



**Massachusetts Bay
Transportation Authority**

Capital Program Update

January 7, 2019



Outline of Presentation

1. Overarching Capital Program Goals
2. FY19 Overview
3. FY19 Key Performance Indicators (KPIs)
4. FY19 Year to Date Spending and Contract Awards
5. Challenges and Opportunities



Overarching Capital Program Goals

- **15-Year Goal** – Achieve a State of Good Repair (SGR)
- **5-Year Goal** – Execute \$8.0B FY19-23 CIP ... **\$6.7B in SGR**
- **FY19 Goal** –
 - Award \$1B in new construction and vehicle contracts
 - Deliver \$1B in capital improvements ... **\$850M in SGR**
- Deliver quality programs safely, on schedule and within budget



Capital Key Performance Indicators (KPIs) for FY19

Key Performance Indicator	FY17 Actual	FY18 Actual	FY19 Target
Total Capital Investment	\$811M	\$875M	\$1 billion
State-of-Good-Repair Capital Investment	\$709M	\$720M	\$850M
Capital Construction Contracts Awarded	\$328M	\$639M	> \$650M
Vehicle Procurement Contracts Awarded	New for FY19	New for FY19	\$300M
Percentage of FY19-23 CIP projects Underway/In-Progress	New for FY19	New for FY19	> 75%
% of FY19 CIP Delivered	New for FY19	New for FY19	95%



FY 19 Overview

Progress-to-Date:

- Capital spending through 12/31 is \$439M, 44% of our FY19 target.
- SGR spending through 12/31 is \$346M, 41% of our FY 19 target.
- The MBTA is on pace to award \$1B in new contracts this year.
 - Construction contract awards through 12/31 are \$291M.
 - Vehicle procurement contract awards through 12/31 are \$163M.

Challenges:

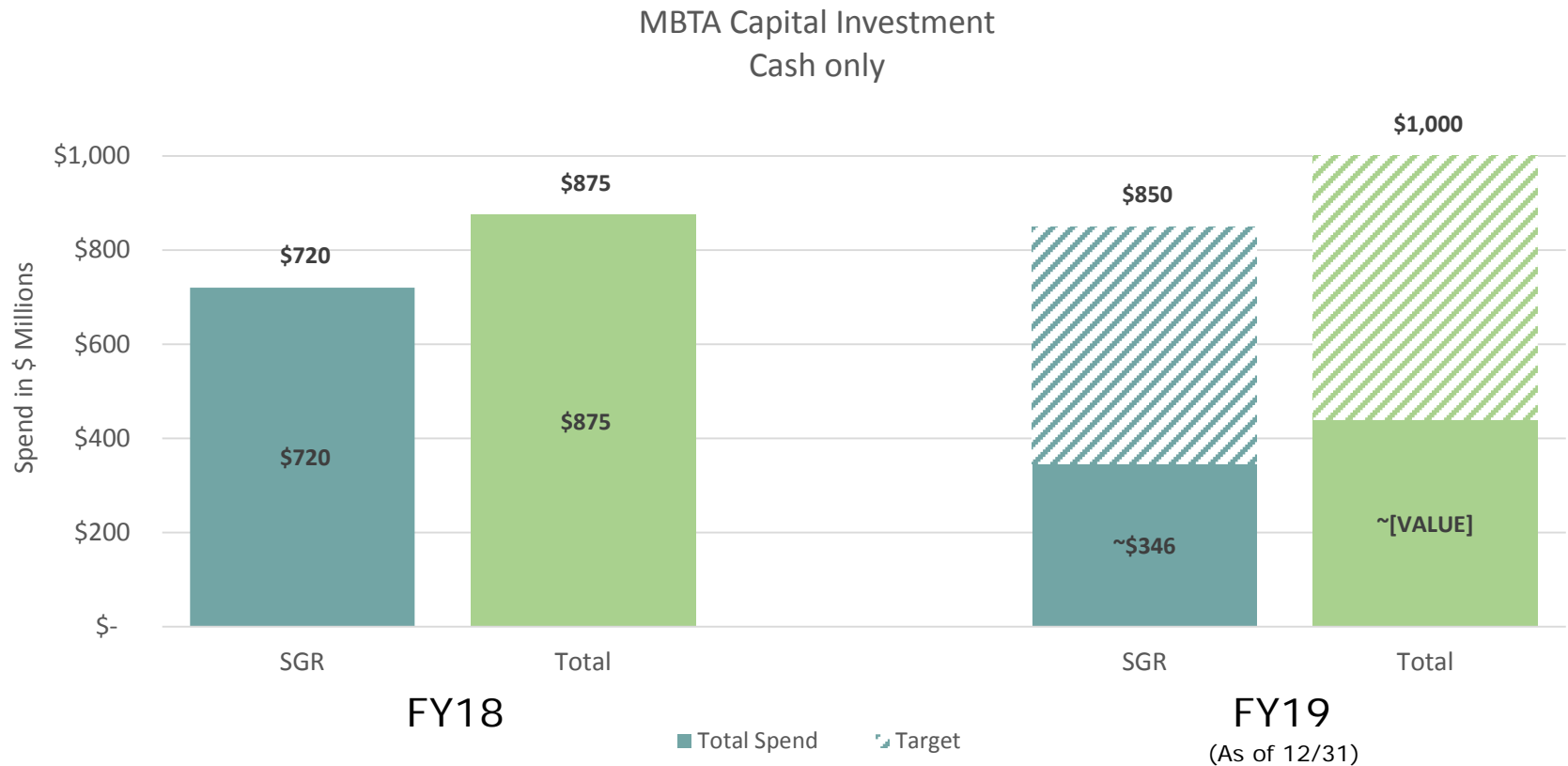
- Challenges to executing the MBTA's ambitious capital plan include decentralized project delivery, right of way access, capital resources, and contract procurement.

