



MEMORANDUM

**TO:** Southwest Washington Regional Transportation Council Board of Directors  
**FROM:** Matt Ransom, Executive Director *MR*  
**DATE:** April 25, 2017  
**SUBJECT:** **Transit Asset Management Performance Targets**

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***AT A GLANCE – INFORMATION***

*This Memo provides background information on an action that will be asked of the RTC Board at the June 6, 2017 meeting. In June, the Board will be asked to approve C-TRAN’s initial Transit Asset Management State of Good Repair Performance Targets. They are part of the federal Performance Based Planning and Programming requirements instituted in MAP-21 as discussed in general at the August 2016 RTC Board meeting and with focus on safety measures at the April 2017 meeting. The May presentation will focus on the Transit Asset Management; the roles of C-TRAN and RTC, the timeline for compliance with the new federal requirements and C-TRAN’s initial State of Good Repair targets.*

**BACKGROUND**

The federal transportation act, MAP-21 (2012), instituted performance driven transportation planning and decision making and these provisions were carried into the current federal transportation act, the FAST Act (2015). Provisions in MAP-21 are designed to improve performance of the transportation system through improved measurement and management. National performance goals established in MAP-21 and carried into the FAST Act include: safety; infrastructure condition; congestion reduction; system reliability; freight movement; economic vitality; environmental sustainability; and a reduction in project delivery delays.

The transition to a performance and outcome-based transportation program is designed to work toward achieving these national goals by having states, MPOs and transit agencies monitor and report on transportation system performance to inform the decision making process and invest resources in projects to achieve individual targets that collectively will make progress toward national goals.

Of the seven national goals, public transit agencies must take specific actions to address the first two; safety and infrastructure condition. This Memo focuses on infrastructure condition with development of initial performance measures and targets for Transit Asset Management (TAM) State of Good Repair (SGR).

**TRANSIT ASSET MANAGEMENT AND STATE OF GOOD REPAIR**

The Federal Transit Administration (FTA) published the Transit Asset Management (TAM) Final Rule in the Federal Register on July 26, 2016. The purpose of the Final Rule is to help achieve and maintain a State of Good Repair (SGR) for the nation’s public transportation assets.

Transit asset management is a business model that uses transit asset condition to guide the optimal prioritization of funding.

The State of Good Repair is the condition in which a capital asset is able to operate at a full level of performance. A capital asset is in a state of good repair when that asset is able to perform its designed function, does not pose a known unacceptable safety risk and its lifecycle investments must have been met.

FTA's TAM requirements include:

- Inventory of all capital assets
- Assessment of capital asset condition
- Development of decision-support tools
- Prioritization of capital investments
- Development of TAM Plan and SGR policy
- Description of TAM activities
- Documentation of required resources
- Documentation of how TAM is monitored and updated

Transit Asset Management Plan (TAMP) requirements vary by size of the transit agency. C-TRAN is classified as a Tier 1 transit agency as it has more than 100 vehicles operating at peak service times.

The current discussion and forthcoming action focuses on initial State of Good Repair targets.

#### **TIMELINE, INCLUDING ROLES OF C-TRAN AND RTC**

New Transit Asset Management (TAM) measures require C-TRAN and RTC to coordinate and establish initial State of Good Repair (SGR) performance targets. Key dates for the target-setting, Transportation Asset Management Plan development and related activities are listed in the following table overleaf:

<b>Key Dates: Transit Asset Management Performance Targets</b>	
<b>Date</b>	<b>Description</b>
<b>2012</b>	
July 6	<ul style="list-style-type: none"> <li>• Moving Ahead for Progress in the 21st Century Act (MAP-21) signed into law requiring rules to establish performance measures</li> </ul>
<b>2016</b>	
July 26	<ul style="list-style-type: none"> <li>• Federal Transit Administration published the Transit Asset Management (TAM) Final Rule</li> </ul>
December 13	<ul style="list-style-type: none"> <li>• C-TRAN Board reviewed TAM State of Good Repair Initial Performance Targets</li> </ul>
<b>2017</b>	
By January 1	<ul style="list-style-type: none"> <li>• C-TRAN to develop TAM State of Good Repair Performance Targets</li> </ul>
Within 180 days (at June 6 RTC Board meeting)	<ul style="list-style-type: none"> <li>• RTC, as MPO, establishes regional TAM SGR Performance Targets and submits to WSDOT</li> </ul>
By October 1	<ul style="list-style-type: none"> <li>• WSDOT establishes statewide target</li> </ul>
<b>2018</b>	
By October 1	<ul style="list-style-type: none"> <li>• C-TRAN to establish Transportation Asset Management Plan to cover 4 years</li> </ul>
Updated On or After October 1	<ul style="list-style-type: none"> <li>• RTC must reflect Transit Asset Management performance measures and targets in the RTP and TIP</li> </ul>
By October 1	<ul style="list-style-type: none"> <li>• C-TRAN completes initial Transportation Asset Management Plan to be updated every 4 years but can be amended at any time</li> </ul>
<b>Future Years</b>	
	<ul style="list-style-type: none"> <li>• C-TRAN submits annual reports (an Asset Inventory Module (AIM)) to the National Transit Database (NTD) and sets performance targets for the upcoming fiscal year</li> </ul>

