

Network for Success

Local Programs Workshop



Measuring and Improving Locally Administered Projects' Performance

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Measuring and Improving Locally Administered Projects' Performance

Discussion Topics

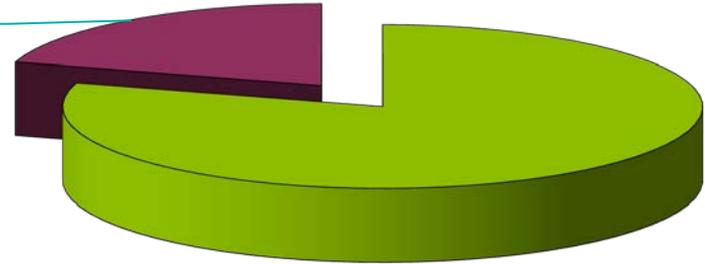
- **Locally Administered Projects Contribution to the Program**
- **Performance – Areas of Concern**
- **VDOT Initiatives to Improve Performance**
- **FHWA Perspectives and Initiatives to Improve Performance**

Measuring and Improving Locally Administered Projects' Performance



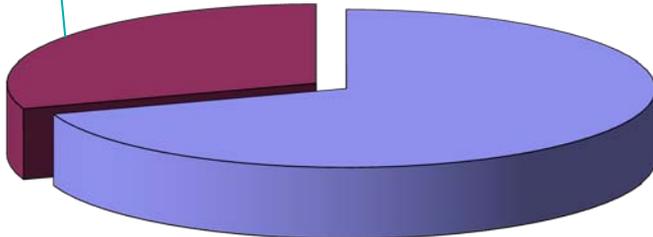
36 Month AD-SCH CN \$\$
July 1, 2012 thru June 30, 2015
LAP's = \$568,381,094

LAP
17%



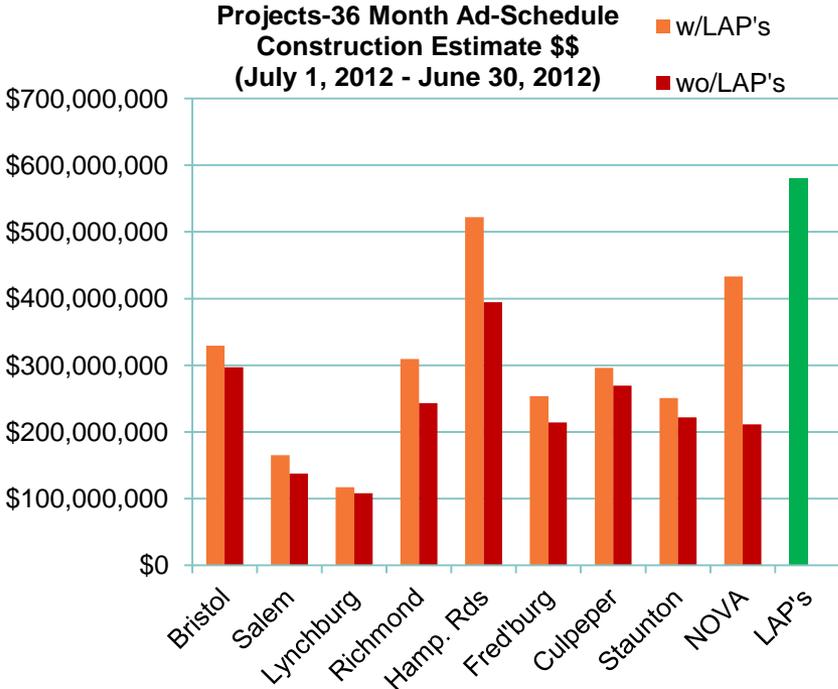
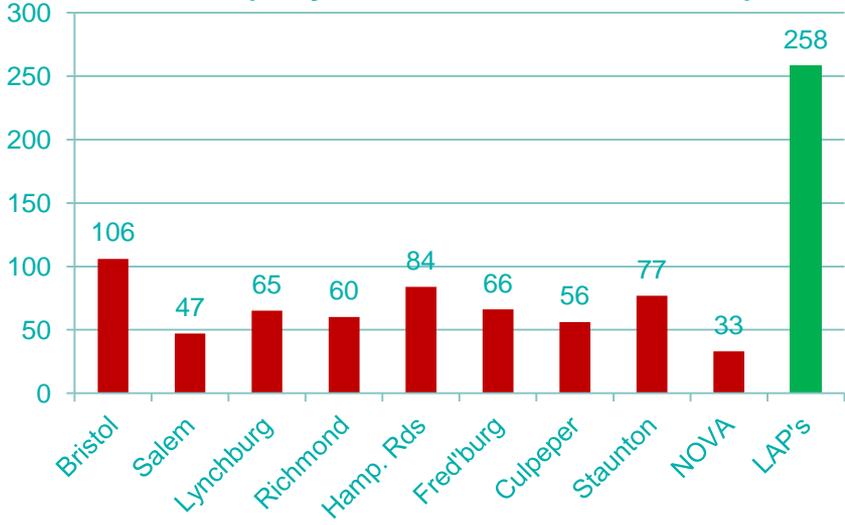
36 Month AD-SCH CN PROJECTS
July 1, 2012 thru June 30, 2015
LAP's = 267 Projects

