Transportation Asset Management

A STRATEGIC APPROACH TO MANAGING MICHIGAN’S ROADS AND BRIDGES
WHY ASSET MANAGEMENT?

- Best Management Practice; used by private sector, military, and utility companies for many years
- Recommendation of Act 51 Funding Study Committee
- Consistent with the new requirements of GASB Statement 34 which requires accounting of infrastructure assets in financial accounting reports
- CRAM/MDOT Pilot Project Experience
- It’s a smart, efficient way to run your operations
Bi-partisan committee recommended:

- A long-term, planned asset management process to be used statewide
- An Asset Management Council be established
- Road and bridge data for all jurisdictions be collected and maintained under the direction of the Council
Asset Management: “An on-going process of maintaining, upgrading, and operating physical assets cost-effectively, based on a continuous physical inventory and condition assessment.”

Federal-Aid Eligible: “Any public road or bridge that is eligible for federal-aid to be spent for the construction, repair or maintenance of the particular facility.”
Federal-Aid eligible highway system – some 39,000 miles of arterials and collectors
Later extended to entire road system
In a cost-effective, efficient manner
ORGANIZATION CHART

STATE TRANSPORTATION COMMISSION

TRANSPORTATION ASSET MANAGEMENT COUNCIL

COMMISSION ADVISOR EXECUTIVE SECRETARY

ADMINISTRATION MDOT

CENTRAL DATA AGENCY

TECHNICAL SUPPORT MPO/REGION
Council created within STC
  - Emphasizes the seriousness of the process
  - Bi-Partisan Body with a statewide perspective

Appoint members of the council from names submitted by respective organizations

Approve rules of operation

Establish an annual budget

Receive an annual report
11 Members: 10 voting, one non-voting

Voting Members (2 from following organizations): CRAM, MML, Planning & Development Regions/MPOs, and MDOT; one each from MTA and MAC

Non-voting member from the agency chosen to house data

3-year terms, staggered

Chair selected from voting members

MDOT provides qualified staff; MPOs technical support
Advising the State Transportation Commission on a statewide asset management strategy and the necessary procedures and analytical tools to implement such a strategy on Michigan’s highway system in a cost-effective, efficient manner.
WHAT WILL THIS ENTAIL?

- Common condition assessment and data collection process
- On-going training program for condition assessment
- Establishing protocols for data storage and selection of a neutral agency to house the combined statewide data
- Establish procedures for development of 3-year road and bridge program and reporting requirements
- Recommending an annual budget for the operation and management of the process and the council
- Submitting an annual report to the State Transportation Commission and the Legislature
- Other issues that may arise regarding asset management
  - Come from Commission
  - Recommendations from Act 51 Funding Study Committee
  - Appoint “technical advisory panel”
FUNDING

Comes from an annual appropriation from the MTF
Major recommendation of Act 51 Funding Study Committee

Council will establish procedures for collecting road and bridge data using a common method

- Establishing schedules for when data should be collected and reported
- Training in the use of PASER
- Analyzing and reporting of data

Will build on the experience from “pilot studies”

Must be consistent with current federal regulations and state accounting procedures (GASB 34)
Asset Management: Totals

Federal-Aid System

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<th>Miles</th>
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<tr>
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Compilation of proposed projects for maintaining, preserving, and improving the federal-aid eligible system

Make it consistent with the current TIP process

Public, Legislature, developers will know where and when road projects will take place

Will aid in compliance with GASB 34 which says that you must show that you are maintaining the system at the established level
OTHER ISSUES

WHICH COULD BE CONSIDERED BY COUNCIL

- Establishing procedures for a statewide review of National Functional Classification
- Locating culverts
- Testing compatibility of PASER with other condition assessment processes
- Providing assistance in using the “modified” approach for GASB 34
SUMMARY

WHAT ARE THE MAJOR BENEFITS?

Provide a unified approach to effectively managing the highway system

Views the system from the perspective of the driving public rather than individual road agencies

Institutes key recommendations of the Act 51 Funding Study Committee

Provides a forum for discussing and reaching consensus on key issues in a spirit of cooperation rather than competition