Accountability:

- MBTA Leadership team will conduct a review of capital spending and utilize a suite of management tools to accelerate investment based on the results of the review.



FY19 KPI: \$1B Total Capital Investment and \$850M SGR Capital Investment



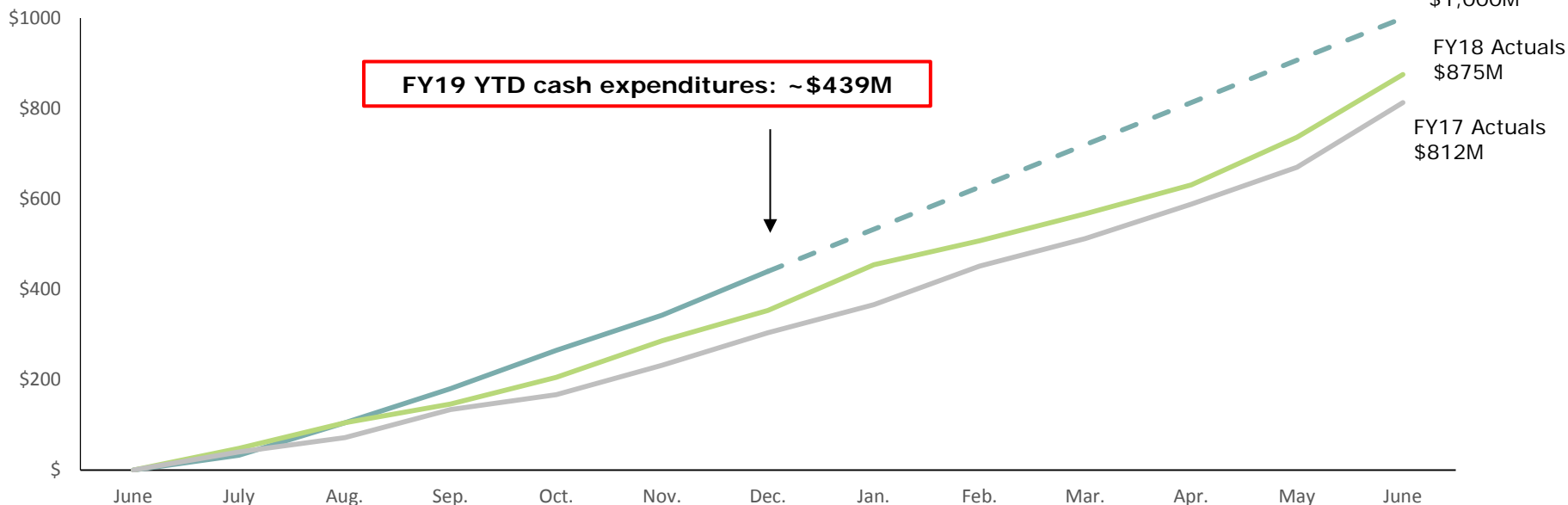
As of December 31, the MBTA invested \$439M in its capital program and achieved 44% of FY19 Target.
 Note: December accounting period has not closed as of the date of this presentation.



