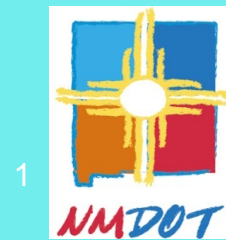




TAM and Investment Decision-Making

**TAM Progress – Asset Management
2016 Peer Exchange, Minneapolis, MN
July 12, 2016**

Tamara Haas, NMDOT Asset Management & Planning Division Director



The background features a topographic map with contour lines and labels for various locations such as 'PHILADELPHIA MINE', 'IVANHOE CONCENTRATOR', and 'TREASUREVAULT MINE'. A large, dark red gear shape is centered on the map, with a white circle in the middle. The text is overlaid on this white circle.

NMDOT TAM and Investment Decision-Making



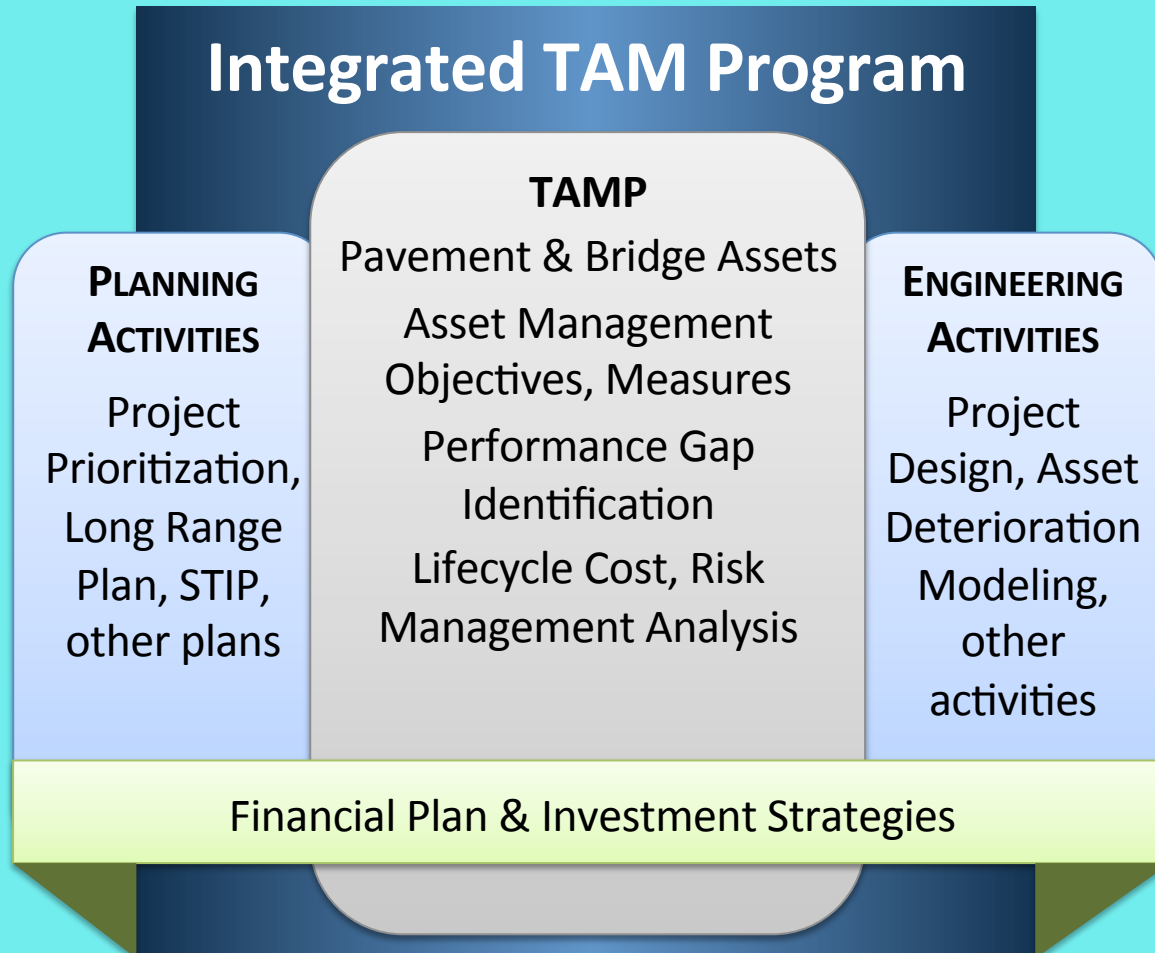
TAM Mission

NMDOT uses data-driven asset management to maximize use of limited public resources and maintain the state's transportation infrastructure in the best possible condition.

