

Summary of TSDAC Policy Principles
June 126, 2018

Priorities:

- The priority for transit capital investment is to attain and maintain a state of good repair for transit assets. With that in mind, there are needs beyond state of good repair that would enhance transit utilization, efficiency, and reduce congestion that should be considered for funding through the transit capital program.
- Regardless of the structure established to fund state of good repair, minor enhancement, and major expansion projects, the CTB will have the discretion to move funding annually from major expansion and minor enhancement to meet state of good repair needs.
- The application, scoring, and prioritization will be conducted in an open and transparent manner.

Program Structure:

- State of Good Repair (SGR) projects involve the replacement of existing assets at the end of their useful life. The majority of the program is focused on SGR related replacements.
- Minor Enhancement (MIN) projects are new, small increases in system assets that are, less than \$2 million in total cost, less than 5% increase in total fleet, or no more than 5 expansion vehicles. Examples of minor enhancement projects include deployment of new technologies, purchase of additional revenue vehicles to increase spare ratios or reduce headways, or assets needed to make modest expansions of transit service. The CTB should have the discretion to set aside funding (not to exceed 10% of the funding allocated for state of good repair projects) to support minor enhancements.
 - Additional paratransit vehicles necessary to meet increased demand for this federally required service will be scored as Minor Enhancement projects, regardless of the number of vehicles requested. Additional information, including ridership/demand for service, may be required to support applications that exceed the minor enhancement threshold.
- Major Expansions (MAJ) are significant increases in service or infrastructure improvements that are beyond the definition of MIN projects. The Revenue Advisory Board recommended that up to 20% of the capital program could be used for Major Expansion projects in any year.

Project Scoring:

- State of Good Repair (SGR): Projects will be scored on a 100 point scale with 60 points attributed based on age/condition of the asset and 40 points attributed based on service quality/impact.
 - Transit agencies, as part of their asset management plans, should be identifying assets for replacement in consideration of the procurement and manufacturing timeline associated with the asset. The capital application tool will extrapolate expected age/mileage at the time of replacement to support decisionmaking.
 - Replacement age will be determined based on Federal Transit Administration established life cycle benchmarks. Midlife overhauls will be considered as a state of

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good repair project and will add to the asset life cycle in accordance with FTA established benchmarks.

- For vehicles, the age/condition points will be awarded based on a combination score (50% based on age and 50% based on mileage). Asset age and condition data will be drawn from the TransAM asset management system.
- Points will be awarded based on age and mileage at the time of application, until the SGR backlog is reduced.
- Minor Enhancement (MIN): Projects will be scored on a 40 point scale based on service quality/impact of the investment.
- Major Expansion (MAJ):
 - Transit Agencies, in coordination with their respective MPOs, will have an opportunity to validate their weighting typologies prior to implementation of transit capital prioritization.

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Match Rates:

- State of Good Repair (SGR) & Minor Expansion (MIN): In order to provide predictability and to ensure projects are funded at a level sufficient for projects to move forward, a 68% match rate is proposed for all assets.
- Major Expansion (MAJ): The Revenue Advisory Board recommended a maximum match rate of 50% for major expansion projects.

Eligibility Criteria:

- Applications from agencies that exhibit poor fleet maintenance or asset management as documented in comparison to their local Transit Asset Management Plan or audit findings may be deferred until corrective actions are demonstrated.

Program Evaluation:

- DRPT will summarize the outcomes of implementation annually and will revisit the process at least once every three years. DRPT will consult with TSDAC, Transit Agencies, MPOs, and local government prior to making recommendations to the Commonwealth Transportation Board to modify the program.

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