FY19 KPI: \$1B Total Capital Investment - YTD Total Spending vs. Previous Years

- FYTD dollars spent is ahead of the previous two years through 6 months.
- In FY17 and FY18, July-Dec. accounted for ~39% of the total FY spend, while the MBTA has currently achieved 44% of its FY19 goal of \$1B.

FY19 YTD cash expenditures: ~\$439M



MBTA Cumulative Capital Spending Actuals (\$M)

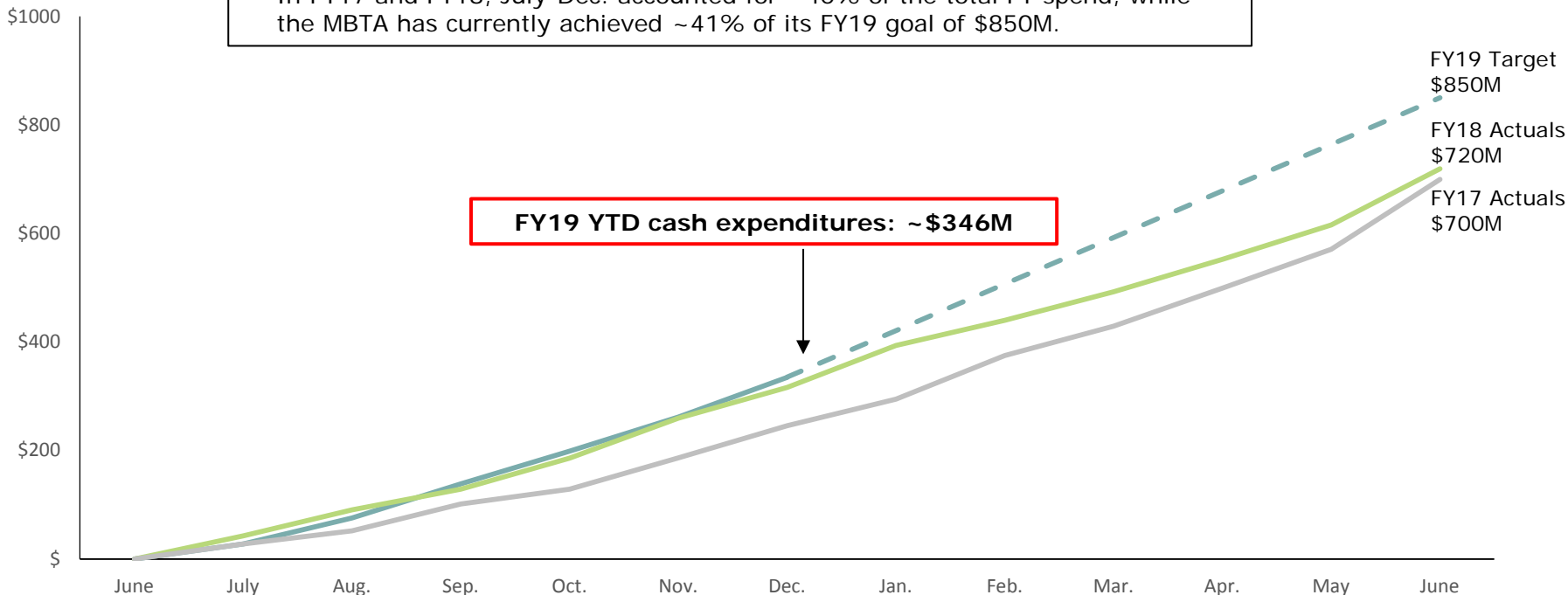
	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
FY19 (\$M)	\$33	\$105	\$180	\$265	\$343	~\$439						
FY18 (\$M)	\$48	\$105	\$146	\$205	\$286	\$353	\$454	\$507	\$567	\$631	\$736	\$875
FY17 (\$M)	\$40	\$72	\$134	\$167	\$232	\$304	\$366	\$451	\$512	\$588	\$670	\$813