Do what you can, with what you have, where you are.
Theodore Roosevelt 26th president of US (1858 - 1919)



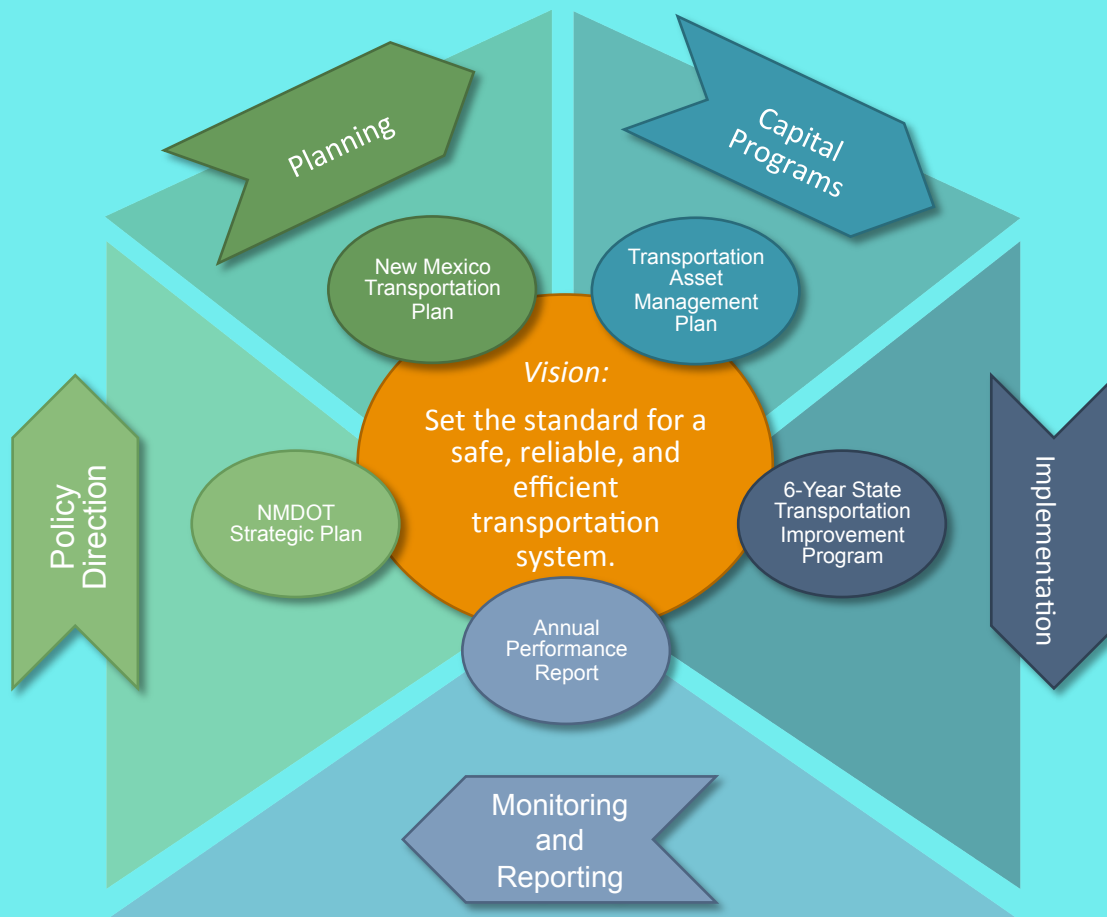
Financial Plans in TAM





TAMP Integration in NM

- **Planning and Programming is Key**





TAMP Guiding Principles

+ Condition and Performance

- » Maintain current condition (5% Structurally Deficient) or show slight improvement for the NHS
- » Maintain no poorer than 10% Structurally Deficient for the non-NHS
- » When offered an alternative, maintain what we have before adding capacity
- » Determine thresholds for Good, Fair, and Poor using Pavement Condition Rating (PCR), with recognition to MAP-21 requirements (pavement)

