

# **MBTA**

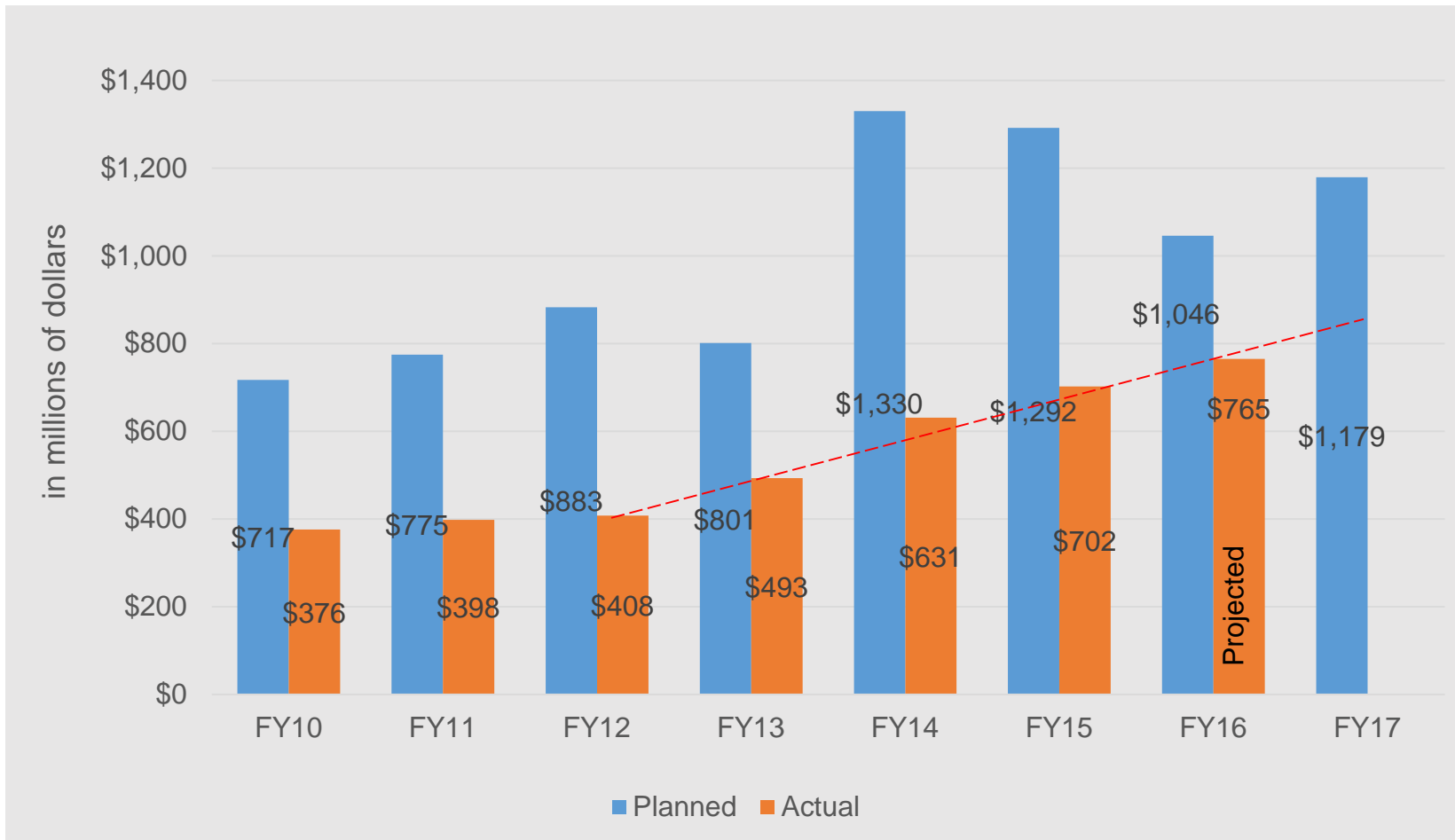
# **Capital Delivery Assessment**

Fiscal Control and Management Board

June 13, 2016



# MBTA Capital Program Performance



Source: Updated from Back on Track An Action Plan to Transform the MBTA April 8, 2015



# 2017 to 2021 CIP

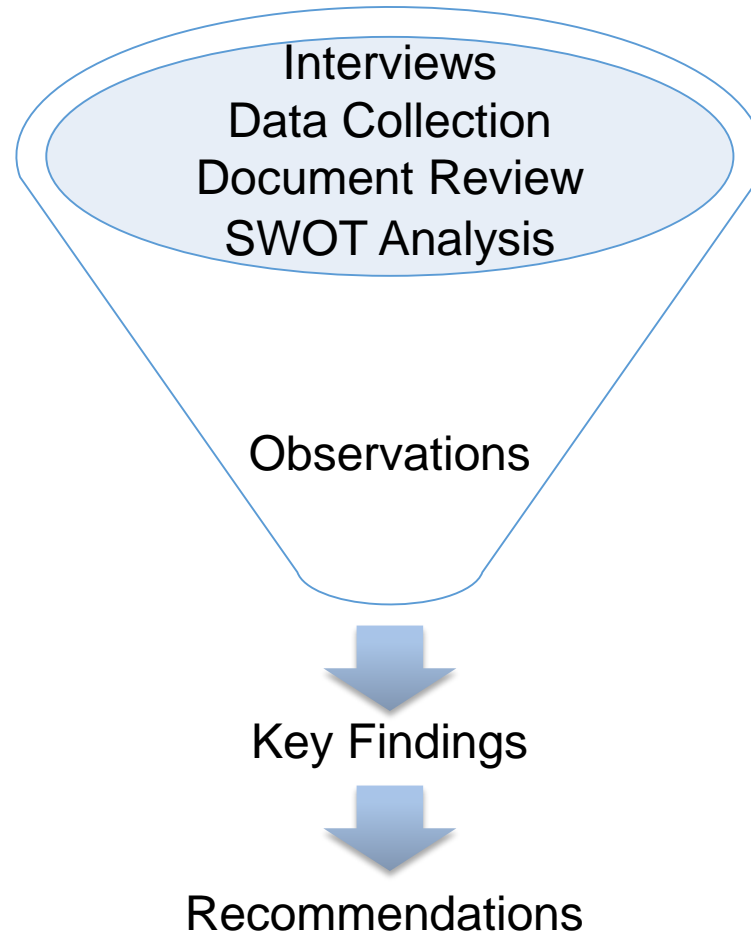
- Capital delivery is vital to our operations, services improvement and our commitment to our customers
- 2017-2021 CIP is different from previous CIP's
- FY17 CIP requires a 54% increase over FY16 projected delivery
- MBTA charged consulting company Ascent with assessing capital delivery and make recommendations



# Capital Delivery Transformation Initiative Assessment Process

Over last 60 days:

- 80+ Interviews
- Data collection
- Document review
- SWOT analysis
- Observations
- Key Findings
- Recommendations



# Findings and Recommendations

## Findings

1. Capital delivery has historically not been a strategic imperative.
2. Project development and budgeting processes inhibit effective program execution.
3. Lack of data and a system of controls hinders effective decision-making.
4. Cultural change is critical to the Capital Delivery transformation.

## Recommendations

- ✓ Make Capital Delivery a goal in the MBTA strategic plan and within the organization.
- ✓ Strengthen Capital Budget leadership.
- ✓ Create structures and processes to improve translation of CIP to delivery.
- ✓ Improve data management and implement an integrated program/project controls system.
- ✓ Integrate Operations and Capital Delivery seamlessly.
- ✓ Adopt a Program Management approach to Capital Delivery.

**Without radical change, MBTA will not execute the full CIP**

**Start now!**



# Near Term Recommendations

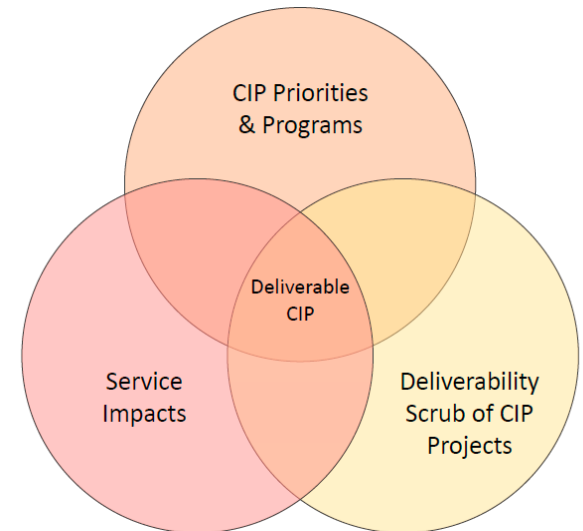
## 1. Translate CIP to delivery:

- Scrub the FY17 CIP projects to confirm deliverability and realistic cash flows
- Strengthen the project development process for a deliverable FY18 CIP
- Undertake near term process and delivery resource improvements



## 2. Set outcome based goals and key performance indicators:

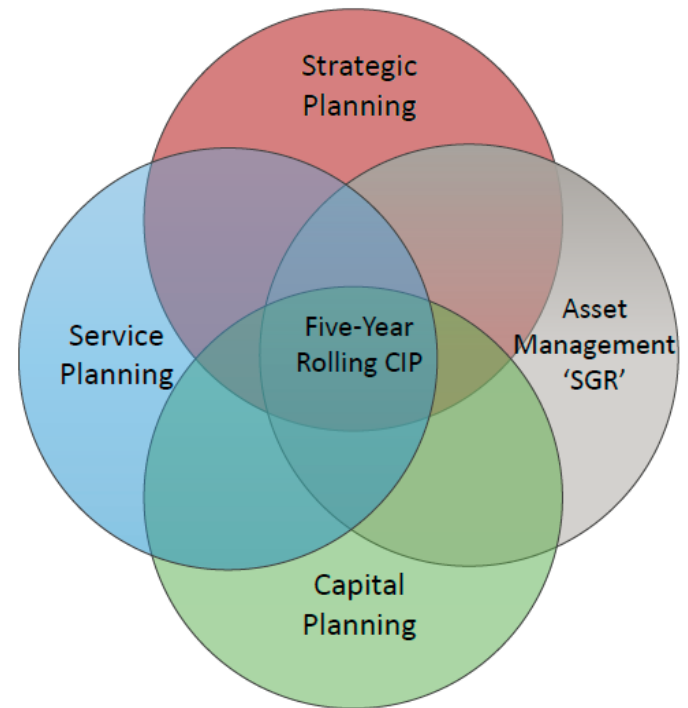
- FY17 – ramp-up year
- FY18 – full execution



# Near Term Recommendations

## 3. Establish a Capital Development Coordination Committee

- Key MBTA leaders
- Integrated with MassDOT planning
- Timed with FY 18 CIP development



# Near Term Recommendations

4. **Strengthen Capital Program Management function and establish integrated program/project controls to support decision making**
  - **Expand the program reporting pilot initiative to entire portfolio**
  - **Convert approach from fund-based to project-based**
  - **Plan and budget for an integrated program management information system (PMIS)**





# Near Term Recommendations

5. **Create program management teams to deliver key capital programs as**
  - **Identify transformation accelerators (pilot of better/best practices)**
  - **Candidates: Red/Orange Line Infrastructure, GLX**
  - **Create cross-functional teams with metrics and a culture of accountability**

# Near Term Recommendations

## 6. Begin the integration of capital delivery and operations:

- **Develop an action plan to establish a Capital Delivery & Infrastructure Group integrating Design & Construction and Engineering & Maintenance**
- **Set a target to stand-up the Group in 6 months**
- **Develop the organization structure, positions, roles/responsibilities**
- **Conduct a national search for key leaders**

Capital Employees				
	Design & Construction	Engineering & Maintenance	Rail E&M and Everett Vehicle Engineering	Total
Budgeted Headcount	220	199	113	532
Budgeted Payroll (millions)	\$25.89	\$32.86	\$9.14	\$67.89
Note: ~23% vacancy rate				

