

Massachusetts Bay Transportation Authority

# Capital Program Update

Fiscal and Management Control Board Meeting

January 7, 2019

## Outline of Presentation

- Overarching Capital Program Goals
- FY19 Overview
- FY19 Key Performance Indicators (KPIs)
- FY19 Year to Date Spending and Contract Awards
- 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
% of FY19-FY23 CIP projects underway/in progress	New for FY19	New for FY19	>75%
% of FY19 CIP delivered	New for FY19	New for FY19	95%

# FY19 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.

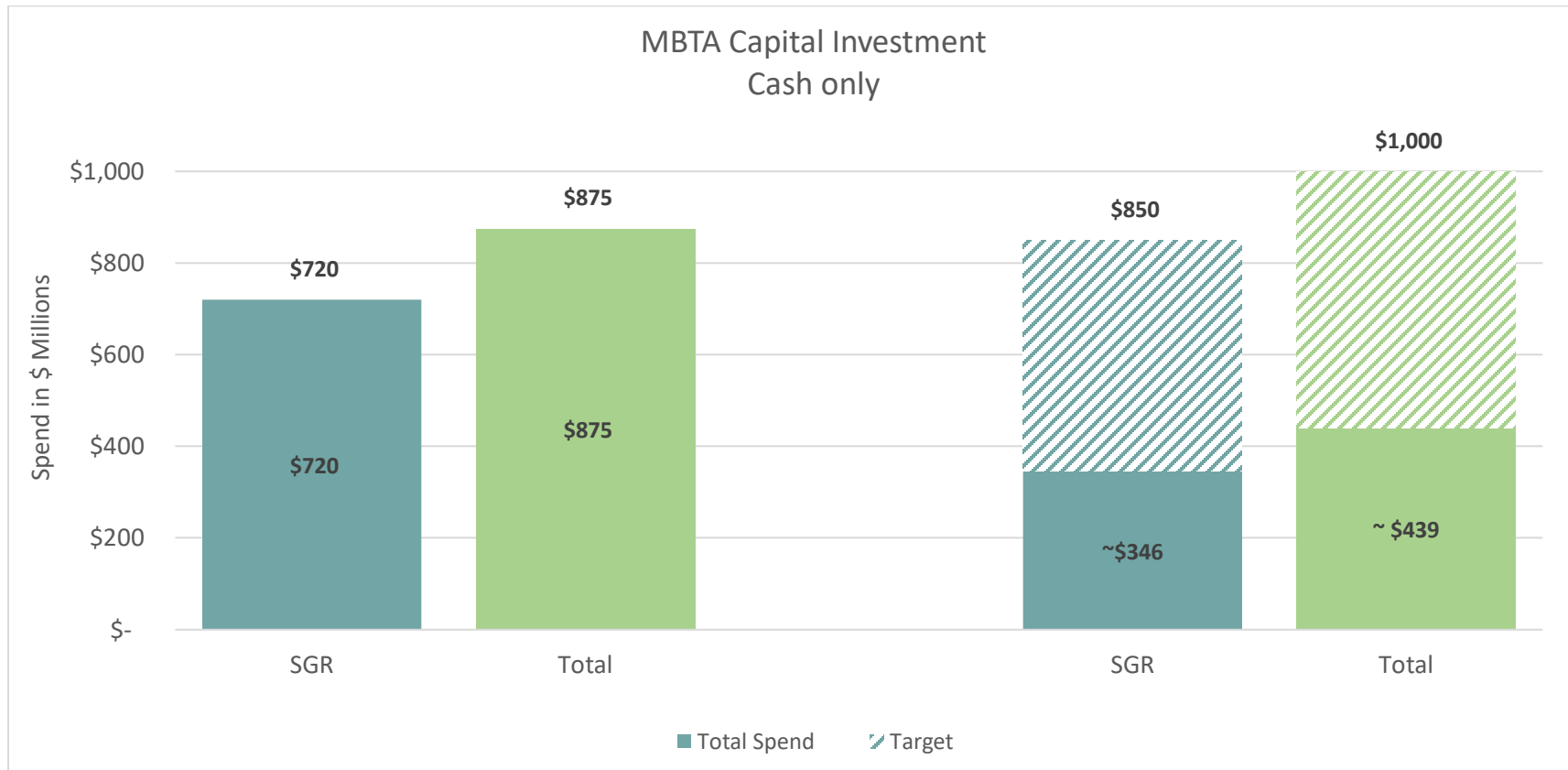
## Challenges:

- 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



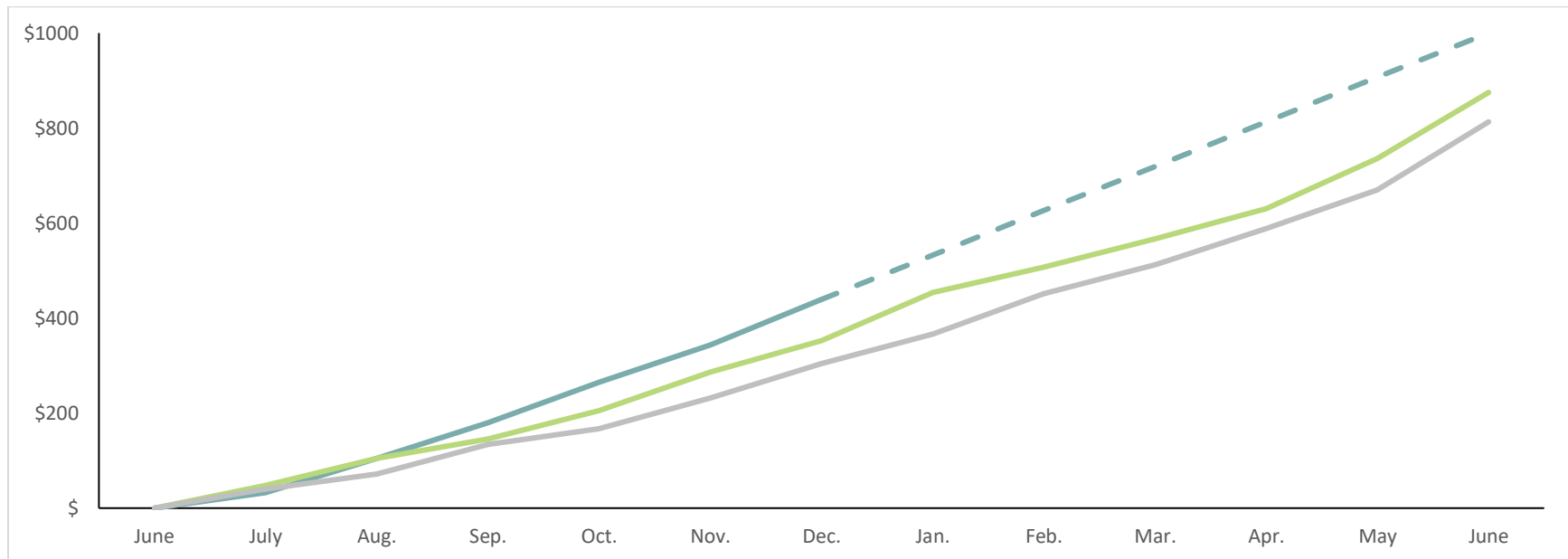
As of December 31, the MBTA invested \$439M in its capital program and achieved 44% of FY19 Target.

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

### MBTA Capital Spending Actuals (\$M)

- 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 expenditure: ~\$439M
- FY19 Target \$1B
- FY18 Actuals \$875M
- FY17 Actuals \$812M