Investment
Strategy



TAMP Guiding Principles

+ Funding and Resource Allocation

Investment Strategy

- » Reserve a % of budget for statewide prioritization
- » A % of the model recommendation can be overridden by engineering judgment

Investment Strategy

- » Delineate funding decisions between Interstate, non-Interstate NHS, non-NHS, and Off System

+ Management Systems

- » Bridge
- » Pavement
- » Other Assets (Future TBD)



Sustainability Index in NM

To Sustain Current Condition of NMDOT Bridges and Highways (\$ millions)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Bridge need	65	66	68	69	70	72	73	75	76	78
Bridge \$	94	96	99	103	106	108	109	106	122	124
Pavement need	250	255	260	265	271	276	282	287	293	299
Pavement \$	119	122	126	130	134	137	138	136	139	141
Total need	315	321	328	334	341	348	355	362	369	377
Total \$	213	218	225	232	239	245	247	242	261	265
S.I.	0.68	0.68	0.69	0.69	0.70	0.70	0.70	0.67	0.71	0.70

Assumptions: Combine Maintenance, Preservation, Replacement/Reconstruct

- Roughly use SPP models developed in March; assume Reconstruction favored.
- Inflation = Revenue Growth (2%). BIG assumption.

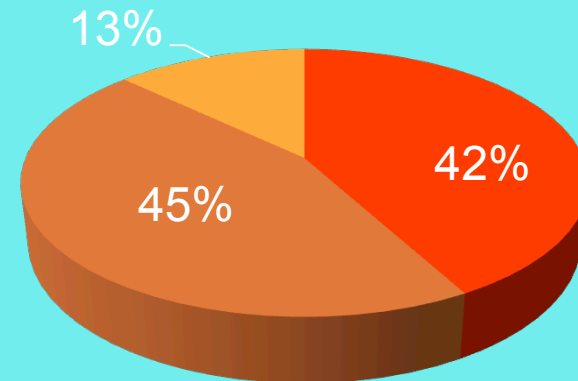


Historic NMDOT Allocations

- **Averaged FY13 and FY14 STIP**
- **Divided Recon. & New Con. equally among Bridge, Pavement, and Other**

STIP %

- Bridge
- Pavement Preservation
- Reconstruction & New Construction





Asset Condition

at various 10-Year annual funding levels

Bridge % Poor

	Current	\$0	\$25	\$50	\$75	\$100	\$125
NHS	3.4%	26.5%	17.5%	8.4%	3.1%	.7%	.4%
Non-NHS	6.5%	34.2%	28.7%	15.1%	4.7%	.9%	.3%
All	5.1%	30.6%	23.5%	12.0%	3.9%	.8%	.4%

Pavement Condition

	Current	\$110	\$165	\$220	\$275	\$330	\$385
Interstate	58.6	43.3	50.0	51.5	59.3	63.6	66.3
Non-I NHS	56.7	42.4	47.5	49.7	59.5	64.6	65.3
Non-NHS	51.1	37.6	44.2	49.8	54.3	57.8	60.9
All	53.3	39.4	45.6	51.4	56.1	60.1	63.4



Delphi Exercise



- **\$241 million annual baseline scenario**
- **Participants allocate funding among Bridge, Pavement, Other Construction**
- **Highs and Lows must defend their**



Delphi - \$241 Million

Round 2 \$241M Scenario

	Bridge	Pavement	Other
Average	\$71	\$151	\$19
Max	\$100	\$190	\$40
Min	\$51	\$101	\$0
Standard Deviation	11.0	15.6	8.1



Delphi - \$390 Million



News Bulletin:

Oil tycoon pays off NMDOT debt in exchange for right-of-way royalties.

- Everyone now has **\$390 million** in FY17
- Review performance against investments
- Allocate between Bridge, Pavement, Other Construction
- Prepare to defend your allocation!