FY19 KPI: \$850M SGR Spending - YTD Total SGR Spending vs. Previous Years

- FYTD SGR dollars spent is ahead of the previous two years through 6 months.
- In FY17 and FY18, July-Dec. accounted for ~40% of the total FY spend, while the MBTA has currently achieved ~41% of its FY19 goal of \$850M.

MBTA Capital Spending Actuals (\$M)



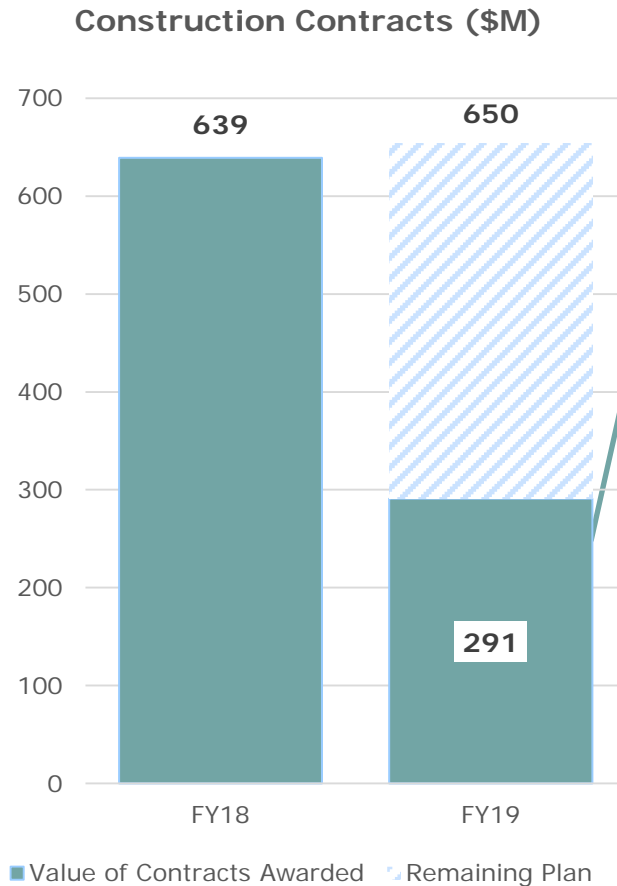
MBTA Cumulative Capital Spending Actuals (\$M)

	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
FY19 (\$M)	\$28	\$76	\$139	\$199	\$262	~\$346						
FY18 (\$M)	\$43	\$91	\$129	\$186	\$260	\$317	\$394	\$440	\$493	\$552	\$616	\$720
FY17 (\$M)	\$28	\$52	\$102	\$129	\$187	\$246	\$295	\$375	\$430	\$500	\$571	\$700



FY19 KPI: Award > \$650M in Capital Construction Contracts – Awarded-to-Date

Capital construction commitments entered in FY19 are building a strong pipeline of future work.