### MBTA Cumulative Capital Spending Actuals (\$M)

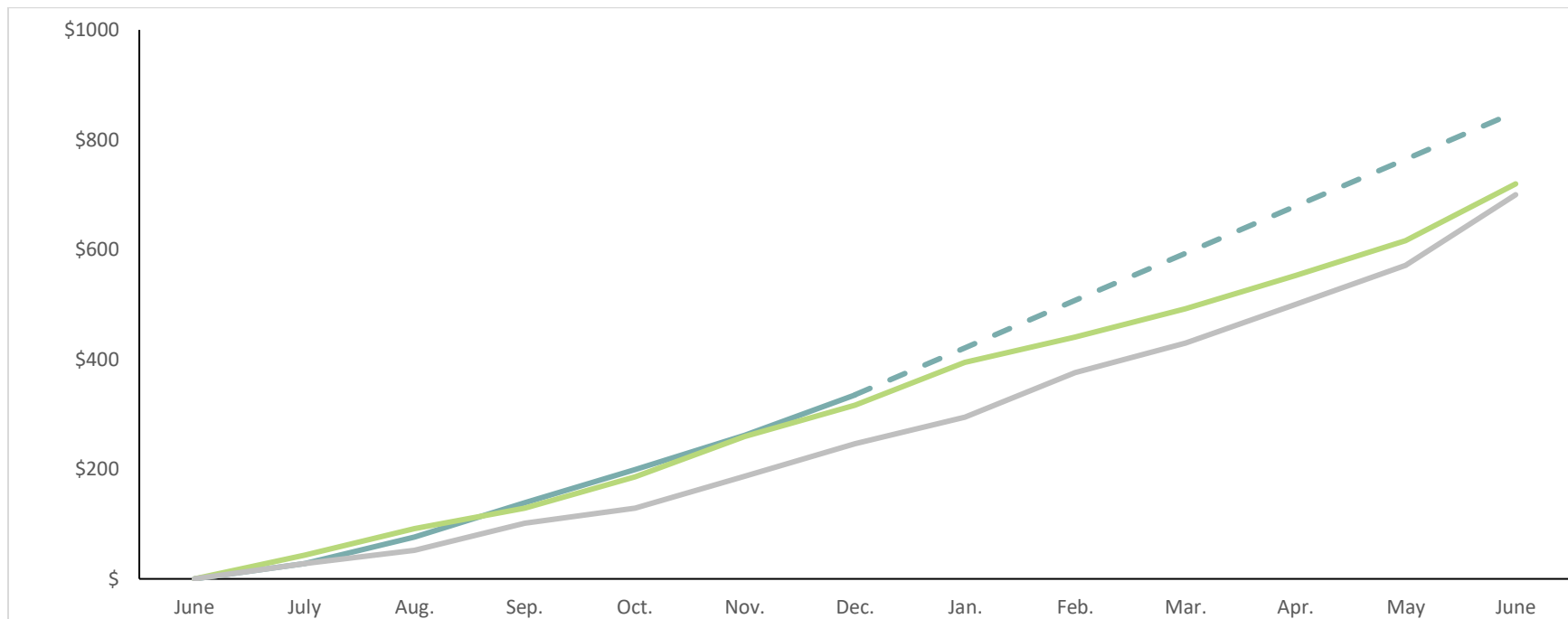
Fiscal Year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
FY19 (\$M)	\$33	\$105	\$180	\$265	\$343	~\$439						
FY18 (\$M)	\$48	\$105	\$146	\$205	\$286	\$353	\$454	\$507	\$567	\$631	\$736	\$875
FY17 (\$M)	\$40	\$72	\$134	\$167	\$232	\$304	\$366	\$451	\$512	\$588	\$670	\$813



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

### MBTA Capital Spending Actuals (\$M)

- 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.
- FY19 YTD cash expenditures: ~\$346M
- FY19 Target \$850M
- FY18 Actuals \$720M
- FY17 Actuals \$700M