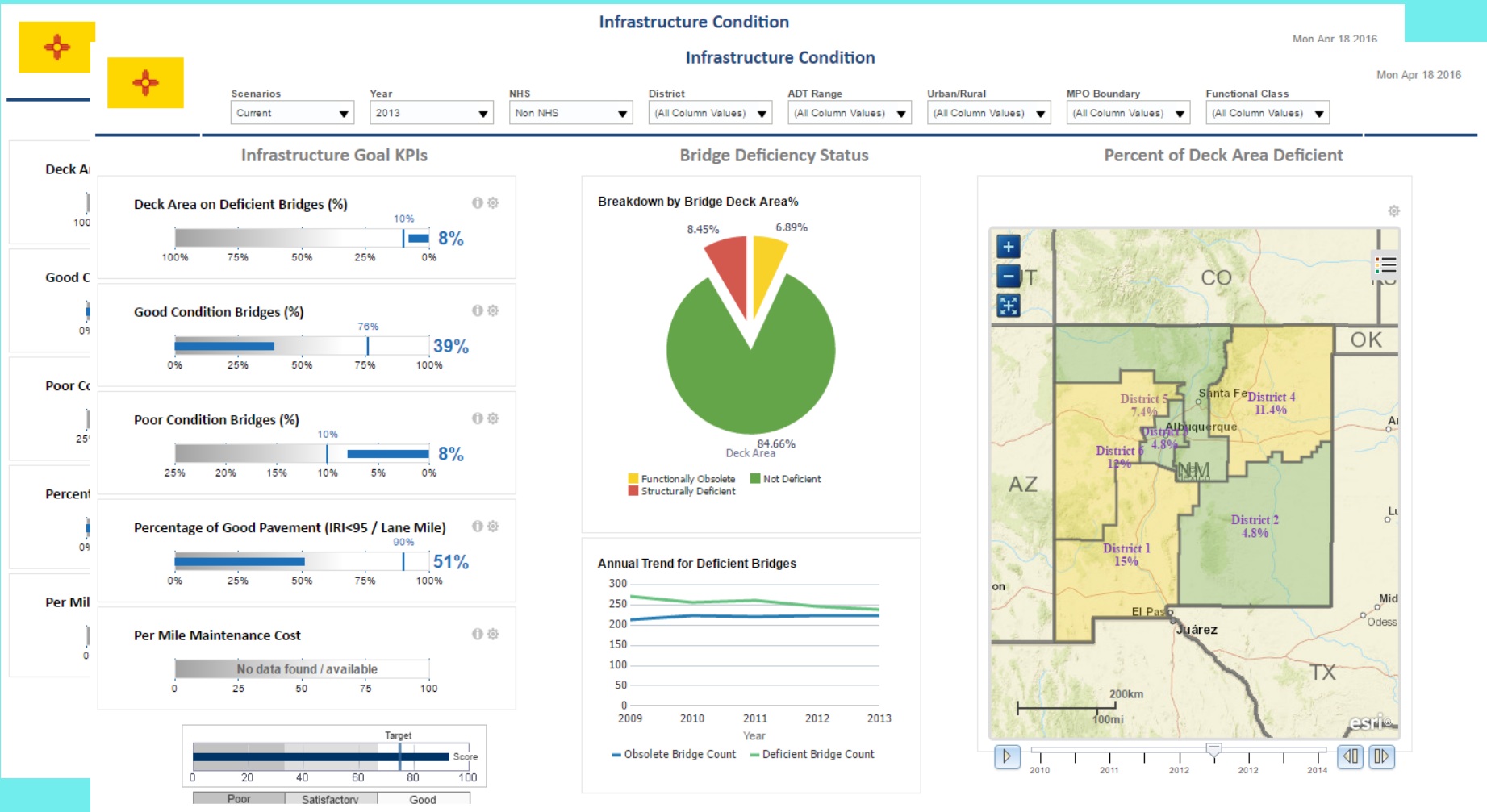
Delphi - \$390 Million

Round 2 \$390M Scenario

	Bridge	Pavement	Other
Average	\$87	\$268	\$35
Max	\$156	\$300	\$50
Min	\$65	\$204	\$20
Standard Deviation	20.9	21.6	8.9



