
  - Data Standards and Tools
  - Quality Assurance/Quality Control (QA/QC)
  - Analytics
  - Visualization and Dissemination
  - Transparency

- Two of these - Program Management and Quality Assurance/Quality Control - have evolved into new functional units within the Department.

- A notable example of a process improvement is the development of a master schedule for the Regional Growth Forecast and Travel Demand Forecast model deliverables that are necessary to support the 2019 Regional Plan. This successful effort resulted in better coordination of work tasks, including the reallocation of resources to meet deadlines, an increased awareness of critical path tasks and the impact of delays to these items, and increased opportunities among team members to identify and resolve potential risks.

- A new Project Coordinator position was approved by the Board of Directors as part of the FY 2019 Program Budget. This position will collaborate with department leads to develop master schedules, including resource allocations, to streamline efforts across departments and support on-time delivery of deliverables and outputs for major projects that are the responsibility of the Data, Analytics, and Modeling Department.

Establish an Office of Quality Assurance

- The Office of Quality Assurance (QA) has been established to provide independent verification of data and models. Establishing formal policies, processes, and safeguards to reduce single points of failure by conducting quality control (QC) for agency data and modeling efforts is critical to moving forward to building confidence in SANDAG data and analytics.

- Current efforts are focused on the data and databases related to the Regional Growth Forecast; however, this QA/QC work will be expanded in the coming months to include modeling and software development.

- A new Quality Control Analyst position was approved by the Board of Directors as part of the FY 2019 Program Budget. This position will further develop, implement, and document QA/QC processes to ensure integrity of data assets developed or acquired by SANDAG in support of the agency’s modeling, forecasting, analysis, mapping, and data visualization program areas.
Regional forecasting practices

Implement tools and practices to improve the accuracy, reliability, dissemination, and transparency of SANDAG forecasts.

Sources of recommendations

- SANDAG 7-Point Data Accuracy and Modeling Work Plan
- Independent Examination of Measure A Revenue Estimate Communications
- FY 2018 TransNet Triennial Performance Audit
- SANDAG Board of Directors

Progress on actions

- Develop a new economic and demographic forecast model
- Explain the need for developing a long-range forecast
- Communicate the range of uncertainty associated with long-term forecasts

Staff contacts

- Ray Major, Director of Data, Analytics, and Modeling, (619) 595-5668, ray.major@sandag.org
- José Nuncio, TransNet Department Director, (619) 699-1908, jose.nuncio@sandag.org
Develop a new economic and demographic forecast model

- A new economic and demographic model has been developed to prepare Regional Growth Forecasts. This new model, the San Diego Demographic and Economic model, known as SanDE, has replaced the Demographic and Economic Forecasting Model (DEFM), and is being used for preparation of the 2019 Regional Plan.

- The new SanDE model is easier to use and understand. Automated processes have been implemented and documented, and rigorous quality control procedures have been incorporated to reduce the model’s susceptibility to error.

- As part of the work plan to create SanDE, staff convened an 11-person Peer Review Panel to provide input and recommendations regarding the methodology, data, and assumptions proposed for the new model, and assess the model’s appropriateness for forecasting population, jobs, and housing units out to 2050. The panel included a mix of local and national experts, and represented a broad range of disciplines from demography, econometrics, geography, and short- and long-term forecasting.

- Four critical, short-term recommendations from the panel related to demographic and economic-based scenarios, commute patterns, population assumptions, and long-term forecast uncertainties have been incorporated into the model.

- Medium and long-term recommendations for the SanDE model also were proposed by the panel. Staff will conduct research and seek further peer review before incorporating these changes.

Explain the need for developing a long-range forecast

- The preparation and adoption of a long-range forecast that anticipates trends in population, housing, and employment is a fundamental element of developing the San Diego region’s blueprint for the future – the Regional Plan. It also is a necessary tool for developing the TransNet Plan of Finance.

- The minimum time horizon for long-range plans is established under federal law and is currently 20 years plus one cycle (4 years). With TransNet being a significant source of funds for regional plans through the year 2048, SANDAG set its long-range planning horizon to 2050 starting with the Regional Plan adopted in 2011, to incorporate the anticipated availability of TransNet funds into revenue scenarios.

