



TO: MBTA Fiscal & Management Control Board

DATE: February 24, 2017

RE: Draft Policy on the Evaluation and Selection of MBTA Service Pilots

Background

Both MassDOT and the MBTA are periodically approached by municipalities, land owners, developers, elected officials, and/or advocacy organizations with proposals for new types of MBTA service. These proposals vary greatly in their specifics, as well as in the refinement of the concepts and rigor of the analyses that underlie them. Nevertheless, the proposals represent authentic requests for new transit service, and some proposals would clearly fill gaps in the transit system that have also been identified by agency staff and other stakeholders. Given that, and given the diversity of the proposals, the MBTA needs a structured and transparent way to evaluate proposed service concepts for potential trial implementation. This memo lays out a process by which proposals for new MBTA service can be fairly and effectively considered.

Statement of Policy

The MBTA is primarily focused on strengthening and modernizing its existing assets and services. But public demand for new services, many intended to support economic development initiatives, continues to exist throughout the MBTA District and it is in the interests of the Commonwealth to encourage transit-oriented growth. In keeping with two of the core agency values articulated in the MBTA Strategic Plan (draft, February 3, 2017) – **Focus on Customer Experience** and **Flexibility to Adapt and Evolve** – the MBTA needs to be able to consider potential new service in places where it can be introduced without unduly burdening the existing MBTA system, where its efficacy can be measured, and where it is likely to succeed.

This policy document lays out a framework for the MBTA to consider and accept/reject proposals to implement new MBTA services on a pilot basis.

Definitions

Going forward, all new services under consideration by the MBTA¹ should begin as limited-duration, experimental **pilots**, so that their cost-effectiveness and overall success can be

¹ NB: New services that are not developed as part of a MassDOT/MBTA-managed service planning process.

evaluated before any decision is made about whether to make them permanent. The initial duration of each service pilot will depend on the specifics of the service².

Service pilots are different from system expansion projects in that they will generally **require a reasonable amount of capital investment**, although there may be cases where greater capital investments can be justified due to their ability to benefit to other services, modes, accessibility, or transportation providers (i.e. rail freight) while also facilitating a service pilot. In addition, capital projects that are funded in the MassDOT/MBTA Capital Investment Plan and that support a service pilot will not be counted toward the costs of the pilot.

To be considered by the MBTA, service pilots need to have a **clear and consistent sponsor**, preferably the municipal government(s) of the city/cities or town(s) in which the pilot will take place. If the relevant municipality is not the primary sponsor, it needs to be closely involved with and supportive of the pilot proposal. The sponsor(s) will be required to collaborate with the MBTA on the development of the pilot service and then throughout the life of the pilot service.

Also to be considered for implementation, service proposals need to have demonstrated **public support** behind them.

Process

MBTA staff will follow the procedure described below when evaluating proposals for pilot services.

1. Upon receipt of a proposal for pilot service from a sponsor(s), MBTA staff will determine if it can be introduced without unduly burdening the existing MBTA system, its efficacy can be measured, and it is likely to succeed.
2. For proposals meeting this threshold, MBTA staff will collaborate with the sponsor(s) of a pilot concept in order to establish a workplan for fully developing the proposed concept. The products of the workplan will allow MBTA staff to evaluate the proposed service concept on the following items, among others:
 - a. The characteristics of the proposed service, including optimal duration of the pilot;
 - b. Anticipated capital and operating costs;
 - c. Anticipated travel demand and likely market receptivity;

² Any pilot lasting greater than 12 months will require the preparation of an equity analysis, per guidance of the Federal Transit Administration.

