

Asset Management / Capital Needs Analysis

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Background

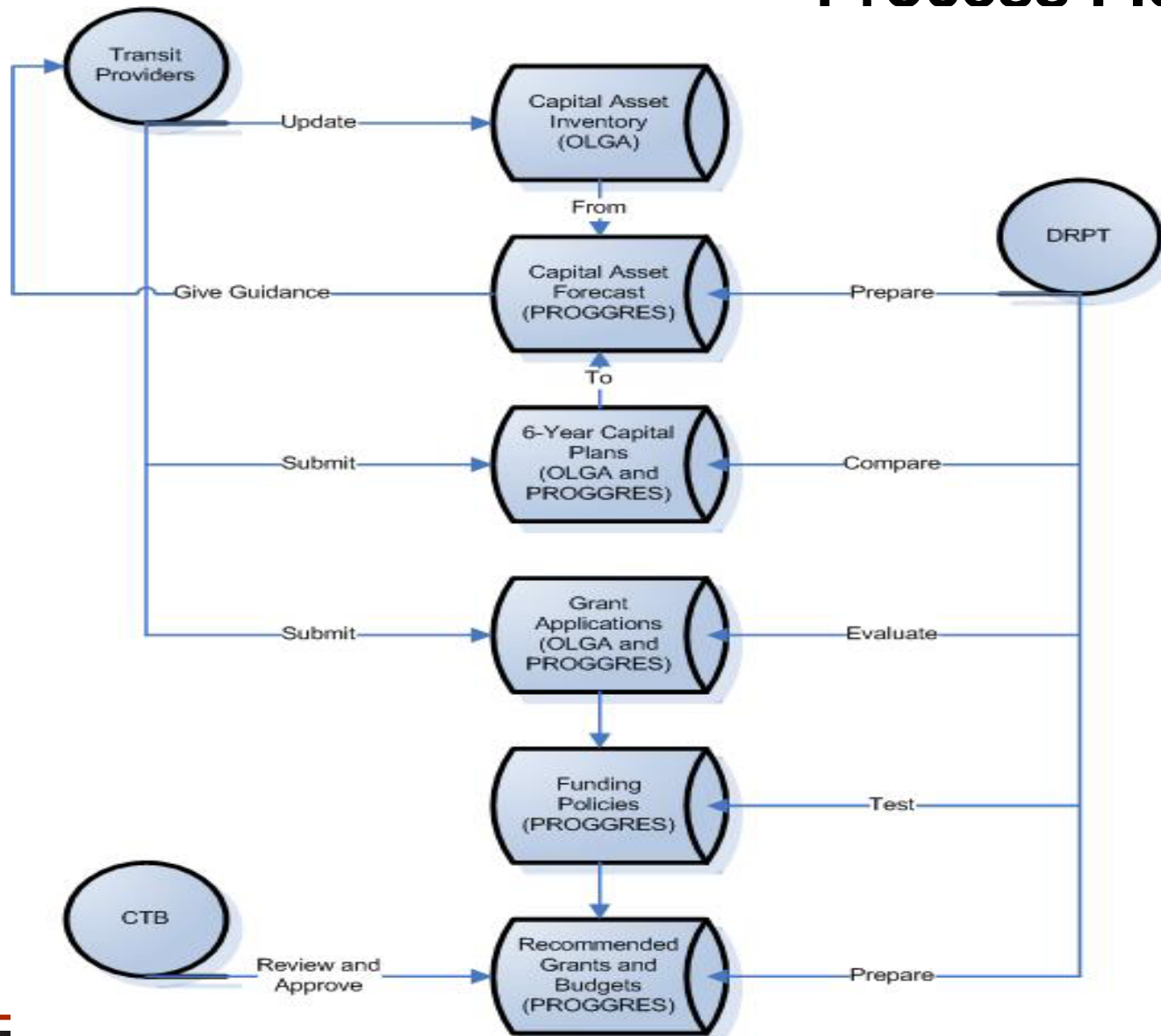
- ❑ Spring 2007 organizational assessment
 - Need to increase economic and financial benefit analysis capabilities, including ***managing assets*** and measurement of statewide needs.
 - Allocation by CTB in April 2007 for development of an asset management process.
 - Transit Sustainability Policy
 - “ The asset management system shall support the development of a statewide transit and human service capital replacement and improvement program. “

Asset Management Definition and Key Principles

- ❑ Definition - A strategic and systematic process of operating, maintaining and expanding physical assets effectively through their life cycle.

- ❑ **Key Principles**
 - Policy-driven
 - Performance-based
 - Analysis of options and tradeoffs
 - Decisions based on quality information
 - Monitoring to provide clear accountability and feedback

Asset Management Business Process Flowchart



Asset Management System Functionality

- ❑ Forecasting of capital needs

- ❑ Analysis of funding scenarios

- ❑ Evaluation of grant applications
 - Comparison of calculated needs to capital applications
 - More accurate information for the Six-Year Improvement Plan