- The TransNet Plan of Finance looks out to the year 2048, and includes the Major Corridors program that is funded with TransNet as well as other state and federal funds. A long-range forecast is necessary for anticipating the available funding for all fund sources. The Plan of Finance’s horizon year is communicated with each Plan update, most recently in October 2017.

- Staff have incorporated clearer information about the current forecast horizon year into reports and presentations made to the Board of Directors, including the uncertainty of the long-range forecasts (described below), and will continue this practice.
Communicate the range of uncertainty associated with long-term forecasts

- SANDAG prepares numerous types of forecasts to support agency programs and responsibilities. Examples include population and housing, as well as financial projections related to anticipated revenues/sources of project funding as well as project costs.

- Staff has adopted new practices to educate and inform the Board of Directors, stakeholders, and the public about the assumptions used in developing long-term forecasts and the inherent uncertainty that exists when using past and present data to make predictions about the future.

- SANDAG also has implemented the use of ranges, instead of finite data points, as an effective way to clearly communicate the uncertainty and variability associated with long-term forecasts.

- Recent examples include:
  
  - Regional Growth Forecast: In December 2017, the Board of Directors was briefed on the approach that would be used to develop the Regional Growth Forecast, including the use of California Department of Finance data to determine future population growth in conjunction with job forecasts provided by the California Employment Development Department. In May 2018, the Board received an update on the initial results of the Preliminary Regional Growth Forecast and provided direction to staff on key assumptions to be used.

  - 2019 Regional Plan Funding Scenarios: At its February 23, 2018, meeting, the Board of Directors discussed the proposed approach for determining the funding level that will be used to develop the 2019 Regional Plan. Based on this feedback, three reasonable funding scenarios, which include revenues from at least three dozen federal, state, and local sources, were developed and presented in range format to the Board at its June 22, 2018, meeting.
Cost and revenue plans

Improve communication of funding capacity, revenue projections, and project cost estimates.

Sources of recommendations

- SANDAG 7-Point Data Accuracy and Modeling Work Plan
- Independent Examination of Measure A Revenue Estimate Communications
- FY 2018 TransNet Triennial Performance Audit
- SANDAG Board of Directors

Progress on actions

- Implement a peer review process as part of developing cost and revenue projections
- Provide more frequent updates on Major Corridors Program projects
- Inform Board members, stakeholders, and others about the probabilities of cost estimates
- Demonstrate use of “accordion” strategy for project implementation
- Report financial capacity to complete the TransNet Major Corridors and Transit Operations programs

Staff contacts

- Jim Linthicum, Director of Mobility Management and Project Implementation, (619) 699-1970, jim.linthicum@sandag.org
- José Nuncio, TransNet Department Director, (619) 699-1908, jose.nuncio@sandag.org
Implement a peer review process as part of developing cost and revenue projections

- This practice has been established and uses the Peer Review Process (PRP) established as part of the Data Accuracy and Modeling Work Plan.

- A peer review of revenue projections developed for the 2019 Regional Plan was conducted in February 2018. The peer review group was composed of TransNet Department staff as well as programming staff from the Orange County Transportation Authority (OCTA) with expertise in relevant local, state, and federal fund sources. In response to feedback provided by the peer review group, the revenue projections were adjusted to be more in line with recent trends. Staff presented the 2019 Regional Plan Project Cost Estimates and Funding Scenarios at the May 25, 2018, Board of Directors meeting.

- Going forward, staff will continue to conduct peer reviews of revenue projections and cost estimates for agency programs and projects; the level of peer review will be determined by the scope, complexity, and risk associated with the program or project.

Provide more frequent updates on Major Corridors Program projects

- Staff has initiated a schedule for presenting regular updates to the Transportation Committee on major capital corridor program projects, including the Mid-Coast Corridor Transit project, North Coast Corridor Program, LOSSAN Rail Corridor, and Regional Bike Early Action Program (EAP).

- Status reports for each corridor will be presented, at minimum, every six months. Staff will continue to prepare project-level status reports for the Board of Directors each quarter, and will present a summary report annually.

Inform Board members, stakeholders, and others about the probabilities of cost estimates

- Staff presented information about the methodology used for estimating capital project costs to the Transportation Committee in April 2018; this presentation also was provided to the Board of Directors on May 25, 2018.

- Staff highlighted the uncertainty associated with cost estimates at different points in the project development process as well as risk mitigation measures associated with cost volatility. Staff intends to show the total cost of projects within the 2019 Regional Plan in range format to indicate the degree of uncertainty associated with all projects.

- Going forward, staff will include cost estimate information in regular Corridor/Program Status reports presented to the Transportation Committee and Board of Directors.
Demonstrate use of an “accordion” strategy for project implementation

- SANDAG’s major capital projects are developed and delivered using an “accordion” approach. This involves identifying the major components or segments of a project, prioritizing the order in which the segments should be delivered, and applying available funding on a priority basis. If more funding becomes available, it can be stretched like an accordion to complete a larger number of segments, and if funding is reduced, it can be condensed and fewer projects would be completed.

- As part of the Major Corridors Program updates described above, staff will provide detail on the application of the ‘accordion’ approach to each project. This will help to inform policymakers and stakeholders on the relationship between project delivery and available funding.

Report financial capacity to complete the TransNet Major Corridors and Transit Operations programs

- The TransNet Major Corridors Plan of Finance is updated about once a year, with the last update presented to the Board of Directors in October 2017. Given the impact of Senate Bill 1 funding on the financial capacity of the TransNet Program, the next update of the Plan of Finance is expected to be completed once status of the SB 1 repeal is known in late 2018. The Plan of Finance update will continue to provide an assessment and highlight significant changes to project cost estimates and funding opportunities.

- Staff intends to bring the updated Transit Operations Plan to the Board of Directors by fall 2018, and annually thereafter in conjunction with updates to the Plan of Finance. The Transit Operations Plan monitors revenue forecasts and cost estimates associated with operating all TransNet-funded transit services at the approved level of service, and proposes adjustments as necessary.

- A new TransNet Health Report will be prepared and presented to the Board in fall 2018. The Health Report will include target and status information for key performance metrics for the capital program that demonstrate progress toward achieving goals and identify where corrective action or opportunities may be taken. Going forward, this report will be provided on a regular basis (semi-annually or annually), based on direction from the Board.
Independent performance audits
Enhance operational oversight and review by establishing a Board-level audit program.

Sources of recommendations
- Assembly Bill 805 (Gonzalez Fletcher, 2017)
- SANDAG Board of Directors

Progress

- Develop Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities
- Establish the SANDAG Audit Policy Advisory Committee
- Hire an Independent Performance Auditor
- Adopt internal control guidelines
- Prepare an annual audit plan and budget
- Present reports to the Audit Committee and Board of Directors

FY 2018
Oct-Dec Jan-Mar Apr-Jun
FY 2019
Jul-Sep Oct-Dec Jan-Mar Apr-Jun
FY 2020
Jul-Sep Oct-Dec Jan-Mar

✓ Implemented

Staff contacts
- Laura Coté, Director of Administration, (619) 699-6947, laura.cote@sandag.org
- John Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
- Independent Performance Auditor
Develop Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities

- Staff presented a draft of Board Policy No. 039 to the Executive Committee and Board of Directors in November 2017 for comment.
- The final policy was approved by the Board of Directors at its meeting on December 15, 2017.

Establish the SANDAG Audit Policy Advisory Committee

- An Audit Committee Public Member Screening Committee was approved by the Board of Directors on January 26, 2018. Applications for public members of the Audit Committee were accepted through April 20, 2018, and interviews with qualified candidates were conducted in late May.
- Applications for Board member positions on the Audit Committee were accepted through June 11, 2018.
- Recommendations from the Screening Committee for the three public members of the Audit Committee, and from the SANDAG Chair for the appointment of the two Board member representatives were approved by the Board of Directors on June 22, 2018.
- The Audit Committee is scheduled to hold its first meeting on July 13, 2018.