Investment Strategies: NHS vs Non-NHS



Balancing Urban and Rural Investments

Infrastructure Condition

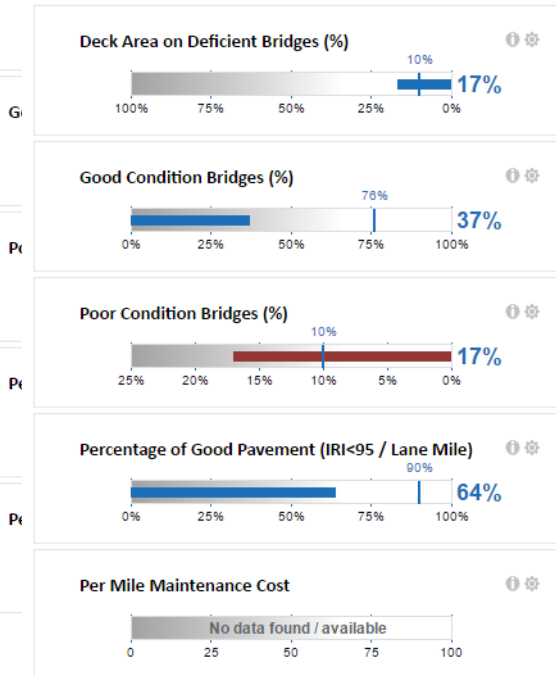
Mon Apr 18 2016

Infrastructure Condition

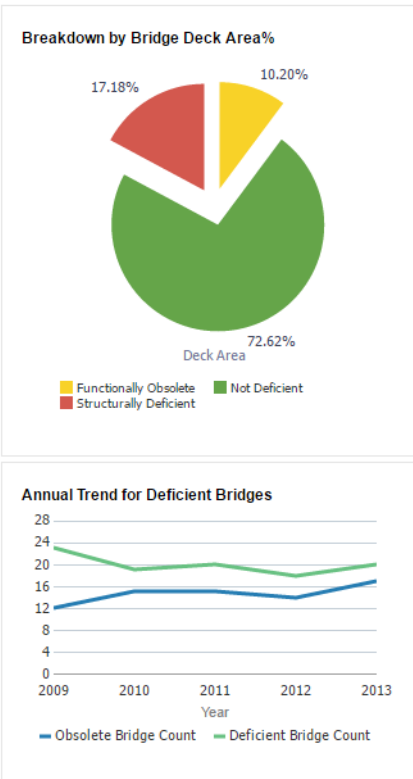
Mon Apr 18 2016

Scenarios: Current | Year: 2013 | NHS: (All Column Values) | District: (All Column Values) | ADT Range: (All Column Values) | Urban/Rural: URBAN (< 200K PO) | MPO Boundary: (All Column Values) | Functional Class: (All Column Values)

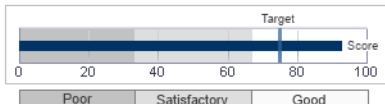
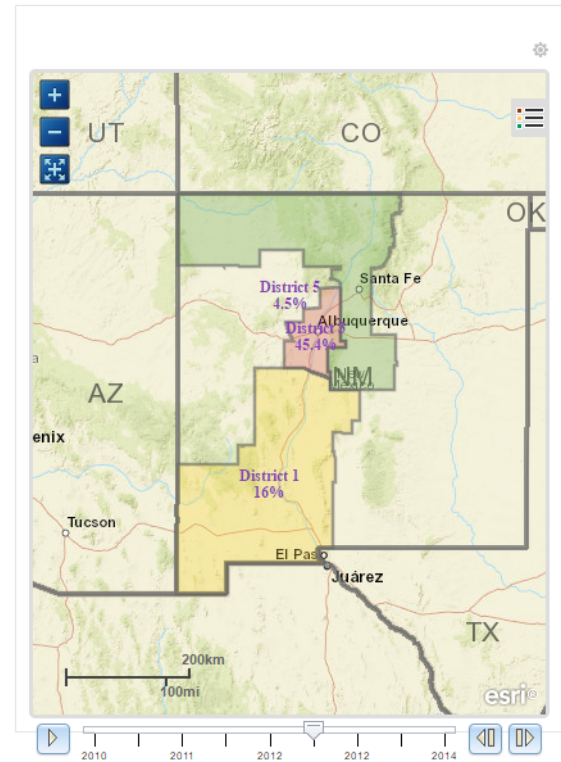
D Infrastructure Goal KPIs



Bridge Deficiency Status



Percent of Deck Area Deficient





Placeholder

- Timeline of LRTP to 10-Year Capital Program to 8-Year Design STIP to 4-Year Construction STIP to 1-2 Year Budget
- Asset Valuation graphic from the TAMP Valuation narrative (draft complete)
- Summary of objectives from Task C amended scope Literature/ Applied Practice Review



Questions?

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505-795-2126