LAP
31%



Measuring and Improving Locally Administered Projects' Performance

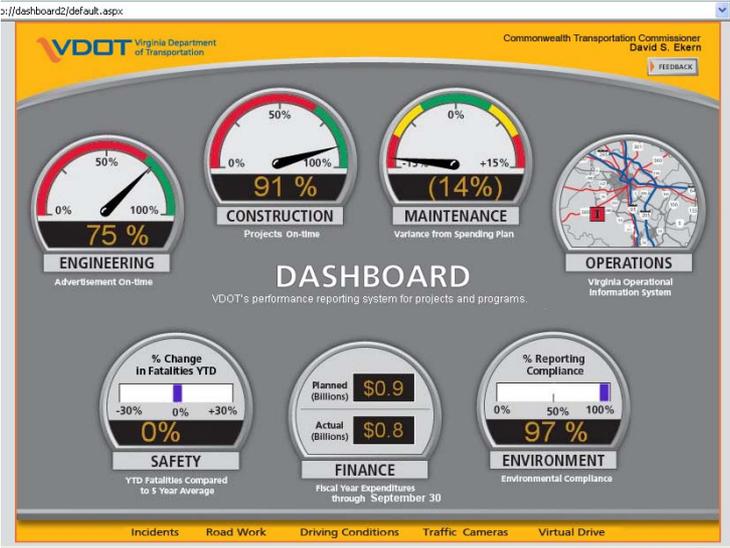
Projects -36 Month Ad-Schedule District Totals without LAP's (July 1, 2012 - June 30, 2015)



Measuring and Improving Locally Administered Projects' Performance

Two Aspects of Performance

Project Delivery



Compliance



Compliance

Performance Audits and Reviews

- **LAPs Process Review (VA) - 2003**
- **The Administration of Federal-aid Projects by Local Public Agencies (2006)**
- **Joint Process Review of Local Government Administered Federal-aid Projects (FHWA, VA) – 2007**
- **LPA Project Oversight & Program Stewardship – FY 2008 Status Report**
- **Local Government Aid Internal Audit – 2009**
- **USDOT OIG ARRA Review – Feb 2010**
- **Performance Audit of Significant Operations of VDOT – August 2010**
- **FHWA ARRA National Review Team Visits (VA) – 2010/11**
- **GAO Review – Feb 2011**
- **DOT-OIG National Audit of ARRA and Federal Aid LAP - 2011**



Compliance Areas of Concern



Quotes from Audits

“No one area identified as a nationwide problem but there were findings of non-compliance in almost all project delivery areas.”