As noted in the table above, C-TRAN reviewed SGR initial targets with its Board on December 13, 2016 to meet the January 1, 2017 deadline. Within 180 days of C-TRAN establishing targets, RTC must follow-up to establish regional targets. These performance measures and targets must be reflected in any Regional Transportation Plan or Transportation Improvement Program adopted by the Metropolitan Planning Organization (MPO) on or after October 1, 2018.

For both the C-TRAN Board and the RTC Board, Transit Asset Management and State of Good Repair will become a regular agenda item as targets are reviewed and updated annually. C-TRAN’s annual reporting to FTA’s National Transit Database (NTD) will include: 1) projected targets for the next fiscal year; 2) condition assessments and performance results; and 3) a narrative report on changes in transit system conditions and the progress toward achieving previous performance targets.

**C-TRAN’S INITIAL TRANSIT ASSET MANAGEMENT STATE OF GOOD REPAIR PERFORMANCE TARGETS**

The FTA provides four different methods that can be used to determine whether transit assets are in a State of Good Repair. They range from simple age-based to condition based, performance based to a comprehensive assessment that may include age, reliability and maintenance history. The more comprehensive method tends to be more accurate but requires greater resources to develop and update.

C-TRAN staff has considered Transit Asset Management for the three required asset categories of: 1) rolling stock, 2) facilities and 3) equipment. After discussion between transit staff and coordination with RTC, C-TRAN established the targets summarized in the table below and RTC is recommended to establish the same.

The targets include 80% of C-TRAN’s vehicles being within their useful life or younger. 70% of facilities should rate greater than or equal to 3 on the Transit Economic Requirements Model (TERM) scale; a fairly simple condition scale ranging from 1 which is excellent or nearly new condition to 5 which is poor condition with components needing immediate replacement or with significant deterioration. **C-TRAN believes these SGR targets represent a practical balance between capital requirements, safety and the reliability and maintenance costs of the asset.**

State of Good Repair (SGR) Performance Target	
Category	Target
Rolling Stock	80% of Each Vehicle Class within Useful Life Benchmark
Facilities	70% of Each Facility Class >=3 on Transit Economic Requirements Model (TERM) Scale
Equipment	70% of Each Equipment Class within ULB

The Useful Life Benchmark (ULB) is the expected lifecycle of a capital asset for a particular transit provider’s operating environment or the acceptable period of use in service for a particular transit provider’s operating environment.

With the introduction of the TAMP, the FTA now recognizes 2 different replacement schedules; grant eligible and Useful Life Benchmark. C-TRAN has experience in using the grant eligible schedule which is the life FTA requires of grant-funded vehicles, for example a larger coach would be expected to serve fixed route service for 12 years. With development of the

Transportation Asset Management Plan, transit agencies can now use a Useful Life Benchmark. The ULB can be set by the transit agency and does not need to tie to grant eligible dates.

Using ULB, the transit agency must monitor the condition of the asset and allow time for replacement, through the procurement process and the asset’s production. C-TRAN has typically been replacing larger vehicles in 16 years and so having a ULB of 14 years would allow time to plan for replacement. C-TRAN’s benchmarks are consistent with what is emerging as the industry norm with use of the ULB. The table below provides a comparison of the two replacement schedules.

<b>Comparison of Replacement Schedules</b>		
<b>Vehicle Type</b>	<b>Useful Life Benchmark (ULB) (Years)</b>	<b>Grant Eligible (Years)</b>
Bus (35'+)	14	12
Bus (<29')	14	10
Cutaway	10	5
Sienna	7	4

**NEXT STEPS**

The Transit Asset Management, State of Good Repair Performance Targets for C-TRAN will be presented to the RTC Board at the May 2 meeting and the Board will be asked for concurrence at the June 6 meeting. Following RTC Board concurrence, the initial SGR targets will be forwarded to WSDOT as part of the federal Performance Based Planning and Programming process.

The Board will be updated at least annually as targets are reviewed and potentially amended and the Transportation Asset Management Plan (TAMP) will be reviewed. The RTC Board will be engaged in all facets of compliance with Performance Based Planning and Programming as the measures and targets are integrated into RTC’s Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP).