



DEPARTMENT OF TRANSPORTATION PROCEDURE

Policy No. 406

Supercedes: N/A

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| SUBJECT: NJDOT Asset Management Policy | Effective Date: 01-01-08 | Commissioner Approval:  Sponsor Approval: Executive Director, Capital Investment Strategies Contact Telephone #: 609-530-5228 |
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I. Purpose

The purpose of this policy is to adopt Transportation Asset Management as the official, institutional approach in managing infrastructure assets and making capital investment decisions at the New Jersey Department of Transportation (NJDOT).

This approach will serve to support and complement the 10 Year Capital Investment Strategy, the 10 Year Capital Transportation Improvement Program, the Annual Transportation Capital Program, and the Annual Study and Development Program.

II. Background

NJDOT, as well as other state transportation departments, are facing ever increasing challenges in funding transportation improvements. Although NJDOT strives to preserve and improve our transportation system on an ongoing, systematic basis, there is inherently a shortfall of funding needed to achieve these strategic goals.

In order to address this challenge, NJDOT must take a holistic approach to preserving and improving the transportation system. Asset management offers an alternative to focusing solely on problem spots or worst conditions. NJDOT will look at an entire asset class and strive to keep that class in an overall desired condition level. This requires that more effort will be made to maintain and preserve assets that are in good condition.

The Federal Highway Administration and the American Association of State Highway and Transportation Officials define Asset Management as a "systematic process of maintaining, upgrading, and operating physical assets cost-effectively." NJDOT will follow this definition of asset management.

III. Policy

The mission of NJDOT is to improve lives by improving transportation. Within that construct, NJDOT's core functions are to operate, maintain and improve the state's transportation system. Resources to effectively carry out those functions are finite: needs always exceed resources. It is, therefore, essential that NJDOT uses those resources in the most cost-effective manner.

NJDOT will utilize an Asset Management approach to operate, preserve and improve NJDOT's infrastructure assets, focusing on roads, bridges and culverts,

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facilities and equipment. NJDOT will also utilize an Asset Management approach to investment in safety and congestion-reduction.

Accordingly, NJDOT will develop an Asset Management Program consisting of two primary elements:

- 1) **An overall Asset Management Plan for NJDOT assets.** The Plan will provide an inventory of specific assets, conditions of specific assets, a performance target for specific assets, and a framework for how best to achieve the performance target through a mix of investments.
- 2) **An overall Asset Management Improvement Strategy.** The Strategy will look at NJDOT's proficiency and maturity in Asset Management practice. The Strategy will identify strengths and weaknesses in the overall and individual Asset Management plans, Asset Management methodologies and practices, and will set goals for improving them.

In order to effectively and efficiently put into place an Asset Management Program, the Policy recommends the following:

- 1) The Division of Capital Investment Strategies will be responsible for implementing a Department-wide Asset Management Program. Capital Investment Strategies will also be responsible for developing and updating the NJDOT Asset Management Plan and the Asset Management Improvement Strategy.
- 2) An Asset Management Steering Committee will be created to guide implementation of this Policy, and will support the Division of Capital Investment Strategies in the Asset Management Program implementation and operation.
- 3) NJDOT divisions will be charged with developing specific Asset Management plans for assets under their purview. These specific asset management plans will be incorporated into the overall Asset Management Plan.