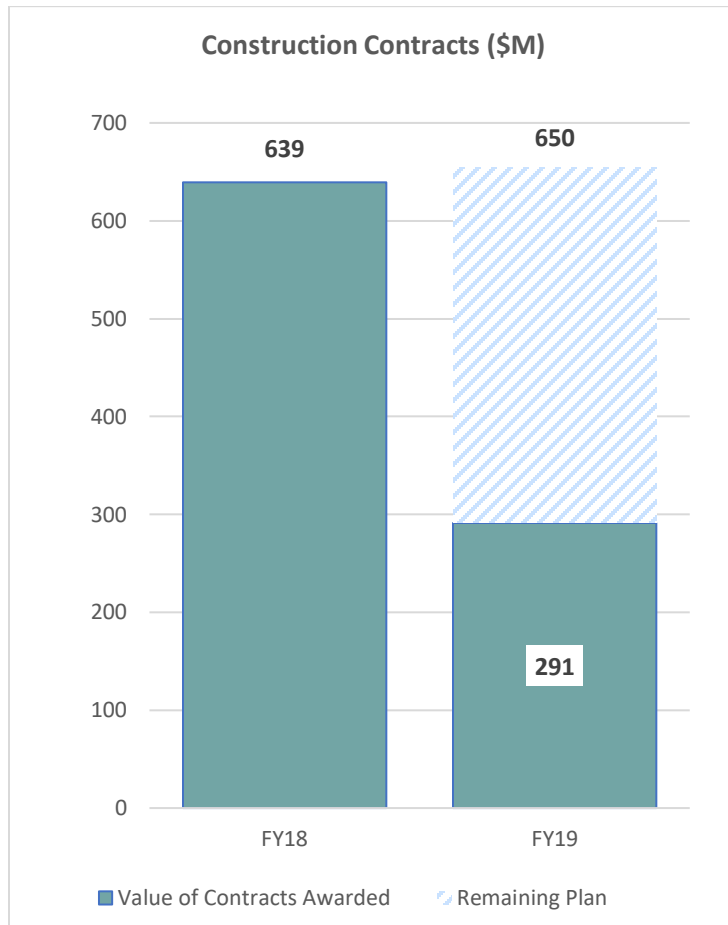


## MBTA Cumulative Capital Spending Actuals (\$M)

Fiscal Year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
<b>FY19 (\$M)</b>	\$28	\$76	\$139	\$199	\$262	~\$346						
<b>FY18 (\$M)</b>	\$43	\$91	\$129	\$186	\$260	\$317	\$394	\$440	\$493	\$552	\$616	\$720
<b>FY17 (\$M)</b>	\$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.

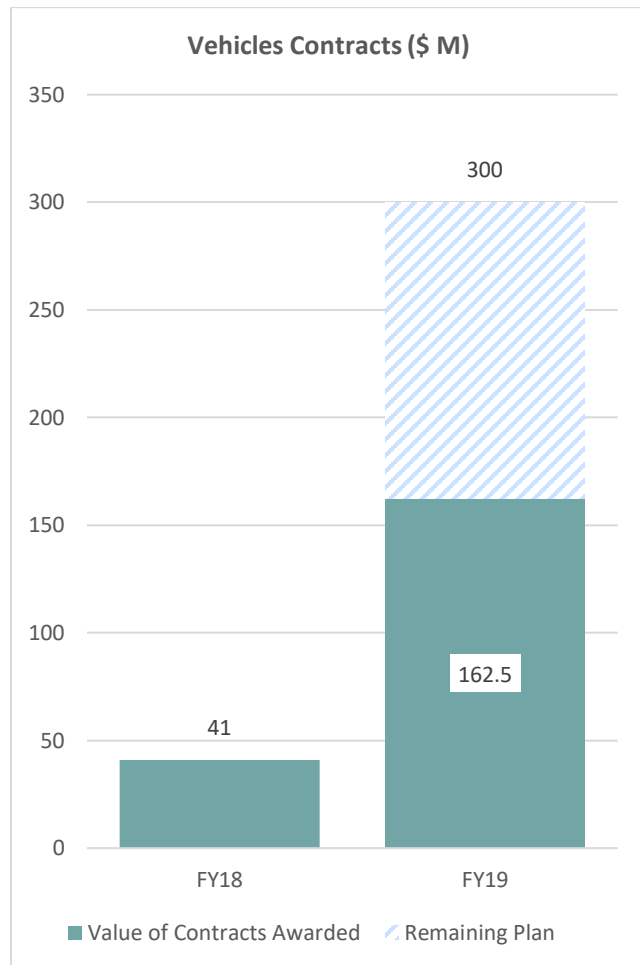


## Awarded Construction Contracts

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
<b>Total</b>	<b>\$291</b>

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

Vehicle commitments on pace to hit FY19 target.

