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**FEBRUARY 11, 2016**

**TO: BOARD OF DIRECTORS**

**THROUGH: PHILLIP A. WASHINGTON** *PAW*  
**CHIEF EXECUTIVE OFFICER**

**FROM: GREG KILDARE** *GK*  
**EXECUTIVE DIRECTOR, RISK, SAFETY & ASSET MANAGEMENT**

**SUBJECT: TRANSIT ASSET MANAGEMENT/STATE OF GOOD REPAIR  
PROGRAM UPDATE**

**ISSUE**

This report provides an update on Metro's Transit Asset Management (TAM) activities leading to compliance with Moving Ahead for Progress in the 21st Century Act (MAP-21) requirements and recent accomplishments. TAM involves activities related to procuring, operating, maintaining, rehabilitating and replacing existing assets, such as equipment, systems, rolling stock, facilities and the capital infrastructure to keep them in a State of Good Repair (SGR), which is a condition where existing assets are able to operate at a full level of performance. The FTA is conducting a rulemaking process to implement direction to the US DOT Secretary to establish a system to monitor and manage public transportation assets to improve safety and increase reliability and performance, and to establish performance measures.

MAP-21 was signed into law in July 2012, placing new emphasis on restoring and replacing aging transportation infrastructure with a goal of bringing all transit systems into a state of good repair. Under the law, grantees are required to develop their own Transit Asset Management (TAM) plan, establish and use an asset management system to develop and prioritize capital asset inventories based on condition assessments, set performance goals and report annually on the condition of their system as a whole and progress towards meeting goals.

## STATUS UPDATE

Metro's Enterprise Transit Asset Management (ETAM) Department was created to develop, distribute, implement and administer a comprehensive, integrated and coordinated asset management program. Recent accomplishments include:

- **TAM Department** – Formally established and added to the Risk, Safety and Asset Management Department in May 2015;
- **TAM Plan** – In conjunction with a consultant, the TAM Plan was completed in July 2015. The plan was prepared to meet mandates in MAP-21 and ensure federal grant funding eligibility. It examines existing business processes and leading practices among our transit peers for areas to increase our TAM capabilities. Included are 25 action plans to address FTA requirements and to increase Metro's capabilities to perform the TAM related business processes. Further adjustments to the plan will be made after the FTA final rule is published;
- **Asset Inventory Database** – Approximately 13,000 records of 300,000 assets documenting Metro's \$13B capital asset base were updated by the various departmental "asset owners" in December 2015;
- **Long Range Planning Analysis** – Asset replacement needs in current 2015 dollars of \$18B over the next 40 years from the revised asset database were used to provide input to the current LRTP update process in November 2015. Previous input was provided for the 2014 Short Range Transportation Plan (SRTP) Analysis to develop \$4.8 Billion in SGR programming for the 10 year SRTP time frame;
- **Bridge, Tunnel & Structure Condition Assessments-PHASE I** – The first phase of inspections using consultants was underway in the fall of 2015 on the Red, Green, Blue and Gold Lines bridges and tunnels. Approximately 60% of the draft reports have been submitted to Metro for review. Some recommendations are being looked at as repairs to be performed expeditiously, in order to mitigate water intrusion issues;
- **Enterprise Asset Management System Replacement** – Metro's current maintenance management system – M3 is approaching the end of life and end of support by the vendor. The TAM department is currently providing input to the selection criteria to address Metro and FTA TAM requirements including automated inventory updates, condition and performance tracking, prioritization and planning capabilities;
- **Notice of Proposed Rulemaking (NPRM) for Transit Asset Management** – The TAM Department developed and submitted a comment letter under CEO signature to the FTA dated November 30, 2015. The comments addressed eight areas of concern with FTA's proposal: compliance costs are under-estimated, contracted services assets should not be included in agencies TAM plans, group TAM plan sponsorship should be voluntary, very small operators (<31 vehicles) should be exempt from TAM plans, timelines for compliance are too compressed and should be extended, there should be no additional requirements beyond those in the NPRM added in the final rule without another comment period.

## **NEXT STEPS**

Upcoming TAM activities include:

- Continuing implementation of Action Plans identified in TAM Plan
- Commence Rail Car Pilot Condition Assessment Program
- Complete Phase I and initiate procurement of Phase II Bridge and Tunnel Inspections
- Initiate Rail Communication Systems Condition Assessments
- Continue developing requirements for EAM system update
- Develop TAM prioritization linkages between long range planning and annual budget processes
- Continue updating the asset inventory database
- Continue developing and planning for condition assessments across all asset classes
- Increasing awareness of TAM goals and objectives across Metro
- Recommend and develop the resources needed to execute a robust State of Good Repair/Asset Management program
- Continue responding to the FTA's TAM rulemaking process and ensure Metro's TAM program complies with MAP-21 and final FTA rulemaking requirements

The ETAM Department will continue working with Metro's asset stakeholders to accomplish these activities and will report back to the Board of Directors, as needed, on safety and reliability risks with requests for associated mitigations that are not anticipated in the annual budget process.