Hire an Independent Performance Auditor

- At its meeting on March 23, 2018, the Board of Directors directed staff to hire a contract employee to serve as the agency’s Independent Performance Auditor. A procurement to hire an executive search firm to conduct the recruitment for the Independent Performance Auditor position was conducted and the Board of Directors approved a contract award to Ralph Andersen & Associates on June 22, 2018. The selected firm is anticipated to begin working with the Audit Committee at its first meeting in July and recruitment efforts will begin soon after.
- An appointment to the Independent Performance Auditor position is expected to be made by the Board of Directors in late 2018/early 2019; the selected candidate is anticipated to commence employment in spring 2019.
O Adopt internal control guidelines

- The Audit Committee will review and recommend internal control guidelines that SANDAG will follow to safeguard assets, provide reliable financial statements, and ensure the effectiveness and efficiency of operations, and compliance with laws, regulations, and policies.

- Staff is scheduled to present draft internal control guidelines for review by the Audit Committee at its meeting in September 2018.

- The Audit Committee is expected to present its recommendation for adoption of the internal control guidelines to the Board of Directors by October 2018.

O Prepare an annual audit plan and budget

- The Independent Performance Auditor will prepare a proposed annual audit plan that includes performance audits of the agency’s core programs, projects, and plans that present the greatest risks to the agency, as well as a proposed budget for completion of audit activities.

- The Independent Performance Auditor will submit the proposed annual audit plan and budget to the Audit Committee for review and a recommendation to the Board of Directors.

- The Board of Directors is expected to take action on the proposed annual audit plan and budget in June 2019. In the interim, Internal Audit staff will continue to perform audit services under its FY 2019 Audit Plan and provide quarterly updates to the Audit Committee.

O Present reports to the Audit Committee and Board of Directors

- The Independent Performance Auditor will present audit findings and recommendations to the Audit Committee.

- The Audit Committee will monitor the implementation of corrective action identified in audit and investigative reports and inform the Board of Directors when corrective action is insufficient or untimely.

- The Audit Committee will monitor the implementation of the annual audit plan and provide an annual report to the Board of Directors; the first annual report is expected in January 2020.
Records management

Prepare policies, procedures, and training for SANDAG employees regarding the creation, maintenance, and retention of public records.

Source of recommendations

- Independent Examination of Measure A Revenue Estimate Communications

Progress

- Update Board Policy No. 015: Records Management
- Develop records management standards for SANDAG business records
- Develop a public records management policy for employees
- Conduct public record and records retention training for employees

Staff contacts

- Laura Coté, Director of Administration, (619) 699-6947, laura.cote@sandag.org
- John Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
- Ray Traynor, Director of Operations, (619) 710-4001, ray.traynor@sandag.org
Update Board Policy No. 015: Records Management

- Staff presented draft amendments to Board Policy No. 015 to the Executive Committee and Board of Directors in December 2017 for comment. The final amendments were approved by the Board at its meeting on February 23, 2018.

- The substantive changes to the policy are summarized below:
  - Clarification that the policy is applicable to both SANDAG employees and non-employees who act on SANDAG’s behalf.
  - The term “SANDAG Business Record” was introduced to more clearly define the types of records SANDAG staff may collect and review in response to a California Public Records Act (CPRA) request.
  - New language regarding the potential disclosure of records on personal devices (e.g., personal computers, cell phones, etc.) that are used for work purposes was added.
  - Language regarding records retention and the disposal of records, including the need to preserve records when a CPRA request is received, was added.
  - The requirement for annual public records management training for all employees was introduced to ensure staff are aware of SANDAG retention policies and procedures.

Develop records management standards for SANDAG business records

- Staff researched and evaluated best practices applicable to SANDAG’s need for creating, sharing, storing, accessing, and managing data and records. These practices were incorporated into the public records management policy developed for employees.

Develop a public records management policy for employees

- Following approval of Board Policy No. 015, staff developed a public records management policy for employees to clarify agency practices and expectations regarding the retention of work products, and SANDAG processes for responding to requests under the CPRA.

- The core components of the new policy include:
  - Definitions of public records and SANDAG Business Records, including examples
  - SANDAG’s records maintenance and records retention expectations
  - Employee responsibilities regarding CPRA requests

- The new policy was approved by management and communicated to all employees in early April 2018; it has been incorporated into the SANDAG Employee Handbook.

