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Virginia Department of Rail and Public Transportation

Update on Approach for Capital Program Prioritization

Revenue Advisory Board

March 8, 2017

Update on Prioritization

- Revised Structure/Approach to Prioritization
- Developed to a level of detail to support development of scenarios
- Ties State of Good Repair prioritization to existing asset management reporting/practices (state and federal)
- Intended to provide multi-year predictability

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Revised Structure for Capital Program Prioritization
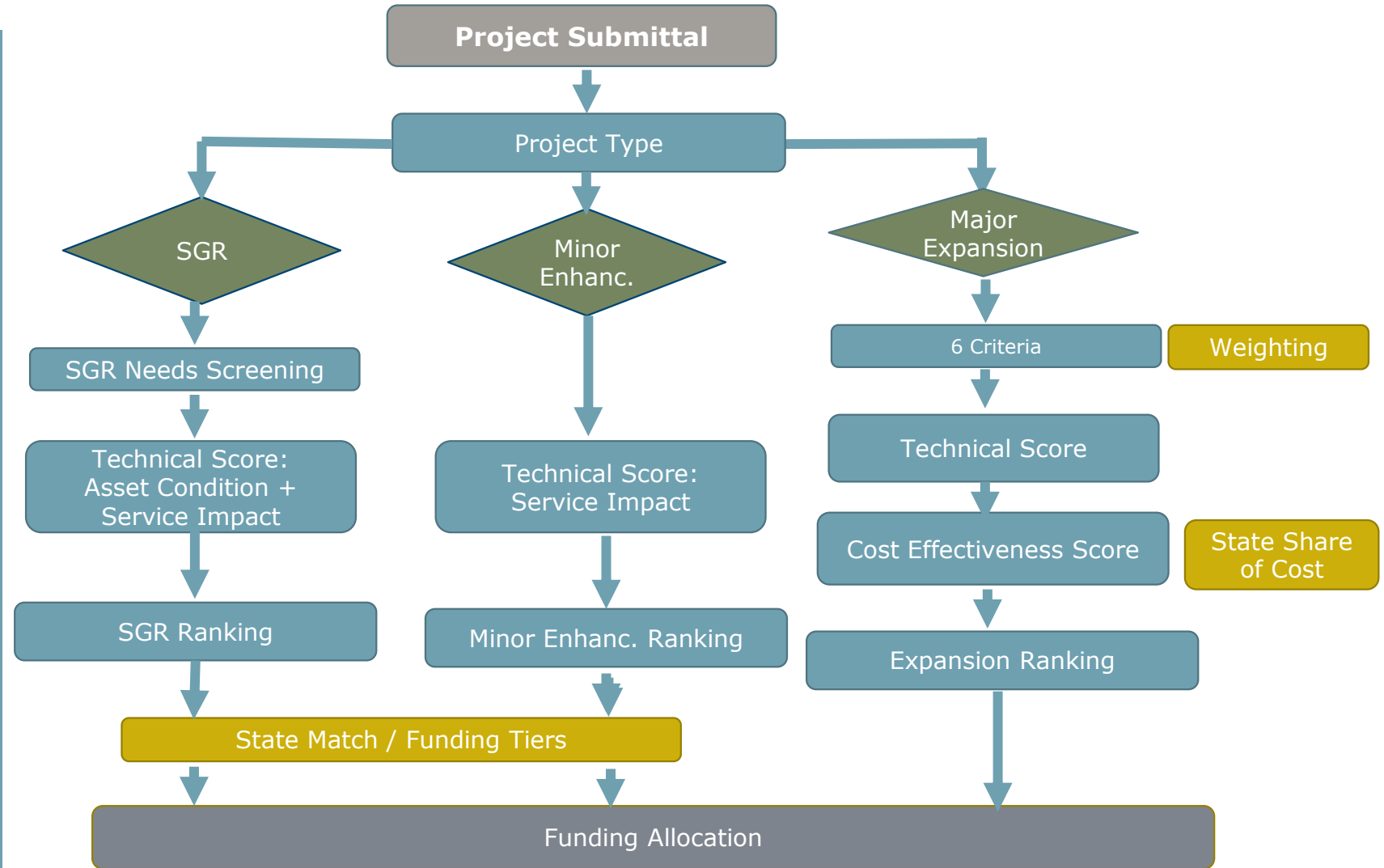
Illustrative Funding Methodology

	State of Good Repair and Minor Enhancement (70% - illustrative)		Expansion (30% - illustrative)
	SGR (90% - illustrative)	**Minor Enhancement (10% illustrative)**	
Funding Level	Minimum funding level (floor) for SGR Funding can be moved from expansion to SGR based on need		Funding level to be determined based on review of needs, funding can be moved to SGR but not from SGR to expansion
Prioritization Criteria	Asset Condition and Service Quality	Service Quality	6 Factor Areas (similar to Smart Scale)
Eligibility	<u>Asset Replacement</u> Vehicles Facilities/Equipment Technology	Fleet Increase< x% Facility expansion < x% Technology <x%	<u>Capacity Expansion</u> Capital for major service expansion > x% Major fleet expansion > x% Major facility expansion > x%
Sample Project Types	Replacement vehicles	Increasing spare vehicle ratio Technology to improve efficiency/operation	Capital for new routes New facilities w/increased capacity New fixed guideway
Illustrative State Match Rates	up to 80%	up to 80%	up to 50%

