

2015 SENATE TRANSPORTATION COMMITTEE  
Asset Management & Performance Bureau Testimony  
January 23, 2015

***Asset Management & Performance Organizational Structure***

We are committed to developing a financially sustainable infrastructure understanding how we provide customer service, provide stewardship and oversight of our AM actions, and incorporate long term financial planning into our decision making processes while infusing risk and performance management into our business model and culture.

Our Bureau goals are reflected in our TAMP (explain TAMP) that is under development:

1. Meet the minimum Federal (MAP-21) and State legislative requirements regarding Asset Management implementation.
2. Develop factual, risk based, data driven and performance driven Asset Management processes.
3. Use Asset Management to manage the Agency's physical infrastructure, drive the Budget Development process and support the Agency's Strategic Plan. This includes increasing our ability to develop credible programming capabilities.
4. Integrate Asset, Risk & Performance Management into VTrans' culture.

The **Budget & Programming** team is currently working to define its role in the "Project Definition" phase of the Agency's project development process. The Programming team will be coordinating efforts towards the establishment of credible programming. The NBIS & Budget Unit will be conducting bridge inspections and are responsible for monitoring the Agency's budget and budget process and leading the FY17 Budget Development process.

Together these teams will develop the skills and tools to conduct trade-off analyses, predict future infrastructure conditions based on various investment scenarios.

The **Data Management** team will be coordinating efforts with the Maintenance & Operations Bureau (MOB) and working off of established past relationships to build asset inspection and reporting capabilities within the MOB District

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personnel. Focus areas include completing the small culvert (< 6' diameter) inventory in 2015.

This team is responsible for managing data; included within this group is the pavement management system and bridge information system. Ongoing efforts to improve our bridge deterioration models will continue as the team supports TAMP task force on life-cycle cost analyses.

VTransparency initiative was developed with the assistance of several team members and will continue to be supported by this group as this team focus on how to provide our customers with accurate, reliable and up-to-date transportation infrastructure data and information.

The **Performance** team has three distinct areas; quality, estimating and risk management. The team has developed an innovative approach to assessing overall PS&E quality which they have dubbed the Contract Quality Model. It measures cost, scope and schedule. Currently the team is developing metrics to assess scope utilizing change orders.

Estimating has always been an area of emphasis but lack of personnel has resulted in partial completion of original vision. The Agency is continually improving its capabilities to estimate the expected value of a project at the Final Plan stage; one area we would like to see growth is focusing on scope, cost and schedule earlier in the project development process as a means to develop credible programming capabilities.

Risk management is acquiring emphasis within the Agency along with asset management. As with asset management the Agency has been incorporating risk management into its activities for years. We are now moving forward with formalizing those activities through the development of an online Risk Registry (to be developed); we believe that this will allow us to track risks and understand when a risk that threatens an activity is elevated through the ranks from project to program to enterprise level risks i.e., FairPoint. Through this process we will be able to document risk based decision making processes allowing us to experience efficiencies during future decision-making activities.

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***Asset Management Overview***

The purpose of Asset Management is to meet a required level of service, in the most cost effective manner through the management of assets for present and future customers.

Commitment to Asset Management is changing how the Vermont Agency of Transportation conducts its business!

Asset Management is the combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

We are focused on investing money in a manner that is most cost effective and maximizes the rate of return for our customers. The funds we expend are federal, state, local (VT Towns), and sometimes in concert with a private partner. It is critical that we stretch these available dollars as much as we can, and our management team is expected to continuously monitor and manage the means and methods for delivering those services in the most cost effective manner.

VTrans' asset management framework is designed to support the Agency's policies and goals related to accountability, mobility, resiliency, safety, sustainability and transparency. The proposed framework is envisioned to include a continuous cycle of asset condition & inventory, performance, risk and cost assessments. These activities will provide data and information that asset managers can use to develop, implement and support the TAMP.

***Where is Asset Management Taking Us?***

Our Agency's strategic plan provides goals and objectives which guide our work and decisions. It provides answers to questions like, "Which assets to invest in and when?" Sound asset management practices coupled with the utilization of performance and risk management principles is leading the Agency of Transportation towards an increasing accountability and transparency. Being open regarding our performance and holding ourselves responsible for the decisions

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that we make will enhance our overall performance and improve our decision-making processes. By understanding how the decisions we make affect various process outputs VTrans can develop a more comprehensive and efficient plan that generates positive outcomes for our customers; safer roads, healthier infrastructure and a growing economy.

***National Performance Management Measures; Assessing Pavement Condition for the National Highway Performance Program and Bridge Condition for the National Highway Performance Program***

MAP-21 Proposed Rule Making will impact current performance goals. The rule is not finalized yet but the following information has been provided for States to review;

**Pavements:** The proposed rule is looking at developing a performance measure for the percentage of pavements in good and in poor condition for two categories of the NHS; NHS –Interstate and NHS non-Interstate.

**Bridges:** The proposed rule is looking at developing a performance measure for the percentage of bridges in good and in poor condition for the NHS.