Memorandum

Subject: INFORMATION: Treatment of Development and Implementation of Asset Management Plans and Performance Based Management Cost

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From: Butch Wlaschin, Director
Office of Asset Management, Pavement, and Construction
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In Reply Refer To:
HIAP-40/HEPP-10

To: Directors of Field Services
Division Administrators


States may use the following categories of Federal-aid Highway Program funds to implement their specific management systems and performance plans:

- National Highway Performance Program (NHPP) funds, for asset management on National Highway System (NHS) roads (23 U.S.C. 119(d)(2)(K)).
- Surface Transportation Program (STP) funds, for asset management on any public road (23 U.S.C. 133(b)(24)).

The following items may be reimbursed as direct costs: the development and implementation of the State asset management plan; the supporting data collection, maintenance, and integration; and the costs associated with obtaining, updating, and licensing software and equipment required for risk based asset management and performance based management for all public roads. Costs associated with updating data
components (e.g., annual or biennial data collection) are considered necessary expenses associated with running a functioning management system and may also be reimbursed as direct project costs. States are encouraged to leverage all applicable Federal-aid funds to meet this requirement.

The indirect costs associated with running management systems are allowable. Provided that they are allocable to the benefitting projects and fund sources, these indirect costs may include items such as: utilities, insurance, security, servicing, normal repairs and alterations. The associated indirect cost should be part of the approved indirect cost allocation plan.

For more information on Asset Management, please visit the FHWA MAP-21 question and answer Web site: http://www.fhwa.dot.gov/map21/qandas/qaassetmgmt.cfm. If you have any questions regarding this information or would like to discuss this further, please contact Lorrie Lau at lorrie.lau@dot.gov or (415) 744-2628, in the Office of Planning, or Nastaran Saadatmand at nastaran.saadatmand@dot.gov or (202) 366-1337, in the Office of Asset Management.