“We found that localities were not always familiar with the federal requirements governing their projects”

“Standard specifications and special provisions were not always approved by the State”

“Most states and LPAs have billing issues”

“Most local agencies are totally dependent on consultants to do environmental documents ...”



Compliance Common Issues



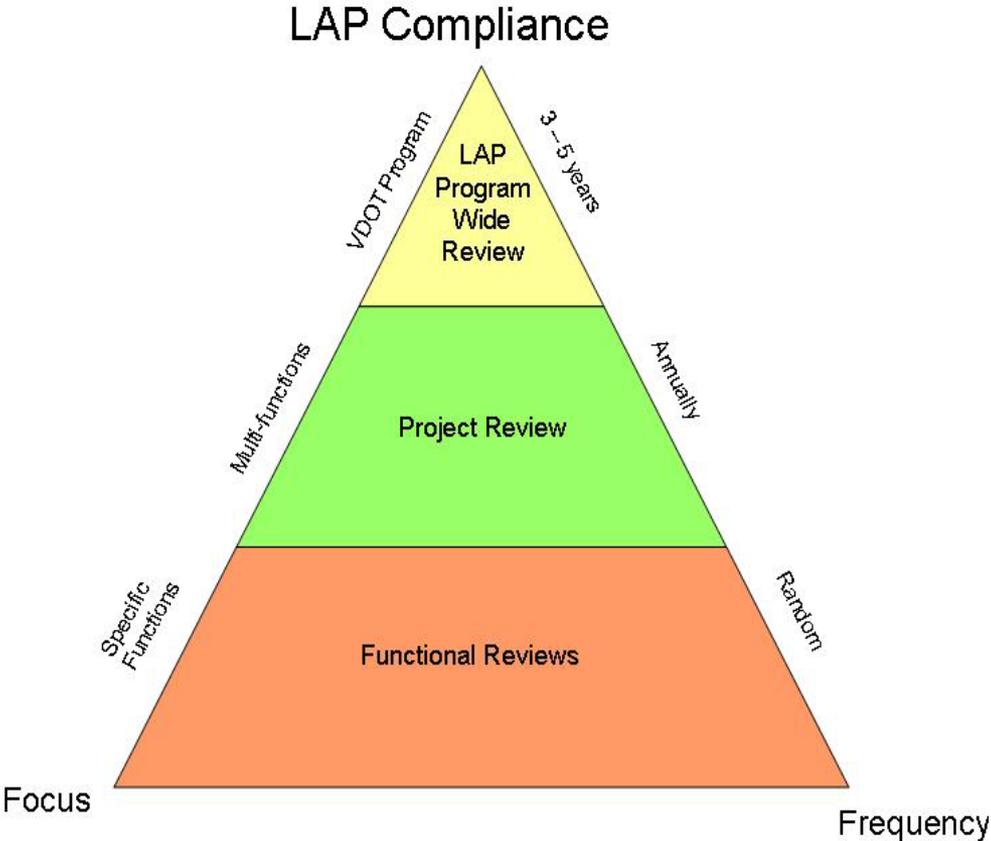
Change orders & claims – (<i>failure to independently price or validate the proposal</i>)	Project bidding, contractor selection, unbalanced bid analysis (<i>negotiation clauses in IFBs</i>)
Compliance with R/W requirements - Uniform Act (<i>unsubstantiated payments, lack of fair negotiations</i>)	Consultant selection & billing (<i>pricing in RfPs</i>)
CN pay items / progress payments (<i>lack of supporting documentation</i>)	Project Reporting / Tracking / Recordkeeping (<i>failure to keep daily diaries</i>)
QA procedures – Mat’ls (<i>failure to perform qualify assurance</i>)	Unsupported Costs (<i>lack of supporting documentation</i>)
Materials Certifications (<i>Buy America steel certifications and other materials certifications</i>)	

