March 13, 2014

Asset Management Policy

The San Francisco Bay Area Rapid Transit District has an important responsibility to its riders and the citizens of the San Francisco Bay Area to maintain the District's approximately $21 billion of assets in a State of Good Repair, as defined by the Federal Transit Administration (FTA) and as required by Federal legislation, Moving Ahead for Progress in the 21st Century Act (MAP-21), 49 USC, Section 5326. Continued system vitality requires careful financial stewardship and consistent reinvestment to responsibly replenish system assets. In addition, federal legislation mandates Asset Management as a means to reach a State of Good Repair and requires agencies to use this approach in order to be eligible for Federal funding. In order to ensure that BART is positioned to achieve and maintain a State of Good Repair necessary to provide the safe, reliable, on-time service our customers expect, the following policy goals and objectives are adopted:

Goals:

A. Ensure that BART's services are provided and infrastructure maintained in a sustainable manner.

- Consider the risks and consequences of action, and inaction, when prioritizing asset replacement or repair, and when identifying and allocating funding sources.
- Incorporate complete asset lifecycle costs into long-term financial planning to achieve cost-effective asset management planning.
- Inform decision making by planning for, reporting, and considering future lifecycle costs of new services and assets (i.e., extensions, infill stations, garages) as well as when considering upgrades and expansion of the existing physical infrastructure.

B. Safeguard BART assets, including employees and physical assets, by implementing asset management strategies and directing appropriate resources to these strategies.

- Develop employee capability, capacity and competency in asset management practices; and promote employee and Board member stewardship and governance of asset management strategies.
- Collaboratively identify and consistently apply criteria to prioritize funding of asset management projects throughout BART.
- Annually allocate appropriate financial and operational resources to implement asset management strategies and devote resources to prioritized projects.

C. Demonstrate transparent and responsible asset management processes that align with accepted best practices and federal standards.

- Achieve and sustain a target level of asset management maturity across the BART organization.
- Review and update all asset management plans on an annual basis to ensure assets are managed, valued and depreciated in accordance with Generally Accepted Accounting Principles (GAAP) and federal standards.
- Ensure alignment and integration among BART's Asset Management Strategy, annual operating and capital budgets, Strategic Plan, and Short Range Transit Plan/Capital

Improvement Program in order to accurately assess the District's overall financial health and inform decision makers.

D. Meet federal legislative requirements for asset management.
- Develop Asset Management Plans that include, at a minimum:
  - Capital asset inventories and condition assessments
  - Risk-based decision-making and a decision support tool
  - Investment prioritization consistent with the System Safety Program Plan provisions.
- Establish performance targets in relation to State of Good Repair measures, as required by the FTA.

Legislation: 49 U.S.C. Section 5326 / MAP-21 Section 20019

Related Documents: Asset Management Strategy and associated Asset Management Plans.

Responsibility:

The BART Board is responsible for adopting the Asset Management Policy, allocating resources, and providing high level oversight of the delivery of BART's asset management strategy to ensure that resources are appropriately used to address BART's plans and priorities.
BART's General Manager has overall responsibility for developing an asset management strategy, plans and procedures, and reporting to the Board on the status and effectiveness of asset management within BART.

Review Date: This policy shall be in effect for five years. It will be reviewed and re-approved by the BART Board before March 13, 2019.