- The policy will be reviewed annually in conjunction with the review of the Employee Handbook; any updates will be communicated to employees and incorporated into the annual training on this topic.
Conduct public records and records retention training for employees

- A custom training program was developed and implemented by the Office of General Counsel in conjunction with the rollout of the public records management policy. All employees participated in the training in April 2018.

- The new public records and records retention training has been added to the agency’s required training program and all employees will participate on an annual basis.

- Established methods for tracking and documenting employee attendance at the public records and records retention training have been used.
Transparency initiatives

Enhance internal and external information sharing by ensuring SANDAG communications are straightforward, easy to understand, and reach a variety of audiences.

Sources of recommendations

- San Diego County Taxpayers Association
- Independent Examination of Measure A Revenue Estimate Communications
- SANDAG Board of Directors

Progress on actions

- Update Board Policy No. 025: Public Participation Plan Policy
- Implement new methods to exchange information
- Simplify agency communications

Staff contacts

- David Hicks, Director of Communications, (619) 699-6939, david.hicks@sandag.org
- John Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
Update Board Policy No. 025: Public Participation Plan Policy

- Staff presented draft amendments to Board Policy No. 025 to the Executive Committee and Board of Directors in December 2017 for comment. The final amendments were approved by the Board of Directors at its meeting on February 23, 2018.

- The policy update focused on increased transparency and a recognition that the public has a right to expect SANDAG officials and employees to conduct business in an efficient, fair, and impartial manner and with the utmost integrity to promote and maintain the public’s confidence and trust. SANDAG management will continue to model and emphasize the importance of transparency to agency employees.

- The SANDAG Ethics training class, which certain employees are required to take every two years, has been updated to include a section specifically addressing transparency and openness in conducting public business. This information is reinforced in the Standard of Conduct policy included as part of the SANDAG Employee Handbook.

Implement new methods to exchange information

- SANDAG is continuing to build on its current outreach efforts to enhance and modernize the way the agency delivers information. Examples include:
  - Staff has increased efforts to provide information and opportunities for education to Board members. For example, Board members have been provided individual briefings on the 2019 Regional Plan, including its purpose, components, and development timeline. Board members also have been provided with opportunities to get involved with Regional Plan outreach activities, including attending focus groups and open house meetings.
  - New digital media solutions are being considered to maximize participation across broad demographics, collect informed input, and provide decision-makers with quantifiable results. An online public engagement tool will be used to present and gather input on 2019 Regional Plan transportation network scenarios in late summer 2018.
  - For technical topics, like the Regional Growth Forecast and Regional Housing Needs Assessment Determination, specific questions were presented to Policy Advisory Committees and the Board of Directors to solicit clear direction on key assumptions.
  - Staff is exploring additional ideas and suggestions, like weekly meeting action summaries and project tours, to help Board members stay informed about SANDAG programs, projects, and services, and share information with their stakeholders and constituents.

- In addition to responding to a steady stream of inquiries from the media, stakeholders, and the public, SANDAG also is increasing its use of email, web, and social media methods to convey information in a timely and easy to understand manner.
• The SANDAG Office of General Counsel is committed to responding to requests for information about agency business, consistent with the requirements of the California Public Records Act (CPRA). SANDAG has seen a steady increase in the number and complexity of public records requests in recent years. The agency responded to 262 PRA requests in calendar year 2017. Staff resources have been added to the Legal team in response to the demand, and combined with the streamlined processes, enhanced technology, and employee training, SANDAG continues to respond thoroughly and timely to records requests.

• SANDAG management conducted an Employee Engagement survey in November 2017 to gather input regarding the work environment, internal communications, resource needs, and opportunities for improvement. Based on this feedback, an action plan has been developed to improve internal communication and strengthen relationships between management and employees.

• Additional initiatives could be undertaken at the direction of the Board, including webcasting and/or televising Board and Policy Advisory Committee meetings, initiating an “open data” program, or holding Board meetings at times and locations most convenient to the community.