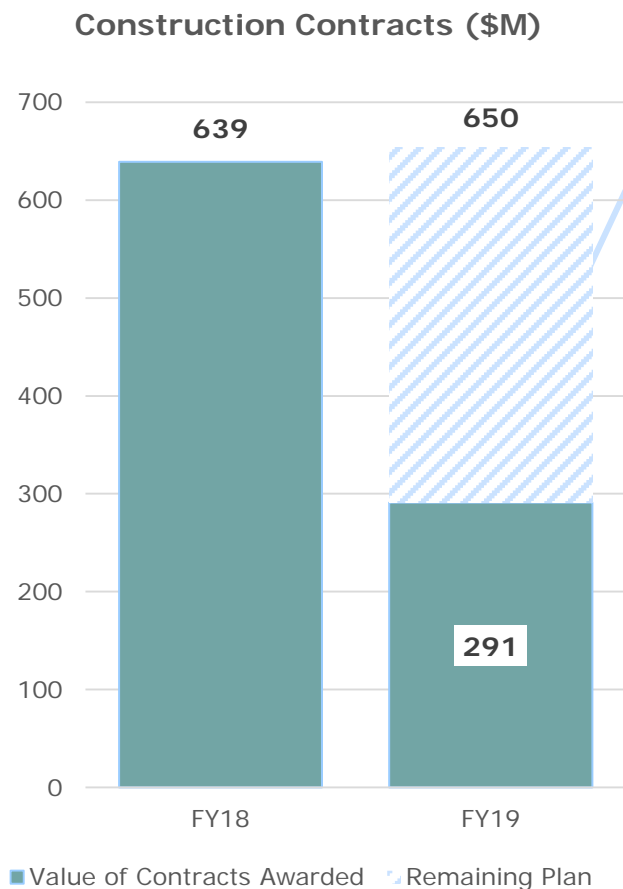


Awarded Construction Contracts	
Contract Description	Contract Value (M)
RL/OL Signals Upgrade Design-Build	\$218
Iron Horse Park OCC	\$33
On-Call Tunnel Repairs Systemwide	\$14
Quincy Adams Elevators	\$10
Structure Repairs Systemwide	\$7
Alewife Garage Repairs	\$6
Knowledge Corridor Station Platform and Canopy Extensions	\$3
Total	\$291



FY19 KPI: Award > \$650M in Capital Construction Contracts – Planned for FY19

Capital construction commitments entered in FY19 are building a strong pipeline of future work.

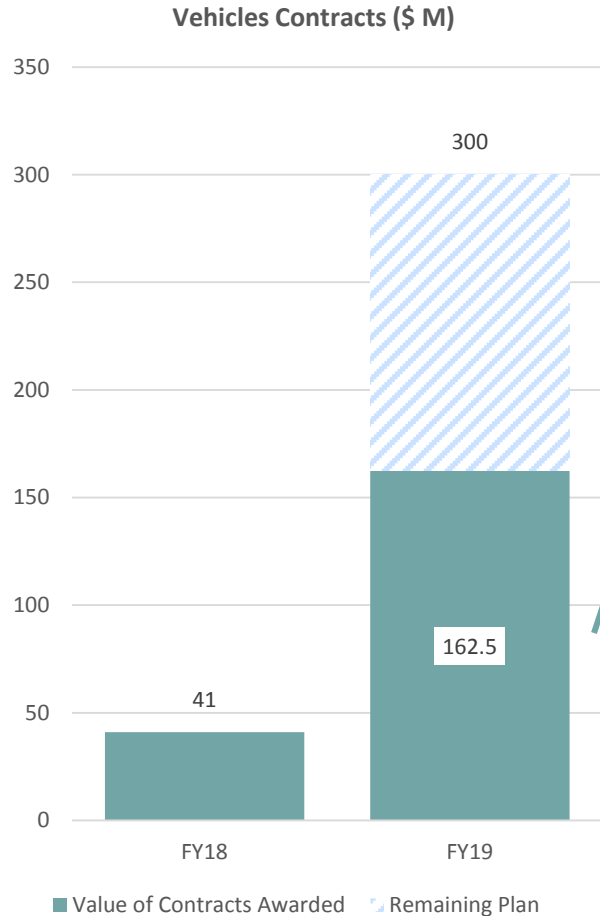


Anticipated Construction Contracts	
Contract Description	Value (M)
Commuter Rail North Side ATC Design-Build	\$205
Rail Bridge Replacement Design-Build	\$102
AFC 2.0 Installation Design-Build	\$49
Chelsea Commuter Rail Station	\$27
North Station Signal Improvements	\$25
Orange Line Tunnel Repairs	\$24
Franklin Double Track Infrastructure	\$21
Built-Up Roofing (7 Roofs)	\$17
Green Line Grade Crossings (27 Crossings)	\$15
Harvard Busway	\$15
Single Ply Roofing (6 Roofs)	\$14
Park Street Station & Wayfinding Improvements	\$12
Systemwide Transformer Replacement	\$12
Bus Stops (80 Bus Stops)	\$4
SCADA	\$3



