



Virginia Department of Rail and Public Transportation

Illustrative Structure/Approach for Capital Program Prioritization

Revenue Advisory Board

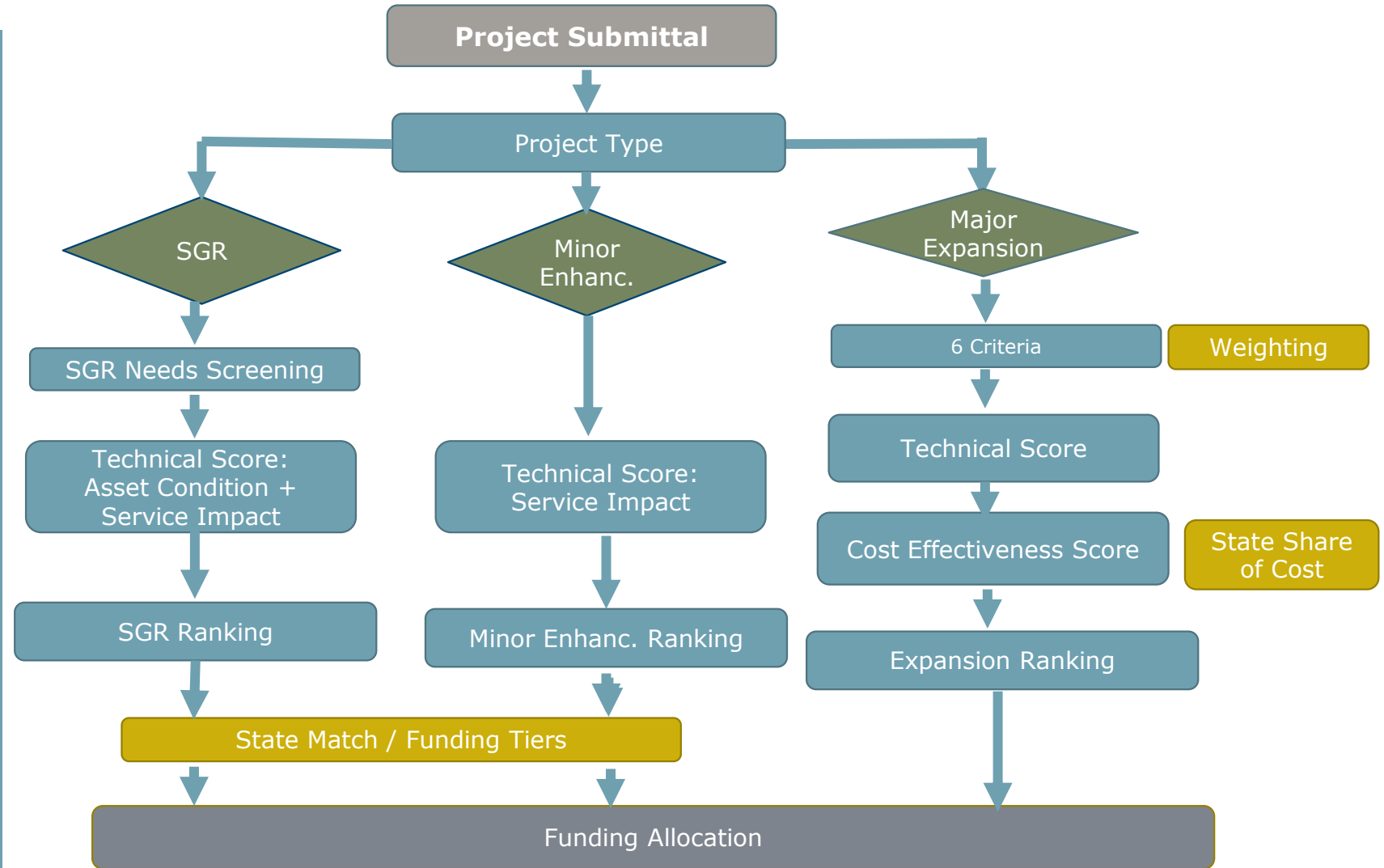
April 28, 2017

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, OR
 - 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)



Revised Structure for Capital Program Prioritization



State-of-Good Repair – Illustrative 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



Minor Enhancement – Illustrative 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

Scenarios for Evaluation

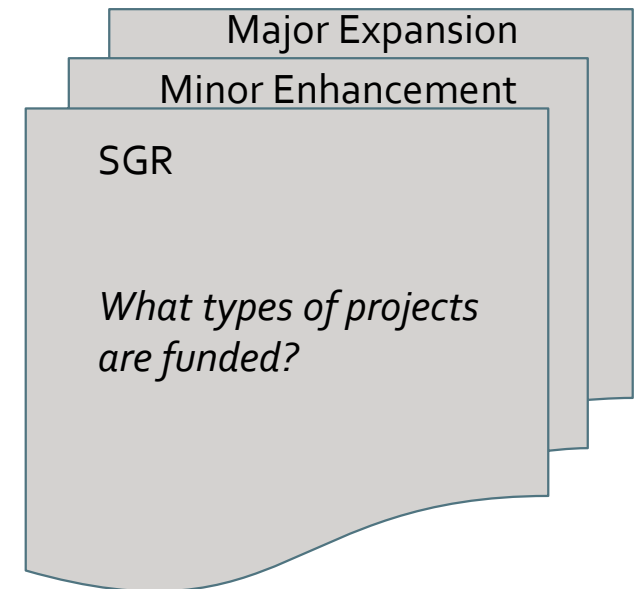
- Prioritization scoring was tested using example projects
- Ranking of example projects indicated types of projects likely to be funded under different funding scenarios

SGR – Example projects ranked:

1. Revenue vehicle replacement
2. Replacement of technology for operations

Minor Enhancement – Example projects ranked:

1. Minor revenue vehicle expansion
2. New technology for operations



Six-Year Improvement Program



Limitations to Testing of Prioritization Process



- Schedule and resources only allowed for application of prioritization process to set of example projects, not the entire SYIP
- Application of average scores from example projects illustrates that under limited funding scenarios, some projects will be funded and others will not
- In practice, prioritization scores will be assigned to *individual projects*, not to *project subtypes*
- The rank ordering of project sub-types based on average score should not be viewed as predicting the ultimate ordering of individual projects
- Scenario analysis did not indicate any fatal flaws with the illustrative process based on sample projects/subtypes

Next Steps for Prioritization

- Document illustrative prioritization process for inclusion in the final report
- Reconvene to continue development of the prioritization process for potential implementation, in coordination with CTB



Next Steps

- Revenue Advisory Board will meet in March 8
 - Focus on revenue sources
 - Update from TSDAC on prioritization
- TSDAC will meet on March 31
 - Scenarios
 - Economic Analysis
 - Brief on revenue sources