Simplify agency communications

• The 2019 SANDAG Board Retreat included a new lightning session format and supplemental agenda materials to encourage questions and dialogue on complex topics like the 2019 Regional Plan, energy and climate planning, and funding scenarios.

• 2019 Regional Plan materials clearly state the development timeline, reiterate what has been accomplished to date, and outline next steps for policymakers and the public to get involved. When people subscribe to receive email updates about the Regional Plan, they can see past email archives to get a sense for the type of information and frequency with which it has been shared in the past.

• A cross-departmental team has been formed to streamline the agenda development, report writing, and presentation processes for SANDAG meetings. This effort will include a review of the number and substance of items presented to the Board of Directors and Policy Advisory Committees; and training programs to encourage simple and effective report writing and presentations by staff.

• Fact sheets and other communications materials are being reviewed and prepared to ensure content is up to date, accurate, and simple. Wherever possible, data is presented visually to make information easier to understand for a variety of audiences.

• Ongoing updates to the SANDAG website, as well as plans for a future redesign, are focused on simplifying information and promoting the ease of finding and using the massive amount of information available through the site.
Stakeholder communication

Proactively inform member agencies, stakeholders, and the public to increase awareness of SANDAG programs and projects.

Sources of recommendations

- San Diego County Taxpayers Association
- Assembly Bill 805 (Gonzalez Fletcher, 2017)
- FY 2018 TransNet Triennial Performance Audit
- SANDAG Board of Directors

Progress on actions

- Prepare an annual report to the State legislature that outlines various matters related to public transit
- Partner with member agency representatives to participate in community outreach efforts
- Present annual reports to member agencies regarding SANDAG programs and projects
- Develop tools to track TransNet accomplishments and provide regular performance monitoring reports
- Coordinate with recipient agencies to submit reports describing how SANDAG funds have been used for projects

Staff contacts

- David Hicks, Director of Communications, (619) 699-6939, david.hicks@sandag.org
- José Nuncio, TransNet Department Director, (619) 699-1908, jose.nuncio@sandag.org
Prepare an annual report to the State Legislature that outlines various matters related to public transit

- Staff worked with the transit operators to develop an annual report that outlines the region’s public transit needs, transit funding criteria, and recommended transit funding levels. The annual report also provided an overview of major public transit projects under way or completed and funds spent explicitly on public transportation in the previous fiscal year.
- The inaugural annual public transit report was approved by the Board of Directors at its meeting on June 22, 2018, and submitted to the Legislature on June 29, 2018.

Partner with member agency representatives to participate in community outreach efforts

- Staff holds monthly communications coordination meetings with Caltrans and will initiate regular coordination meetings with communications staff from the local jurisdictions, and NCTD and MTS later this year.
- SANDAG continues to share eToolkit resources with counterparts at member agencies to encourage the promotion and involvement with various campaigns and events, from Bike to Work Day and Rideshare, to FasTrak and Regional Plan efforts.
- Communications staff updated a Process Workbook, which outlines best practices for conducting effective public outreach and engagement activities, specifies methods and emphasizes the need for communication, collaboration, and coordination with elected officials, staff, and other stakeholders from member agencies during the outreach process. Many of these efforts are standard procedure at certain points in the project development and construction process, and going forward SANDAG staff will apply a more consistent approach.

Present annual reports to member agencies regarding SANDAG programs and projects

- Staff will develop and present a custom, simple, and concise annual report for each member agency. The report will include a description of significant, regionwide SANDAG accomplishments as well as a summary of the programs, projects, and services provided in each member agency’s jurisdiction.
- During the second half of 2018, SANDAG staff and Board leadership will make presentations to each of the city councils and other member agencies, providing the report and an update on major SANDAG initiatives, as well as answering questions and addressing concerns.
Develop tools to track TransNet accomplishments and provide regular performance monitoring reports

- Staff provides various TransNet program and performance monitoring reports on a regular basis to the Independent Taxpayer Oversight Committee, Transportation Committee, and Board of Directors.

- Staff will present recommendations from the FY 2018 TransNet Triennial Performance Audit to the Board of Directors in July 2018. Staff is currently working with local and partner agencies to develop proposals and potential costs to implement the audit recommendations, including the development of additional tools to track performance and accomplishments, and will bring these in the fall for Board consideration.