FY19 KPI: Award \$300M in Vehicle Procurement Contracts- Awarded to Date

Vehicle commitments on pace to hit FY19 target.

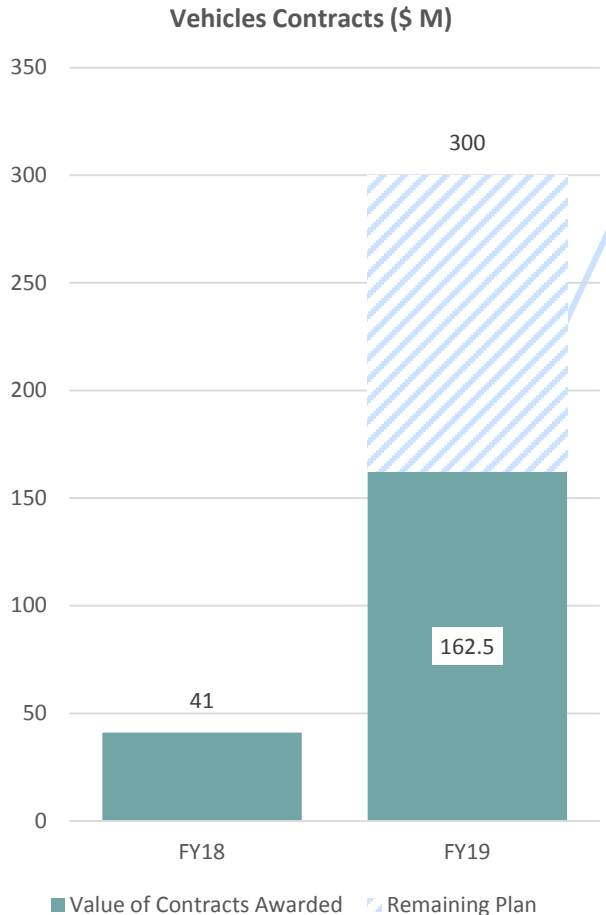


Awarded Vehicle Contracts	
Contract Description	Contract Value (M)
194 Hybrid Buses	\$150
New Bus Professional Services	\$12.5



FY19 KPI: Award \$300M in Vehicle Procurement Contracts- Planned for FY19

Vehicle commitments on pace to hit FY19 target.