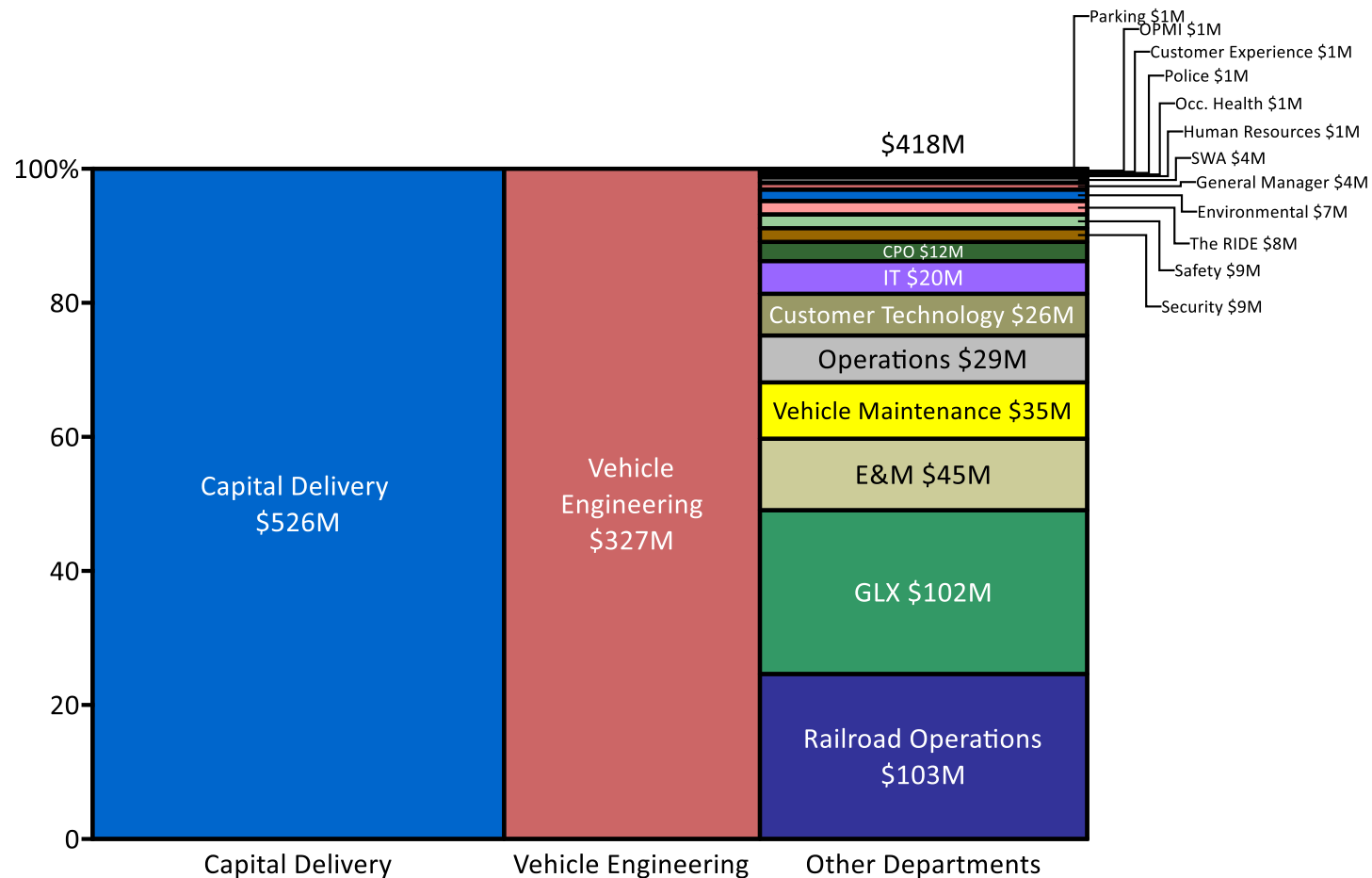


## Anticipated Vehicle Contracts

Contract Description	Contract Value (\$M)
5 LoNo Bus Procurement	\$13
Mid-Life overhaul – 25 New Flyer hybrid 60-foot 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

