

July 2012 – June 2015 M2 Performance Assessment Response to Findings

| | Summary of Findings/Recommendations | OCTA Action |
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| 1. | <p>Conflicts between OCTA’s commitment to its constituents and the state’s priorities (e.g., greenhouse gas reductions) have led to delays in project definition and environmental processes.</p> <p>Continuing to partner with Caltrans at the technical level for system planning and modeling, and throughout all project phases can identify projects where advance coordination could help mitigate schedule delays while the agencies reconcile goals and objectives.</p> <p>An example of this partnership is for OCTA to work with Caltrans and explore the possibility of including OCTA projects on Caltrans list of approved projects in the fiscal year contract for delivery.</p> | <p>Underway - Staff continues to partner with Caltrans District 12 at all levels during project delivery. To ensure successful freeway program delivery, staff initiated discussions with Caltrans to create a Local Contract for Delivery. Caltrans believes that Contract for Delivery is not suited for this purpose. As a result, neighboring self-help counties and Caltrans agreed to work together to create a master agreement, demonstrating a commitment from both agencies to deliver local measure freeway projects.</p> |
| 2. | <p>Increasing occurrences of changes and/or growth in a project’s scope have been issues during the design and development phases. Sometimes, requests for modification to constructed elements were requested during the final Caltrans safety and maintenance walk through.</p> <p>Include language that defines the term “betterment” in project-specific third-party agreements with relevant agencies. Particular agreements may define how betterments will be negotiated, if appropriate.</p> | <p>Complete - Staff included language related to “betterments” in the recently completed I-405 project cooperative agreement between Caltrans and OCTA. Staff has incorporated a step in the development of cooperative agreements with third party agencies to include a discussion on betterments. As appropriate, cooperative agreements will define betterments and what is, and is not, included in the project scope.</p> |
| 3. | <p>The M2 PMO performance has matured and continued to perform at a high degree of professionalism and responsiveness. With the arrival of two new program analysts, OCTA is poised to oversee the growing program more fully, such as with more comprehensive (recently redesigned) quarterly reports and through deeper involvement in project management review and analysis.</p> <p>OCTA should communicate PMO staff member roles and responsibilities, which should define backup and mutual support activities. Clear roles should be communicated across divisions to help promote coordination and communication.</p> | <p>Complete - With the addition of staff, this has allowed the PMO department to expand its role within the organization. The PMO reached out to each of the Executive Directors to seek input on how the department can further assist them in their M2 delivery goals.</p> <p>Additionally, communication with partner agencies has taken place and is ongoing to ensure lessons learned are shared.</p> <p>While PMO staff roles and responsibilities are defined, PMO staff is also cross trained to allow flexibility and respond to fluctuating workflows.</p> |

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| | OCTA should broaden the PMO by expanding participation with external stakeholder groups, think strategically about building awareness, build stronger relationships with other self-help county partner agencies, and increase collaboration with Caltrans. | |
| 4. | <p>PMO staff have a strong base of skills to administer the M2 Program, including work experience across other OCTA divisions and history dating back to the early days of the PMO. Periodic training could enhance the PMO and key stakeholders, strengthening OCTA commitment to its broad mission.</p> <p>OCTA should implement the program management academy in the short term. Such a program will benefit new staff and strengthen collaboration between the PMO, Finance and Administration Division, and the respective project/program managers. The M2 Ordinance and policy administration strategies should be shared as part of the training. In addition, OCTA should consider project management professional training for all PMO staff.</p> | <p>Underway - The most recent program management academy took place in late 2013 and is designed to be conducted every few years based on need due to staff and/or policy changes. Following discussion with the Executive Directors, the PMO intends to conduct the next academy in spring 2018.</p> <p>The PMO staff continues to look for training opportunities to keep up with current program management techniques and tools. Staff is enrolled in a project management academy course in fall 2017.</p> |
| 5. | OCTA should continue to monitor ongoing expenditures for administrative expenses, including labor charges by project, and determine whether any changes are required in the future. | Ongoing - The PMO and Executive Directors from each of the divisions meet quarterly and review labor charges to ensure that project-specific administrative costs are charged appropriately. Additionally, administrative expenses are reported in the M2 quarterly reports to ensure transparency and management of the one percent administrative cap. This level of ongoing monitoring will continue throughout the life of M2. |
| 6. | <p>OCTA regularly evaluates the optimum level of debt financing and the timing of debt issuance required to deliver the M2 Program in a cost-effective manner. OCTA continues to seek alternate sources of funding to supplement M2 funds when available and has processes in place to periodically update its cash-flow needs for the M2 Program.</p> <p>In addition to evaluating the optimum level of debt to issue and timing of debt issuance to deliver the M2 Program, OCTA should continue efforts to seek alternate sources of funding to supplement M2 funds.</p> | Ongoing - The M2 cash flows are updated annually in response to the ever-changing social, political, economic environment, and most important to ensure the program is financially sustainable to be delivered as promised to the voters of Orange County. Reviewing and reporting on current and future needs for debt financing is part of these updates, along with separate plans of finance taken to the Board for consideration whenever new debt is required. Annual updates are done through the Comprehensive Business Plan updates, as well as through M2 Plan updates such as the Next 10 Plan. |

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| 7. | <p>Since three local agencies failed to request timely use of funds during the semi-annual review process, they did not receive their full allocation.</p> <p>Overtime, OCTA should work to identify patterns developing by local agencies neglecting to request timely use of funds extensions and address the underlying root causes.</p> | <p>Complete - Staff continues to ensure cities are aware of the impending deadline well in advance of expiration. Enhancements to the OC Fundtracker database has enabled the Local Programs' staff to closely monitor and track the progress of over 400 projects. Standard operating procedures were developed, and a new deadline tracking process was implemented in time for fall 2017 semi-annual review. Notifications to local agencies of at-risk projects goes out 180 days or more prior to the semi-annual review.</p> |
| 8. | <p>Some external stakeholders noted that there is a lack of association of M2 with its projects, programs, and funding within their organizations, and among the general public.</p> <p>Guidelines or a media toolkit can help standardize and coordinate branding and awareness efforts to educate the general public and stakeholders to better highlight M2 projects and programs at project sites.</p> | <p>Underway - Staff has made enhancements to the M website to provide more comprehensive information on the program. Additionally, staff is working on a new identity for M2 to increase awareness of our local sales tax measure. The new identity, once approved, as well as cohesive color scheme across all projects and modes within the M Program, is intended to increase awareness and a better understanding of how the transportation sales tax measure is put to use.</p> |
| 9. | <p>Small cities reported not having sufficient staff to review all M2 materials and documents.</p> <p>To make it more easy and accessible for constituents and city staff to be informed, OCTA can develop an information card for each M2 program and project.</p> | <p>Complete - Staff created new pages related to funding, project/program fact sheets and webpages on the OCTA website. Staff also reorganized existing content and added new pages and/or information to make it easier for cities and constituents to understand and obtain information from a cohesive source. Additionally, Staff performs regular quality control checks on M2 project pages, fact Sheets, and Measure M overview pages.</p> <p>OCTA continues to conduct regular workshops to ensure local agencies are equipped with all the necessary tools and to maintain their eligibility for funding, as well as apply for new project grants.</p> |

M2 – Measure M2
OCTA – Orange County Transportation Authority
Caltrans – California Department of Transportation
I-405 – Interstate 405
PMO – Program Management Office