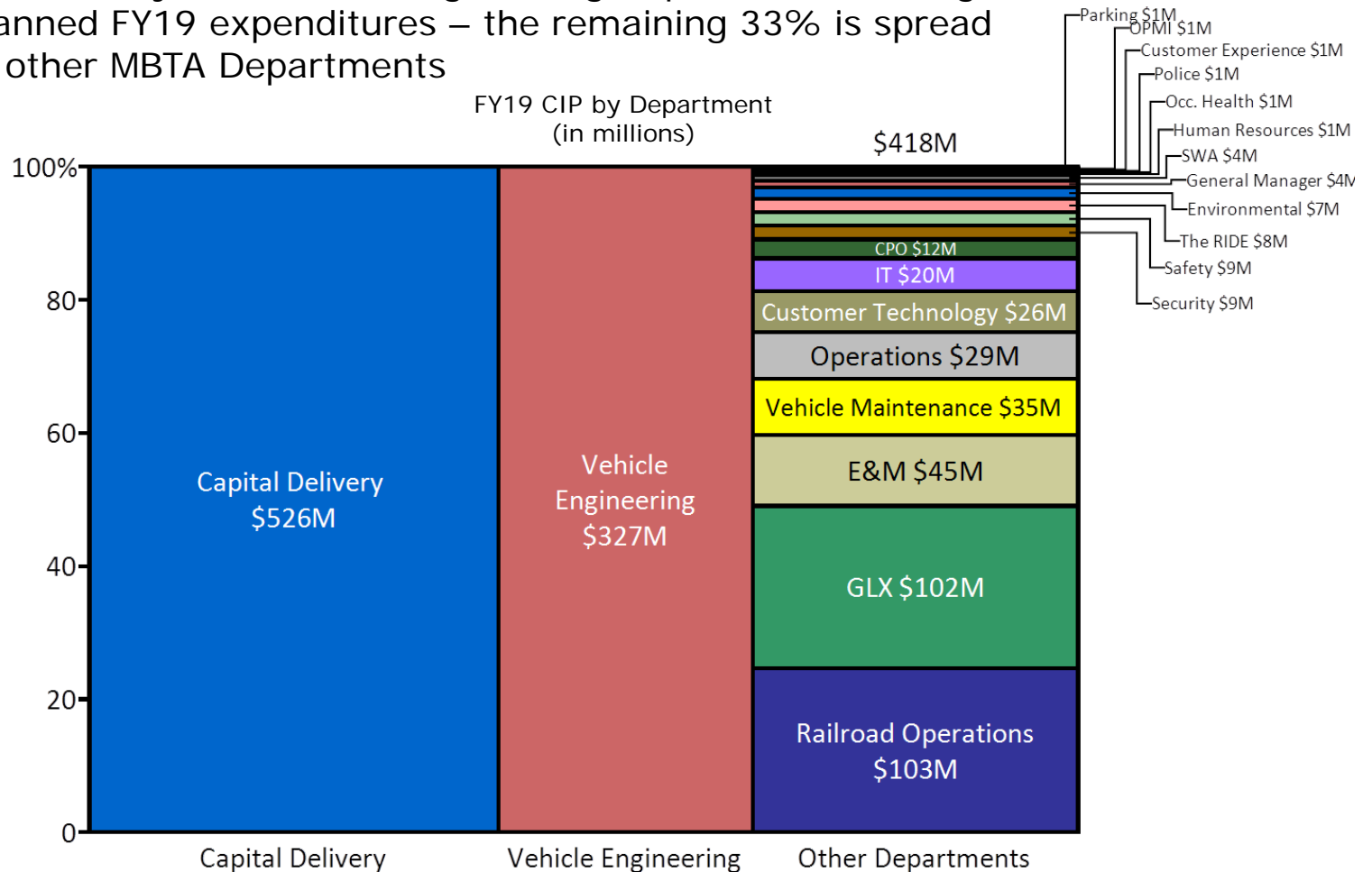


Anticipated Vehicle Contracts	
Contract Description	Contract Value (M)
5 LoNo Bus Procurement	\$13
Mid-Life overhaul-25 New Flyer hybrid 60 ft bus	\$13
Professional Services for future bus overhauls	\$11
Commuter Rail Bi-level Coaches	TBD
Professional Services Bi-level Coaches	\$10
33 Bi-level Coach - overhaul	\$57
Professional Services Bi-level Coach - overhaul	\$8
Green Line Train Protection vendor	\$130