Coordinate with recipient agencies to submit reports describing how SANDAG funds have been used for projects

- A status report on each jurisdiction’s TransNet Local Street and Road Program is provided to the Independent Taxpayer Oversight Committee on an annual basis to highlight TransNet project and program accomplishments. The most recent report was provided at the June 18, 2018, meeting.

- A TransNet Local Street and Road Output and Outcome Report also is provided to the Independent Taxpayer Oversight Committee on a biennial basis in conjunction with the draft Regional Transportation Improvement Program. The most recent report, provided in June 2018, highlighted programming for 34,000 feet of new or wider sidewalks and improvements to more than 500 traffic signals, which will improve pedestrian safety and access; 8 additional lanes of bridge capacity; and 17 additional lanes on regionally significant local roads to reduce congestion and improve traffic flow.

- Staff currently is working with the Cities/County Technical Advisory Committee and partner agencies to develop an expansion or alternative for these reports; this proposal is expected to be presented to the Board of Directors in the fall.
Organization structure

Conduct an independent review of department structure and staffing resources necessary for success.

Sources of recommendations

- Independent Examination of Measure A Revenue Estimate Communications
- SANDAG Board of Directors

Progress on actions

- Procure services from a management consultant
- Conduct an independent review of SANDAG internal structure
- Conduct an independent review of SANDAG staffing resources
- Present recommendations to the Board of Directors

Staff contact

- Laura Coté, Director of Administration, (619) 699-6947, laura.cote@sandag.org
Procure services from a management consultant

- Staff are drafting a Request for Proposals (RFP) for professional management consulting services to conduct a review of the agency’s internal department structure and staff reporting relationships, as well as staffing levels and employee skills sets required to support SANDAG core responsibilities.
- The procurement for management consulting services is anticipated to begin in early FY 2019 with a firm selected by November 2018.
- Recommendations from the organizational review will be presented to the Board of Directors for consideration.

Conduct an independent review of SANDAG internal structure

- This review will be conducted by the management consultant.

Conduct an independent review of SANDAG staffing resources

- This review will be conducted by the management consultant.

Present recommendations to the Board of Directors

- The management consultant will present a summary of recommendations at the conclusion of the project.
Sources of recommendations

The Plan of Excellence’s components are derived from several sources, both within and outside the organization, and include the following:

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<th>Data governance</th>
<th>SANDAG 7-Point Data Accuracy and Modeling Work Plan</th>
<th>San Diego County Taxpayers Association</th>
<th>Independent Examination of Measure A Revenue Estimate Communications</th>
<th>Assembly Bill 805</th>
<th>FY 2018 TransNet Triennial Performance Audit</th>
<th>SANDAG Board of Directors</th>
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SANDAG 7-Point Data Accuracy and Modeling Work Plan

In February 2017, the SANDAG Board of Directors approved the Data Accuracy and Modeling Work Plan proposed by staff. The work plan outlined seven actions to investigate the Measure A forecasting error, identify the potential impacts, address any substantive problems that may have resulted with the agency’s work products, and put in place policies and safeguards to ensure similar problems do not occur again and that any concerns that may arise are brought to the attention of the Board.
San Diego County Taxpayers Association

In April 2017, the San Diego County Taxpayers Association provided SANDAG with a report outlining recommendations to enhance communication and understanding between SANDAG, local governments, and San Diego County residents. In summary, the recommendations include:

- Amend Article VII, Section of the SANDAG Bylaws to read “The Board of Directors shall advise Member Agencies on the coordination of general plans, or on the resolution of conflicts between the general plans of agencies in the San Diego region.”
- SANDAG staff should provide simple and graphical summary presentations to the Board of Directors that Board members may use to communicate with their local councils and constituents.
- Amend Board Policy No. 025 to establish processes for receiving public input and providing information to the public that incorporate involvement of member jurisdictions so local governments and other relevant groups can assist in the dissemination of information.
- Adopt a policy that requires Board representatives to report back to their respective agencies on program developments, project updates, changes to expenditure plans, and potential ballot measure initiatives, on at least an annual basis.
- Member agencies should adopt policies requiring SANDAG Board members transmit to the SANDAG Board their list of local funding/project priorities and community concerns about all policy issues subject to funding or policy direction by SANDAG, on at least an annual basis.
- Adopt a policy requiring member agencies to provide reports to the SANDAG Board on the member agencies’ use of funds provided by SANDAG, as well as the results of performance audits.

