

2015 Transportation Asset Management Peer Exchange –

Integrating Risk Management in Transportation Asset Management Programs

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1 Overview

This report summarizes the proceedings of the 2015 Transportation Asset Management Peer Exchange hosted by the Federal Highway Administration (FHWA) and the American Association of State Highway and Transportation Officials (AASHTO). The peer exchange was held in Minneapolis, Minnesota on August 25-26, 2015.

1.1 Peer Exchange Purpose

The American Association of State Highway and Transportation Officials (AASHTO) and Federal Highway Administration (FHWA) sponsored Asset Management Peer Exchange aims to share best and current practices in transportation asset management (TAM). This peer exchange focused on enhancing the integration of risk management into TAM programs and activities. Participants from state Departments of Transportation (DOTs) presented their agencies' lessons learned and best practices regarding risk management and TAM to their peers. This event provided a forum for state officials to discuss personal experiences and broach questions concerning risk management and its relationship to TAM, receive feedback on upcoming plans, and support a national knowledge base of TAM tools and techniques.

Key Issues Discussed

The peer exchange centered around four topics:

- Risk-Based Asset Management Plans
- Emerging Innovation
- TAM, Risk Management, and Extreme Weather
- Risk Management in TAM Initiatives

It also shared a joint session with the AASHTO Enterprise Risk Workshop.

The workshop panels and facilitated discussions were spurred by a series of questions facing state DOTs:

- What are good models for the development and implementation of risk management activities in transportation asset management programs?
- How can comprehensive risk analysis during the programming process improve asset management results?
- How is information from risk management processes included in the development of the Transportation Asset Management Plan (TAMP)?
- What is the relationship of the information that is used from risk management processes for the TAMP and how is information used for the development of Statewide Transportation Improvement Plans (TIPs)?
- How does risk management impact performance targets? How is this information tied to the programming of projects?

- What are best practices for collecting, analyzing, and integrating the data necessary to conduct risk analysis and identify decision-making milestones?

1.2 Peer Exchange Format

The peer exchange consisted of four sessions focused on the four topics outlined on the previous page, plus a joint session with the Enterprise Risk Management (ERM) Workshop. Each panel included speaker presentations followed by a facilitated discussion on that panel's theme. Each of the two days concluded with a wrap-up summary and further discussion. This format was designed to encourage dialog on TAM assessment and analysis, performance, tools and techniques, and planning and programming.

Steve Gaj (FHWA) and Tim Henkel (Minnesota DOT) provided the introduction to the peer exchange and joint session. This was followed by a joint session with the ERM Workshop, focused on how risk-based asset management programs can catalyze ERM. The panel included presentations from Rich Tetreault, (Vermont/VTRANS); Kirby Becker (Minnesota DOT); and Steve Gaj (FHWA); and was facilitated by Gordon Proctor (Gordon Proctor & Associates) and Shobna Varma (StarIsis). A roundtable discussion was then led by Hyun-A Park and Scott Richrath (Spy Pond Partners).

Following the conclusion of the joint session and the ERM workshop, a peer exchange welcome was offered by Steve Gaj (FHWA); Mike Patterson (Oklahoma DOT); and Matt Hardy (AASHTO).

The first panel of the peer exchange, *Risk-Based Asset Management Plans*, provided an update on how risk is being integrated into the TAMP development processes in various DOTs, and whether the TAMP is having an impact on business activities. This panel included presentations from William Johnson (Colorado DOT); Dave Wresinski (Michigan DOT); Kirby Becker (Minnesota DOT); Rudy Malfabon (Nevada DOT); Tammy Haas (New Mexico DOT); Scott Zainhofsky (North Dakota DOT); and Martin Kidner (Wyoming DOT). This panel was followed by a group discussion led by Michael Henry of Arkansas DOT. Following this, Steve Gaj (FHWA) provided a wrap-up and summary of the first day of the peer exchange.

An introduction to Day 2 was provided by Tim Henkel (Minnesota DOT). This was followed by the second presentation of the peer exchange, *Emerging Innovation*, featuring Johnny Olson (Colorado DOT) and Aimee Flannery (Applied Engineering Management/AEM) discussing Colorado DOT's Risk-Resiliency Model.