Challenge: Execution of the MBTA Capital Program is relatively decentralized

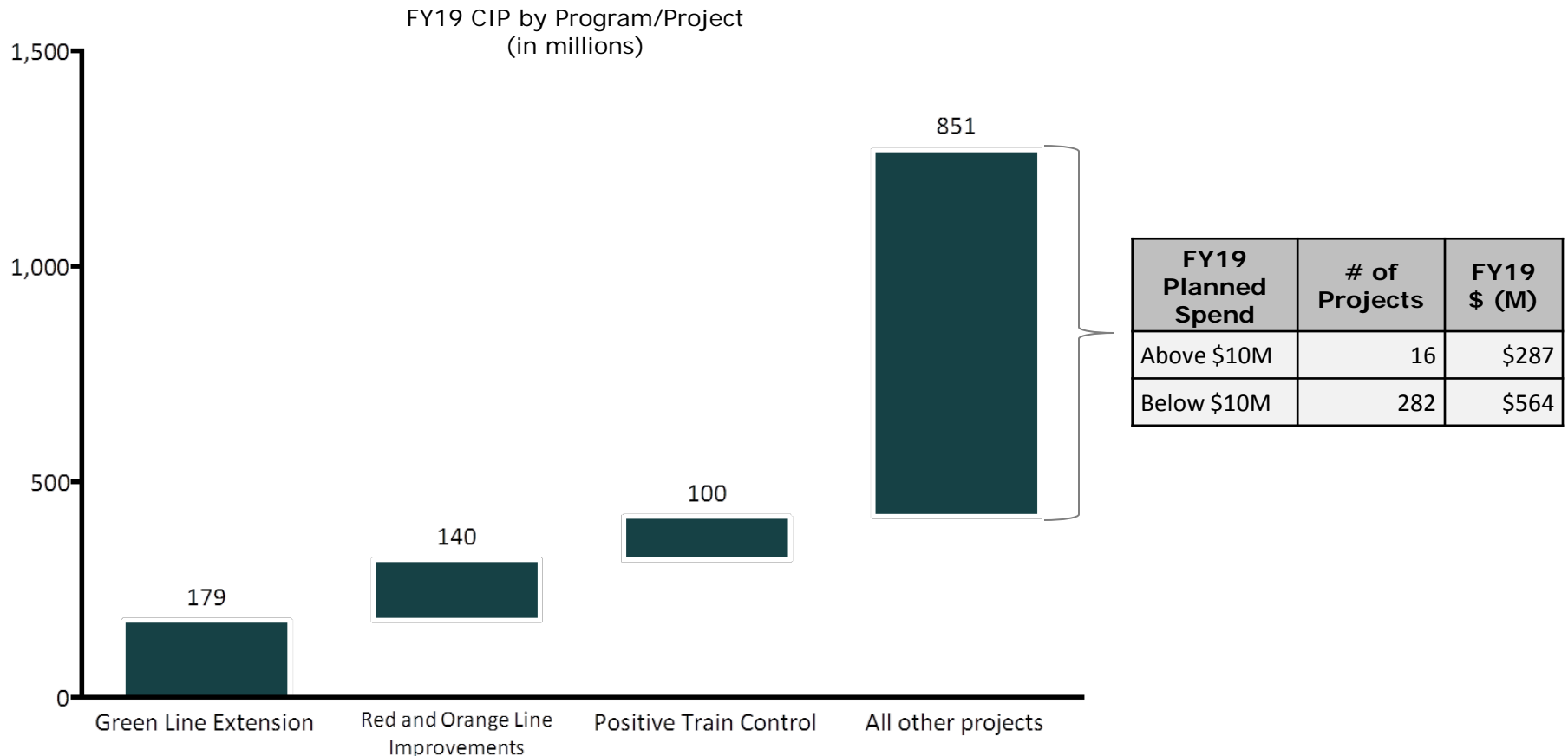
The Capital Delivery and Vehicle Engineering Departments manage 67% of planned FY19 expenditures – the remaining 33% is spread across **21** other MBTA Departments

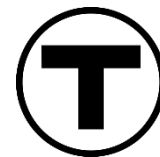




Challenge: Major Programs and Small Projects Both Drive Capital Spending

- The three large capital programs - Green Line Extension, Red and Orange Line Improvements, and Positive Train Control account for only 33% of FY19 Planned Spending





Summary

In summary, as of December 31:

- YTD spend is \$439M or 44% of our FY19 target of \$1,000M
- SGR spend is \$345M or 41% of our FY19 target of \$850M

In order to achieve the MBTA's capital investment goals and further accelerate project delivery, GM Poftak has begun a review of the MBTA capital program.

Initial areas of focus will be:

1. Status of spending by project
2. Ownership and accountability
3. Capital reporting and analysis
4. Organizational capacity
5. Project planning
6. Scheduling and diversions