



ERM at MnDOT

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Performance, Risk and Investment Analysis



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Why do we do risk management

1. Identify & understand risks to our objectives
2. Make informed decisions based on known risks

Where are we trying to add value

- Whenever possible, **tie risk management work to a direct decision**
- **Develop tools that people feel are helping them** and not just make folks anxious about the risks they face

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Risk-based Scenario Analysis

m DEPARTMENT OF TRANSPORTATION
Office of Transportation System Management
Performance, Risk & Investment Analysis

RISK REGISTER						
	Scenario Summary	Brief Risk Description	Risk Category	Pre-Treatment Risk Rating	Risk Response(s) and/or Mitigation	Post-Treatment Risk Rating
1	1: Wait (Full MnSHIP updated begins in 2020) Opportunities: • MnDOT could accelerate the completion of the next scheduled MnSHIP update due between January 15th, 2022 and January 15th, 2023. • A potential start date for the update could be in spring/summer of 2020, only 18 months away.	Additional investment decisions made outside of MnSHIP (e.g. Twin Cities Mobility shift)	Legal/Statutory/Policy	Critical	Clearly communicate reputational damage by not adhering to our plan and planning process.	Medium
		Unresponsive to stakeholder concerns with existing investment direction (e.g. emerging issues not being considered like urban pavements, updated bridge scoping, Metro investment levels, or shoulder widening).	Political/Stakeholder/ Customer	High	Communicate reasoning and manage expectations around not conducting an early update. (e.g. don't have a significant amount of "new money").	Medium
2	2: MnSHIP Amendment (Amendment update begins spring 2019) Opportunities: • Update revenue projections to reflect 2017 & 2018 legislative sessions including 17NEW and Corridors of Commerce bonding • Adjust investment direction to reflect the NHS pavement to Twin Cities Mobility funding shift in 2024, 2025 and 2026 and use of 17NEW funding for Twin Cities Mobility from 2027 through 2037.	Limited scope not seen as meaningful evaluation to stakeholders (e.g. emerging issues not included like urban pavements, updated bridge scoping, Metro investment levels, or shoulder widening).	Political/Stakeholder/ Customer	Medium	• Communicate reasoning and manage expectations around not conducting a full tradeoff discussion. (e.g. don't have a significant amount of "new money"). • Explain that minor things did change and we want to be responsive.	Medium
		Federal Highway Administration may require greater than the envisioned limited engagement process.	Legal/Statutory/Policy	Critical	Engage federal partners to identify effective response to federal requirements are in a limited outreach situation.	Medium
		New governor/commissioner may expand the trade-off discussion to address any new investment priorities the new administration might have	Political/Stakeholder/ Customer	Medium	• Communicate reasoning and manage expectations around not conducting a full tradeoff discussion. (e.g. don't have a significant amount of "new money"). • Explain that minor things did change and we want to be responsive.	Low
3	3: Update MnSHIP Early (Full update initiated mid-2019) Opportunities: • An update allows for a broader trade-off discussion on the emerging issues such as increases in bridge need, urban pavements, Twin Cities Mobility • Incorporate equity directly into investment decision making • Integrate Transportation Asset Management Plan data into investment discussion	Planning participation fatigue from internal and external partners	Political/Stakeholder/ Customer	High	Incorporate recent engagement input and supplement with new input. Don't start from scratch	Medium
		Nothing significantly changes from existing investment direction	Political/Stakeholder/ Customer	High	We have to accept this risk	High

Risk-based Scenario Analysis

Identifying Scenarios

Decision: Should we update our statewide investment plan (MnSHIP) early because of various external and internal changes that took place since plan adoption

Scenario Summary	
1	1: Wait (Full MnSHIP updated begins in 2020)
2	2: MnSHIP Amendment (Amendment update begins spring 2019)
3	3: Update MnSHIP Early (Full update initiated mid-2019)

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Risk-based Scenario Analysis

Identifying Opportunities, Negative Risks, & Responses

Scenario Summary	Brief Risk Description	Risk Response(s) and/or Mitigation
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Risk-based Scenario Analysis

Identifying Opportunities, Negative Risks, & Responses

Scenario Summary	Brief Risk Description	Risk Response(s) and/or Mitigation
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	Nothing significantly could change from existing investment direction	We have to accept this risk

Risk-based Scenario Analysis

Review scenarios w/ leadership team and make a decision

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Thanks!

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