U.S. Department of Transportation
Federal Transit Administration
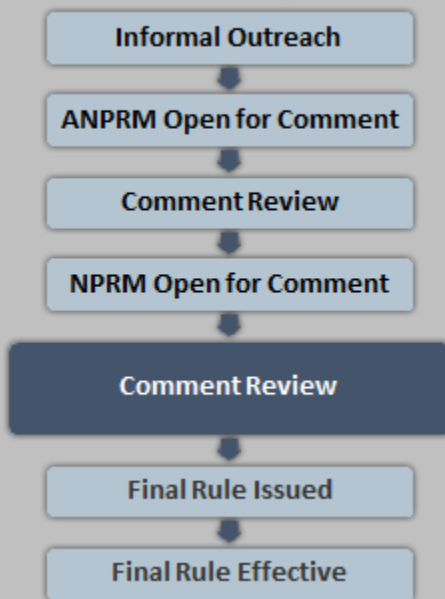
Transit Asset Management Newsletter

Winter 2016

The purpose of FTA's Transit Asset Management (TAM) newsletter is twofold: to keep you up to date on our office's asset-management initiatives (as a complement to our web site and email alerts), and to create a forum for communication for all of us in the industry to share information, so that we can learn from each other.

The topic for the next edition is TAM at small providers. Please share any useful processes that your agency has adopted or let us know if there is any related topic that you would like to know more about. Email us at:

TAMNews@dot.gov

FTA Rulemaking Process

- Informal Outreach
- ANPRM Open for Comment
- Comment Review
- NPRM Open for Comment
- **Comment Review**
- Final Rule Issued
- Final Rule Effective

The TAM rulemaking process is currently in the comment review stage, as shown in the diagram above.

Developing an Asset Inventory

The basis of any effective TAM plan is high quality data collected and updated through an asset inventory. This issue of TAMNews provides an introduction to asset inventories, highlights Greater Bridgeport (CT) Transit's asset inventory development, and provides useful resources for agencies considering their own asset inventory practices.

GBT multimodal transportation center

Federal transportation law requires transit agencies receiving federal funds to develop an inventory of capital assets. Transit agencies throughout the country are at varying stages of developing inventories, with some agencies struggling to navigate the process and make the necessary decisions about what data to collect and when and how to collect it.

Greater Bridgeport Transit (GBT) is developing a new asset inventory system in response to MAP-21 requirements, the proposed TAM rule, and a need for higher quality data to manage its assets effectively. On an average weekday, GBT provides approximately 21,000 unlinked trips, with 62 vehicles operating at peak service on fixed-route and demand responsive services. Based on the proposed rule,

GBT would be categorized as a Tier II system, since it has fewer than 100 revenue vehicles and no rail service.

Asset Inventories at GBT

GBT has long maintained an inventory of capital assets as a part of its financial planning process; at first the inventory consisted of the asset description, a location, the origin of the purchase, the original cost, and source of funding, all recorded on index cards. While this limited information benefitted the capital planning process, it did not include additional data necessary to make it useful for operations planning. The system has since evolved into a database with detailed information about how assets were acquired, warranty information, and a general condition assessment for rolling stock and other items. The finance staff maintains the database, and oversees inventory data collection every two years. The inventory currently contains information on all assets worth over $300.

GBT asset inventory card from 1980

For some assets, the maintenance staff keeps more detailed condition data. The finance staff verifies the accuracy of the data when adding it to the centralized database to ensure that there is one location with accurate data for all assets. Though condition data has been available, it has not been used to inform decisions about asset replacement. In the past, assets have often been used until they approached failure or failed. The need to replace assets can unexpectedly interrupt the budgeting process, diverting funds from activities for which they were originally planned.

State of Good Repair Grants (5337)

With an estimated 40 percent of buses and 25 percent of U.S. rail transit assets considered to be in marginal or poor condition, helping transit agencies maintain bus and rail systems in a state of good repair remains an FTA priority. The FAST Act increased annual funding for FTA's State of Good Repair (5337) program for rail from $2.1 billion to $2.5 billion.

Fact Sheet

SGR Grant Program Guidance and Application Instructions

Comment period open for proposed National Public Transportation Safety Plan

The proposed National Public Transportation Safety Plan can be viewed at http://www.regulations.gov. The docket number is FTA-2015-0021-0001. Comments are due April 5, 2016.

Traditionally, GBT conducted capital planning and programming based primarily on periodic "capital calls," requesting information from department leaders regarding upcoming capital needs and developing its capital program generally based on the age and mileage of assets.

To prepare for implementing MAP-21 and FTA's proposed TAM rule requirements; GBT has begun to develop a more robust asset inventory process. Complying with the MAP-21 data reporting requirements will require GBT to collect additional asset data, which agency staff generally views as useful information to maintain. GBT has already identified the resources to develop the more robust inventory. The finance department staff will continue to lead inventory activities, working with staff from other departments who are more familiar with the asset classes. As a system that would be categorized as Tier II under the proposed rule, the outline for GBT's Asset Management Plan currently includes:

- Assignment of an accountable executive to the asset inventory program;
- An updated definition of state of good repair (SGR);
- Objective standards for determining SGR;
- An updated inventory including a more detailed condition assessment and expected performance standards;
- An inventory for three classes of assets including rolling stock, facilities, and equipment; and
- Development of performance measures by asset class.

While the current inventory supports the current decision-making process, additional data will allow GBT to measure progress toward the performance standards it is in the process of developing. The focus on state of good repair and useful life benchmark will create a more predictable and orderly process for asset replacement and procurement and will supplement the "capital call" process. This shift in focus, coupled with the lessons GBT has learned from the development of current practice, has led several senior staff members to predict that the new inventory practices will help save the agency money.

Lessons Learned

- An inventory can grow organically—it does not have to be set in stone after its first iteration.
- Combining data collection with already existing processes can save time and resources.
- Agencies should consider the purpose of each data element being collected. Even very detailed data might not be useful if it is not on the right subject or in the right format, and poor data can lead to large, unexpected expenses.
- The proposed TAM rule presents an opportunity to rethink processes more broadly. A well-thought-out asset inventory program can yield significant benefits.

Conclusion

GBT's asset inventory was designed to meet the needs of its finance department. The original purpose of the inventory was not focused on planning for SGR or asset replacement, and therefore has not collected data for that purpose. The reporting requirements in the proposed TAM rule have prompted GBT to rethink what data it collects and why. The agency is in the process of developing a new asset inventory method to meet the new requirements and create a more orderly and predictable asset management system. Though significantly more data will be collected in the future, the new inventory process will not require hiring new staff nor a significant amount of additional resources.