

# Framework for Financial Structure RFQ

May 11, 2023

## Goals and Objectives:

**Goal:** Conduct an assessment and make recommendations for implementing the BART Board-approved option for BART's financial structure.

**Objective:** Suggest and evaluate potential financial structure changes that might enhance efficiency, transparency and communication within BART while reducing the long-term business risk of the District.

## Scope:

Use the recommended financial structure approved by the Board, which includes establishing a Chief Financial Officer position under the span of control of the General Manager, as a starting point for evaluating the best financial structure organization for BART.

1. Identify organizational needs among executive managers and internal stakeholders that should be considered to increase transparency and efficiency and to help prepare the organization for changes to the financial structure.
2. Define and assess functions and practices of current financial-related departments.
  - 2.1. Assess relationship of all financial departments, including those reporting to the current Board-appointed Controller-Treasurer position and those currently reporting to Assistant General Managers (AGMs) under the General Manager.
  - 2.2. Determine if departmental and job functions should change (addition, deletion, or combining departments or defining new or updating job descriptions).
  - 2.3. Present pros and cons of changing departmental functions, if applicable, and placement of financial-related departments (e.g., under a CFO or under other executives (e.g., AGMs)).
  - 2.4. Recommend the best organizational structure for BART, including identifying the departments that should report to the CFO and that should report elsewhere (e.g., AGMs).
  - 2.5. Identify the advantages, disadvantages, and potential risks of implementing the recommended financial structure.
3. Develop scenarios (structure, priorities, phasing) for implementing changes to BART's financial structure based on the assessment of financial functions and practices. Scenarios will be reviewed by the Financial Structure Ad hoc Committee, executive management, and internal stakeholders.

- 3.1. Present advantages and disadvantages of each scenario and recommend one scenario that will be presented to the BART Board of Directors for approval.
- 3.2. Based on Financial Structure Ad hoc Committee input and full BART Board approval, work with executive management and internal stakeholders to finalize the most viable structure.
4. Work with executive management to identify overall priorities for implementing the approved scenario, including those with organization-wide implications, to develop an actionable plan and gain agreement from internal stakeholders.
  - 4.1. Categorize identified priorities:
    - i) Identify short-term priorities over the next 60 days to ensure BART meets its internal implementation timeline.
    - ii) Identify intermediate priorities that will need attention over the balance of FY23 and FY24 to prepare the organization of changes to the financial structure.
    - iii) Longer-term priorities beginning in FY25 and beyond and their corresponding considerations for the CFO moving forward.
5. Provide a detailed road map for implementing the Board-approved financial structure scenario, including onboarding a new CFO, with implementation of short and intermediate priorities prior to the start of the FY26 budget year (July 1, 2025).
  - 5.1. Prepared detailed timeline reflecting the priorities, including phasing-in changes to BART's financial structure. Include a relative risk scale (high, medium, low) applied to each roadmap item to help guide priorities that may be most pressing or in need of immediate attention.
6. Develop criteria for a Change Management Plan applicable to the above.
  - 6.1. Identify opportunities and best/leading practices for internal communication related to organizational restructuring.
7. Suggest CFO job description based on this assessment, industry best and leading practices, and similar descriptions from other transit agencies.
  - 7.1. Provide draft CFO job description.
  - 7.2. Provide job descriptions for other financial related positions that might enhance efficiency, transparency, and communication within BART.

**Deliverables:**

- Detailed Roadmap and Timeline for recommended financial restructuring option overlayed with potential risks.
- Proposed Organizational Chart.
- List of short, intermediate, and long-term priorities.