Capital Needs

Activities Grantees Rolling Stock Approach

FTA CODE	ACTIVITY NAME	2009	2010	2011	2012	2013	2014
11 . 12 . XX	Bus, Rolling Stock, Replacement	\$ 12,030	\$ 14,238	\$ 15,071	\$ 34,502	\$ 15,719	\$ 19,360
12 . 12 . XX	Rail, Rolling Stock, Replacement	\$ 4,312	\$ 5,738	\$ 7,516	\$ 14,041	\$ 7,497	\$ 6,795
1X . 2X . XX	Transitway Lines (All)	\$ 342	\$ 146	\$ 905	\$ 109	\$ 259	\$ 449
1X . 3X . XX	Station Stops/Terminals (All)	\$ 567	\$ 970	\$ 873	\$ 809	\$ 189	\$ 405
1X . 4X . XX	Support Facilities & Equipment	\$ 463	\$ 375	\$ 583	\$ 585	\$ 988	\$ 304
1X . 5X . XX	Electrification/Power Dist.	\$ 261	\$ 128	\$ 965	\$ 59	\$ 604	\$ 703
1X . 6X . XX	Signal & Communication	\$ 517	\$ 53	\$ 389	\$ 371	\$ 113	\$ 845
1X . 7X . XX	Other Capital Needs	\$ 902	\$ 581	\$ 917	\$ 348	\$ 478	\$ 332

EXAMPLE

Capital Budgets

Print

Activities Grantees Rolling Stock Approach

FTA CODE	ACTIVITY NAME		2009	2010	2011	2012	2013	2014
11 . 12 . XX	Bus, Rolling Stock, Replacement	Needs	\$ 29,040	\$ 13,520	\$ 27,190	\$ 19,495	\$ 21,070	\$ 18,340
		Budget	\$ 29,538	\$ 13,279	\$ 26,148	\$ 17,591	\$ 17,955	\$ 14,480
		Difference	\$ 498	\$ (241)	\$ (1,042)	\$ (1,904)	\$ (3,115)	\$ (3,860)
12 . 12 . XX	Rail, Rolling Stock, Replacement	Needs	\$ 12,083	\$ 6,152	\$ 9,280	\$ 8,697	\$ 9,449	\$ 6,493
		Budget	\$ 12,155	\$ 6,036	\$ 9,267	\$ 8,154	\$ 7,834	\$ 4,922
		Difference	\$ 71	\$ (116)	\$ (12)	\$ (543)	\$ (1,615)	\$ (1,571)
1X . 2X . XX	Transitway Lines (All)	Needs	\$ 698	\$ 762	\$ 421	\$ 503	\$ 579	\$ 695
		Budget	\$ 703	\$ 780	\$ 418	\$ 475	\$ 507	\$ 538
		Difference	\$ 6	\$ 18	\$ (3)	\$ (28)	\$ (73)	\$ (157)
1X . 3X . XX	Station Stops/Terminals (All)	Needs	\$ 516	\$ 838	\$ 255	\$ 998	\$ 797	\$ 140
		Budget	\$ 528	\$ 825	\$ 244	\$ 918	\$ 691	\$ 105
		Difference	\$ 11	\$ (13)	\$ (11)	\$ (81)	\$ (105)	\$ (35)
1X . 4X . XX	Support Facilities & Equipment	Needs	\$ 392	\$ 941	\$ 739	\$ 556	\$ 838	\$ 57
		Budget	\$ 396	\$ 936	\$ 716	\$ 505	\$ 698	\$ 43
		Difference	\$ 3	\$ (5)	\$ (22)	\$ (51)	\$ (140)	\$ (14)
1X . 5X . XX	Electrification/Power Dist.	Needs	\$ 180	\$ 520	\$ 946	\$ 629	\$ 470	\$ 218
		Budget	\$ 181	\$ 513	\$ 930	\$ 587	\$ 406	\$ 174
		Difference	\$ 1	\$ (7)	\$ (16)	\$ (43)	\$ (65)	\$ (44)

Grant Policy

Policy Name:

MTTF Capital Assistance Funds (\$K)

Capital Bond Funds (\$K)

Funding Policy

FTA Activity	\$K Requested	Match %	\$K Granted
11.12.XX Bus, Rolling Stock, Replacement	\$111,789	52.5	\$ 58,689
12.13.XX Rail, Rolling Stock, Replacement	\$ 46,498	52.5	\$ 24,411
11.13.XX Bus, Rolling Stock, Expansion	\$ 8,423	10.0	\$ 842
12.13.XX Rail, Rolling Stock, Expansion	\$ 11,276	10.0	\$ 1,127
1X.4X.XX Buildings, Facilities & Equipment	\$ 28,020	10.0	\$ 2,802
12.XX.XX Station Stops & Transitways	\$ 8,027	10.0	\$ 802
12.XX.XX All Other Rail Infrastructure	\$ 4,270	10.0	\$ 427
1X.XX.XX All Other Capital Activities	\$ 6,005	10.0	\$ 600

Funds reserved for Facility Bank

Total Grants and Facility Bank

Funds Available

Uncommitted Funds Remaining

Screening Policy

Dimension	Range	Min. Value
AM Needs	0 to 10	<input type="text"/>
6-Yr Plan	0 to 10	<input type="text"/>
C/B Ratio	0 to 32.5	<input type="text"/>
\$ Benefits	0 to \$3.25M	<input type="text"/>
Readiness	0 to 10	<input type="text"/>
Other DRPT	-5 to +5	<input type="text"/>
Total Score	0 to 100	<input type="text"/>

Other Policies

- Fund alternative fuel buses based on the cost of a diesel bus (conserve funds)
- Bank Facility Costs over years

EXAMPLE

Asset Management

Key Outcomes

- ❑ Realistic short and long term capital needs forecast for improved budgeting
- ❑ Improved cost-effectiveness and use of available resources
- ❑ Lower long-term costs
- ❑ Streamlined capital grant application process
- ❑ Statewide asset information

Next Steps

- ❑ Finalize inventory and capital budget data
- ❑ Complete application testing and implementation
- ❑ Analyze needs projections and compare to grantee capital budgets
- ❑ Evaluate grant applications compared to needs data
- ❑ Develop capital allocations for FY2010-2015

Questions?