- d. Density of affected residents and jobs, including planned economic development;
- e. Access to economic opportunities and job markets underserved by transit, particularly for low-income individuals;
- f. Availability of parking, if needed;
- g. The functional burden placed on the MBTA operating divisions and/or Keolis, including demand for revenue vehicles and reduction of maintenance windows;
- h. The anticipated environmental benefits, including the reduction of greenhouse gases (to be offset by any emissions associated with the implementation of the service);
- i. Whether the pilot facilitates multimodal connections and greater walking, bicycling, and transit usage;
- j. Whether the pilot will provide any benefits for freight movement or highway capacity;
- k. Whether the pilot is able to improve the safety of the MBTA system and/or the surrounding transportation network;
- l. Whether the pilot will assist the MBTA in meeting its service delivery standards, filling a gap in service previously identified through MassDOT/MBTA planning processes, and/or strengthening existing MBTA services (increasing ridership, etc);
- m. Whether the goals of the proposed service harmonize with MBTA strategic and operational goals; and
- n. Demonstrated local support for the proposed service.

The MBTA will provide staff time and expertise to support the execution of agreed-upon workplans. Pilot sponsors will be expected to provide any necessary technical material and data requested by the MBTA, as well as any available expertise. The MBTA will also be responsible for conducting public outreach in order to ascertain whether broad public support exists for proposed pilot concepts.

At a bare minimum, no pilot will be approved for implementation without a prior commitment between the MBTA and the sponsor to the following metrics:

- a. A projected operating subsidy per trip, comparable to the current average per-trip subsidy on the most similar existing service;
- b. An amount of capital expenditure (if any) and identified sources for that spending;
- c. A ridership target for the pilot expressed as both total ridership over the pilot period and average daily ridership, including riders shifted from other forms of public transit and riders new to public transit; and
- d. Projected revenue (by day, week, or month, as appropriate) for the pilot service.

Other performance goals and accompanying measures will be developed specifically for each pilot.

The evaluations will be done such that proposed service pilots can be scored quantitatively, to the extent possible. This will make it possible to compare pilot proposals with each other.

3. Following the completion of the evaluation, MBTA staff will publicly present the findings to the Fiscal & Management Control Board, along with a recommendation about whether or not to implement the pilot service.
4. If a pilot is approved for implementation, the MBTA will enter into a Memorandum of Understanding with the pilot sponsor(s) to memorialize the parameters of the pilot and the roles and responsibilities of the MBTA and the sponsor(s) during the life of the pilot.

MBTA staff will collaborate with the pilot sponsor(s) to establish a program for gathering data and measuring performance during the life of the pilot. Specific performance goals will be developed for each pilot and will then be used to evaluate the success of the pilot. Pilot implementation plans will allow for flexibility and adjustments during the period of the pilot, to facilitate learning during the period of the pilot and maximize the chances of success.

The MBTA and the sponsor(s) will come to agreement prior to the launch of the pilot on the data collection program needed to support the evaluation of the pilot, and particularly on the roles and responsibilities of both the MBTA and the sponsor(s) in the collection and documentation of necessary data.

Performance management programs will include a calendar of interim milestones – gauged to the overall duration of the pilot – for measuring performance and reporting to the Fiscal & Management Control Board on progress of the pilot service.

5. Based on the outcome of the pilot, the Fiscal & Management Control Board will vote on whether or how to continue the service. The vote will be based on the performance of the service during the pilot period vis-à-vis the established goals and other outcomes that may not have been anticipated during the planning of the pilot. In addition, the Fiscal & Management Control Board may elect to consider issues including but not limited to:
 - a. Long-term capital needs required to make the pilot service permanent, including such items as parking and MBTA vehicle layover/storage;
 - b. Long-term operating expenses that will accrue to the MBTA;
 - c. Long-term revenue projections for the service; and
 - d. Opportunities for long-term public-private partnerships, sponsorship or value capture, based on the continuation of the pilot service.

Third-Party Contributions

The MBTA will consider pilot proposals regardless of whether the pilot sponsor(s) are able to make financial or other types of contributions to the potential implementation of the service. However, a sponsor who is able to partner with the MBTA to support the costs of the pilot service – whether through a cash contribution; in-kind support; a financial ‘back-stop’ should the costs of the pilot exceed the projections; or other means – may earn additional points in the scoring and evaluation of their proposal. This does not mean that the Fiscal & Management Control Board would not vote to implement a pilot concept that came with no contribution, nor does a contribution guarantee a decision to implement a service pilot.

Policy Approval

On _____, 2017, the MBTA Fiscal & Management Control Board voted to approve this policy.