Project Types

- **State-of-Good Repair (SGR):** Projects/programs to replace or rehabilitate an existing asset

- **Minor Enhancement (ME)**: Projects/programs to add capacity, new technology, or a customer enhancement meeting the following:
  - Project costs less than $2 million, <u>OR</u>
  - Expansion vehicles: less than 5 vehicles or less than 5% of fleet

- **Major Expansion:** New projects/programs that add, expand, or improve service (greater than $2M)

Illustrative Funding Level

- Process assumes a split of funding between State of Good Repair and Expansion
- Minimum funding level would be established for SGR
  - Would need additional trend analysis to establish for implementation
- Minor enhancements would be prioritized separately, but included within the funding for SGR
- Funds could be diverted from expansion to SGR/Minor Enhancement to address peaks in demand
- SGR funds would not move to increase funding for expansion

State-of-Good Repair - Criteria

Asset Condition
60 points

+

Service Quality Impact
40 points

- Asset age and/or mileage
- Asset condition rating
- Local priority

- Service frequency & reliability
- Operating efficiency
- Customer experience
- Safety and security

- For SGR replacement-type projects, potential benefit score of up to 100 points

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Minor Enhancement - Criteria

Service Quality Impact

40 points

- Service frequency & reliability
- Operating efficiency
- Customer experience
- Safety and security

- For Minor Enhancement projects, potential benefit score of up to 40 points

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Service Quality Ratings (40 pts)

Criteria	High (10)	Medium (5)	Low (1)	No Impact (0)
Service Frequency, Travel Time and/or Reliability (10 pts)	Speeds up transit routes or allows for increased frequency. Significant impact on reliability either through preventing breakdowns or removing vehicles from mixed traffic	Moderate positive improvement	Marginal or low improvement	No (or negative) impact
Service Operating Efficiency (10 pts)	Provides for significantly more cost-effective provision of service	Moderate positive improvement	Marginal or low improvement	No (or negative) impact
Service Accessibility and/or Customer Experience (10 pts)	Significant improvement in a customer's ability to access the system or a significant improvement in the ease of use of the system.	Moderate positive improvement	Marginal or low improvement	No (or negative) impact
Safety and Security (10 pts)	Provides a significant improvement in safety or security	Moderate positive improvement	Marginal or low improvement	No (or negative) impact

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Expansion Projects - Criteria

Criteria	Measures
Congestion Mitigation	Incremental Increase in Ridership
Economic Development	Project Support for Economic Development
Accessibility	Access to Jobs Access to Jobs by Disadvantaged Persons Access to Multimodal Choices
Safety	Direct Safety Benefit (presence of safety features)
Environmental Quality	Air Quality and Environmental Effect (based on new ridership)
Land Use	Transportation-Efficient Land Use

Scenarios for Evaluation

- Propose evaluation of six scenarios
- Three variables for state match rate:
  - 80% illustrative state match rate
  - Application of current tiers as state match rates
  - State match rate needed to fund all SGR projects
- Two variables for funding level:
  - "Base Case"
  - Additional funding – assuming additional funds are provided to fill funding gap, with no program growth
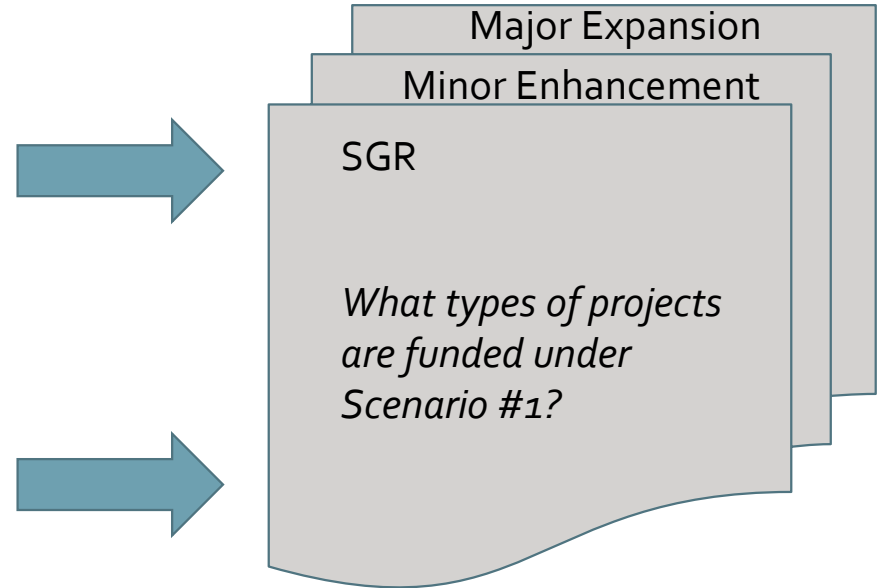
Scenarios for Evaluation

- Prioritization scoring will be tested using example projects
- Ranking of example projects will be used to indicate types of projects likely to be funded under different funding scenarios

SGR – Example projects ranked:
1. Vehicle replacement
2. Facility replacement
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Minor Enhancement – Example projects ranked:
1. Minor vehicle expansion
2. New scheduling software
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Major Expansion

Minor Enhancement

SGR

What types of projects are funded under Scenario #1?

Six-Year Improvement Program

Next Steps

- Trend analysis – program distribution between SGR and Expansion
- Confirmation of project categorization – SGR, minor enhancement, expansion
- Evaluation of scenarios