Independent Examination of Measure A Revenue Estimate Communications

In April 2017, the Board of Directors hired Hueston Hennigan, LLC to conduct an independent investigation into the Measure A revenue estimate communications. Hueston Hennigan reported their findings to the Board in August 2017 which are as follows: 1. SANDAG executives and legal counsel should not have instructed staff to delete draft documents before the vote on Measure A; 2. SANDAG executives and legal counsel should not have approved the creation and use of the Hana Tools folder; and 3. SANDAG executives should have been more forthcoming in their responses to the Measure A forecasting error.

Three specific recommendations were provided:

- SANDAG legal counsel should conduct regular training with executives and staff instructing them on the agency’s Records Retention policy. Training should not be delayed until after a crisis emerges. SANDAG employees should be familiar with the policy should any crisis arise and know which documents they must preserve, and which they can delete.
- If SANDAG chooses to implement a policy whereby it will store and then mass-delete draft documents related to a particular project, it should disclose this policy publicly, much as it has done with other aspects of its Records Retention policy. Further, the location of this folder must be searchable and disclosed to legal counsel.
- SANDAG should be more transparent in its public relations responses to issues like the Measure A forecasting error. As a government agency, SANDAG has a responsibility to be honest and straightforward to the public. By failing to adequately explain how and why it overestimated the Measure A revenue forecast, SANDAG lost employee morale and forfeited the public’s trust.
In addition, three best practice recommendations were described:

- SANDAG should maintain internal expertise regarding its forecasting models, and ensure numerous staff members have the necessary knowledge and experience to run the model in the event of turnover.
- SANDAG should implement an effective quality control program, both methods and staffing resources, to ensure the accuracy and validity of its forecasting model outputs.
- SANDAG should foster better collaboration, cooperation, and information sharing between all departments and employees who produce and use the forecasting model outputs.

Assembly Bill 805

In September 2017, Assembly Bill 805 (Gonzalez Fletcher) was signed into law. Among its provisions, the bill made various changes to the governance and duties of SANDAG, including:

- Develop and implement internal control guidelines and an administration policy to ensure and monitor regular performance evaluations.
- Provide annual reports to the Legislature and local jurisdictions on public transit and overall agency programs and projects, respectively.
- Establish an Audit Policy Advisory Committee and Board-level Independent Performance Audit function to prepare and implement an annual audit plan.

FY 2018 TransNet Triennial Performance Audit

In June 2017, the Independent Taxpayer Oversight Committee (ITOC) selected an independent auditing firm, Sjoberg Evashenk Consulting, Inc., to conduct the required triennial performance audit of the TransNet Program for the period between July 1, 2014 and June 30, 2017 (Fiscal Years 2015, 2016, and 2017). The audit concluded that SANDAG and its partner agencies have made significant progress toward accomplishing many TransNet goals and identified several areas where improvements could be made.

Twenty-six (26) recommendations from the audit were categorized as either critical, high, medium, or low priority based on their impact to TransNet program goals and SANDAG responsibilities. The three critical priority recommendations are described below:

- Ensure the 7-Point Data Accuracy and Modeling Work Plan is implemented to reduce the potential for future errors and develop formal procedures to update, validate, and report on data.
- Implement a comprehensive performance framework by setting targets to measure TransNet performance against TransNet Extension Ordinance goals, and capturing performance outcome data.
- Modify Board of Directors and Committee reports to summarize public input, the pros, cons, and implications of recommended actions, in addition to summarizing reports in one or two pages.

SANDAG Board of Directors

The SANDAG Board of Directors has been engaged in evaluating agency practices and directing staff to make improvements to reporting and communication strategies necessary for effective oversight and stewardship of agency responsibilities. Staff will present ongoing progress reports to the Board and ITOC to keep them and the public informed.