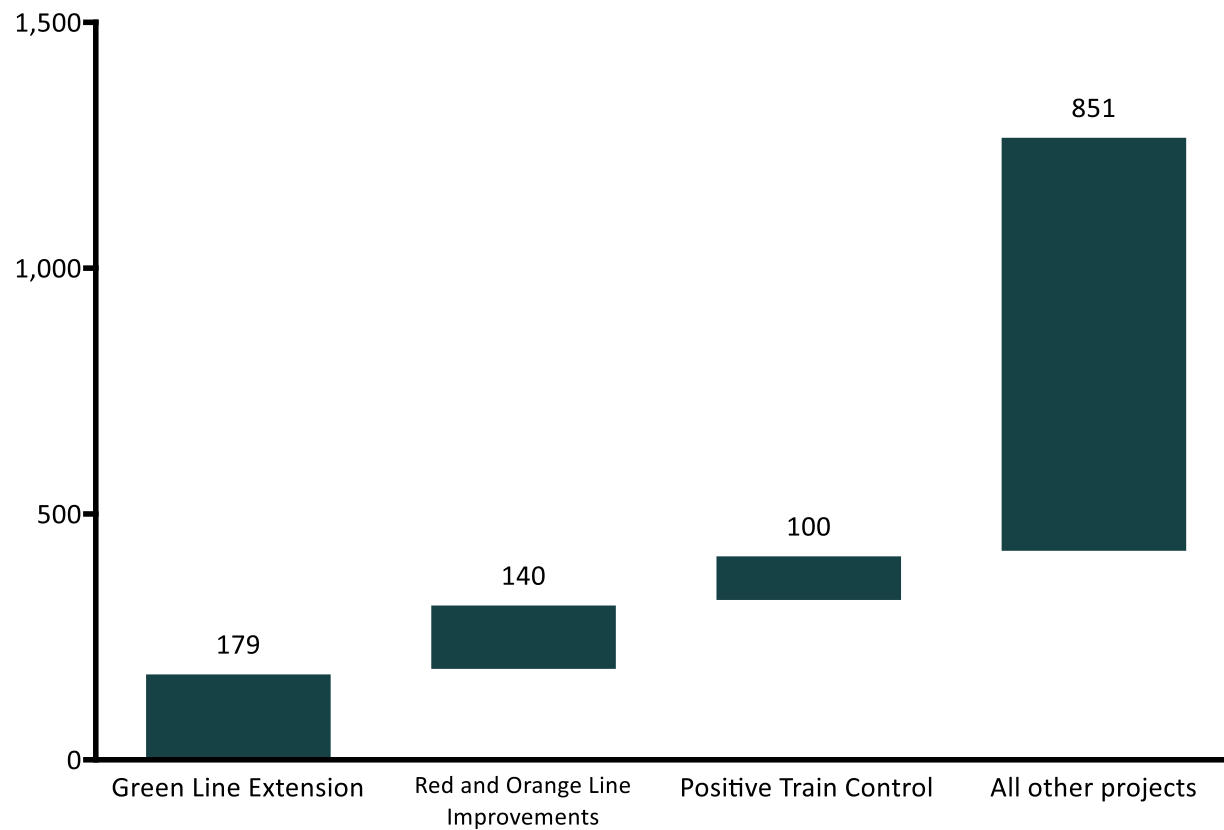
The Capital Delivery and Vehicle Engineering Departments manage 67% of planned FY19 expenditures – the remaining 33% is spread across 21 other MBTA Departments



## 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

### FY19 CIP by Program/Project (in millions)





### All other projects

FY19 Planned Spend	# projects	FY19 \$M
Above \$10M	16	\$287
Below \$10M	282	\$564

## 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:

- Status of spending by project
- Ownership and accountability
- Capital reporting and analysis
- Organizational capacity
- Project planning
- Scheduling and diversions