The third panel discussed the interplay between TAM, risk management, and extreme weather events. It included presentations by Dave Kuhn (New Jersey DOT); Rich Tetreault (VTrans); and Mike Johnson (Caltrans). This was followed by a Q&A session led by Jean Nehme (Arizona DOT).

The fourth and final panel, *Risk Management in TAM Initiatives*, featured the experiences of three DOTs on how risk management has been integrated into TAM initiatives and what the impact has been thus far. Presentations were contributed by John Milton (Washington State DOT); Randy Park (Utah DOT); and Matt Haubrich (Iowa DOT). A group discussion was then led by Dave Ooten (Oklahoma DOT). The peer exchange was concluded with a summary by Tim Henkel (Minnesota DOT) and Steve Gaj (FHWA).

1.3 Peer Exchange Agenda

Day 1: Tuesday, August 25, 2015

Introductions

12:00 PM Peer Exchange Introduction

Steve Gaj (FHWA), Tim Henkel (Minnesota DOT)

Peer Exchange Agenda Overview

Hyun-A Park

Joint Session with ERM Workshop

1:00 PM How Risk-Based Asset Management Programs can Catalyze ERM

- New York State’s risk-based asset management plan lessons
- Minnesota’s risk-based asset management plan lessons
- Vermont’s risks identified for its asset management plan
- Colorado risk-based asset management plan lessons

Facilitated by Gordon Proctor and Shobna Varma

2:00 PM Round Table Discussion

Lessons learned and how to apply risk management to key agency processes

Facilitated by Scott Richrath and Hyun-A Park

2:45 PM ERM Workshop Wrap-Up:

Developing the Roadmap Nationally and in Your Agency

Tim Henkel (Minnesota DOT)

Break

Peer Exchange Welcome

3:15 PM FHWA Welcome

Steve Gaj (FHWA)

AASHTO Welcome

Mike Patterson (Oklahoma DOT) & Matt Hardy (AASHTO)

3:45 PM Risk Based Asset Management Plans

Presenters will be given a set of questions to answer and give a ten minute presentation on their state’s update on how risk is being integrated into the TAMP and if there are any updates on the impacts of the TAMP in business activities of their DOT.

Colorado DOT

William Johnson (Colorado DOT)

Michigan DOT

Dave Wresinski (Michigan DOT)
Minnesota DOT
Kirby Becker (Minnesota DOT)
Nevada DOT
Rudy Malfabon (Nevada DOT)
New Mexico DOT
Tammy Haas (New Mexico DOT)
North Dakota DOT
Scott Zainbofsky (North Dakota DOT)
Wyoming DOT
Martin Kidner (Wyoming DOT)
5:00 PM Group Discussion
Question Leader: Michael Henry (Arkansas DOT)

Day 1 Wrap Up

5:30 PM Peer Exchange Summary
Steve Gaj (FHWA)

Day 2: Wednesday, August 26, 2015

Day 2 Introduction

8:15 AM Day 2 Introduction
Tim Henkel (Minnesota DOT)

Emerging Innovation

8:20 AM Colorado Risk-Resiliency Model
Johnny Olson (Colorado DOT)
Aimee Flannery (Applied Engineering Management Corporation)

TAM, Risk Management, and Extreme Weather

8:50 AM New Jersey
Dave Kuhn (New Jersey DOT)
9:05 AM Vermont
Rich Tetreault (Vermont DOT)
9:20 AM California
Mike Johnson (California DOT)

9:35 AM Group Discussion
Question Leader: Jean Nehme (Arizona DOT)

Break

Risk Management in TAM Initiatives

10:15 AM Washington State
John Milton (Washington State DOT)

10:35 AM Utah
Randy Park (Utah DOT)

10:55 AM Iowa
John Selmer (Iowa DOT)

11:15 AM Group Discussion
Question Leader: Dave Ooten (Oklahoma DOT)

Peer Exchange Wrap-up

11:45 AM Summary of Peer Exchange Discussion, Ideas to Consider for Subcommittee Meeting
Tim Henkel (Minnesota DOT), Steve Gaj (FHWA)