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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 21-22, 2018

Reference No.: 4.11c.
Informational Item

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Subject: FINDING OF CONSISTENCY BETWEEN THE CALIFORNIA TRANSPORTATION
ASSET MANAGEMENT PLAN AND THE 2018 SHOPP

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) find that the 2018 State Highway Operation and Protection Program (SHOPP) is consistent with the 2018 California Transportation Asset Management Plan (TAMP).

BACKGROUND:

Under Senate Bill 486, the Department is required to develop a “robust Asset Management Plan” by the 2020 SHOPP to guide investments in the SHOPP. At the January 2018 meeting, the Commission conditionally approved the 2018 TAMP, pending the inclusion of performance benchmarks for the four Commission-adopted asset classes of (1) Bridges, (2) Pavement, (3) Culverts and (4) Transportation Management System (TMS) elements. However, in order to adopt the 2018 SHOPP, the Commission must first find that the proposed SHOPP is consistent with the Commission approved TAMP. A concurrent item is on this month’s Commission agenda that will allow for the Department to present for Commission approval the benchmarks for the four asset classes which will revise the 2018 TAMP.

The proposed 2018 SHOPP contains approximately 1,000 projects that cover the four-year fiscal years 2018-2019 through 2021-2022. Approximately 453 projects, with a dollar value of over \$12 billion, specifically address the above referenced four asset classes and will allow the Department to make progress in meeting the Commission-adopted and Senate Bill 1 (SB 1) required performance targets for the four asset classes by the year 2027. An analysis was conducted, which included these projects to establish the approved TAMP benchmarks and so that they are fully consistent with the TAMP. The consistency between the TAMP and the SHOPP is further ensured through a strategic performance management framework implemented by the Department in 2017 as described below.

In August 2016, the Commission established targets for the TAMP, the Department utilized the Commission adopted performance measures and targets established in the TAMP to develop a constrained investment plan for the SHOPP and these were presented in the 2017 State Highway System Management Plan. The SHOPP Investment Plan identified the level of investment and expected performance outcomes for defined asset classes. The Investment Plan included funding necessary to achieve the performance targets established by the Commission and SB 1 for Bridges, Pavement, Culverts and TMS elements.

The statewide investment plan, and expected performance accomplishments, were parsed out to each of the 12 Caltrans Districts in Performance Plans. The District Performance Plans established performance targets for each of the asset classes, recognizing the proportion of the performance gap in each of the districts. The Districts developed project portfolios to achieve the performance over a number of years, constrained by the funding targets, for the District. The Districts worked with individual asset programs to evaluate treatment options and timing in order to minimize life cycle costs.

The performance for all projects within a District were aggregated to determine the total expected performance for the District portfolio over a multi-year period. The expected project performance was compared to the values established in the Performance Plans. Districts were encouraged, through the process, to combine work within corridors to achieve better economies of scale and to minimize disruption to the travelling public.

Project portfolios were aggregated on a statewide basis to establish the new projects for the 2018 SHOPP. The 2018 SHOPP contains approximately 65 percent of projects developed using the performance management approach, with the balance being legacy projects carried over from the 2016 SHOPP.

Collectively the four asset classes represent approximately 70 percent of the total 2018 SHOPP project investment. This investment resulted in project level accomplishments that are included in the benchmark analysis and which make progress toward the 10 year performance targets established by the Commission.

The benchmark analysis presented during the March 2018 Commission meeting demonstrates that the project accomplishments for the 2018 SHOPP and planned future project portfolios will achieve the desired performance targets.

It is through this strategic process that the Department has confidence that the 2018 SHOPP is fully consistent with the TAMP.