Virginia's Action Plan

- **Awareness –**
 - **Ensure that localities are aware of the identified high risk areas and their responsibility to address them.**
- **Provide Training –**
 - **Provide localities with additional training opportunities that specifically target the audit findings.**
 - **Developing new training tools/approaches**
 - **Partnering with others TTA/FHWA – bring in more NHI**
- **Assessments –**
 - **Evaluate localities' conformance with VDOT LAP guidelines and requirements regarding the identified high risk areas as part of the compliance program.**
 - **Proactive reviews of Right of Way process in localities**
 - **Partner with FHWA on LAP Process Reviews**

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VDOT's Compliance Assessment Program





Measuring and Improving Locally Administered Projects' Performance

Project Delivery Performance Dashboard (PE/RW) Performance

	VDOT Managed	Non-VDOT Managed
On-Time	78%	69%
On-Budget	61%	62%

- Interim Milestones are just as important!
- Effective Use of Available Funds



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Project Delivery Milestones:

- Federal Phase Authorizations (PE, RW, CN)
- Important to meet federal strategy
- Projects Dropped from strategy hinder strategy

Effective Use of Allocations:

- Delayed expenditures can cause de-allocations
- Perceptions of Poor Project Management

Good Project Scheduling Resolves all these Issues!

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3-Year On-Time Dashboard Advertisement Locality Trend

Hampton Roads District - Locality Trends

Locality	UPC Count	2007-2009	UPC Count	2008-2010	UPC Count	2009-2011
Accomack County	2	50%	1	100%	3	100%

Locally Administered Project Advertisements for Calendar Year 2012 - Thru August 2012

Locality	District	Baseline - Planned Advertisements		Actual Adv. YTD (8/31/12)	
		Project Count	Recommended CN Estimate	Project Count	Recommended CN Estimate
Hampton	Bristol	13	\$9,151,441	0	\$0
Chesapeake	Culpeper	19	\$42,154,240	1	\$1,534,088
Courtland	Fredericksburg	6	\$7,096,518	1	\$1,743,003
Hampton	Hampton Roads	45	\$373,618,592	22	\$333,652,890
Isle of Wight County	Lynchburg	24	\$14,097,160	15	\$5,973,456
James City County	NOVA	58	\$104,624,991	26	\$53,128,284
	Richmond	54	\$64,681,392	32	\$24,191,517
	Salem	20	\$12,360,004	13	\$5,988,333
	Staunton	12	\$9,735,502	4	\$3,731,326
	Total	251	\$637,519,840	114	\$429,942,897

Locality	Project Count	Recommended CN Estimate	Actual Adv. YTD (8/31/12)	Actual Phase Obligation Count	Phase Obligation Performance
Chesapeake	2	1	0	1	50%
Hampton	18	13	3	8	44%
James City	1	0	2	3	300%
Newport News	13	5	2	10	77%

Strategy		
Obligation Performance		
Actual Phase Obligation Count	Phase Obligation Performance	
2	100%	
1	100%	
Obligation Performance		
1	100%	
12	86%	

How do we Measure Up? Improving LAP Project Performance

Project-Specific Practices to Improve Performance

- Combined Scoping – VDOT and Locality
- Establish a preliminary schedule with VDOT staff (see next slide)
- VDOT Project Coordinators working a day out of locality office
- Routine Coordination Meetings during PE/RW– Monthly or Quarterly
- Locality Project Manager is primary contact with VDOT
- Pre-advertisement Coordination Meeting to include VDOT staff and CEI to ensure roles are understood

Good Communication is the Key!

How do we Measure Up? Improving LAP Project Performance

POTENTIAL SCHEDULE FOR LOCALLY-ADMINISTERED PROJECT

UPC _____

Anticipated Activity Completion Date	Project Development Activity (w/ potential timeframes)
/ /	Hold kick-off meeting with VDOT
/ /	Procure consultant (0-4 months)
/ /	Hold scoping meeting
/ /	Submit 50% plans to VDOT for review & comment (0-6 months; 2 weeks for VDOT review)
/ /	Complete environmental document (0-9 months)
/ /	Submit 90% plans & bid document/technical specs to VDOT for review (0-3 months; 4 weeks for VDOT review)
/ /	Obtain R-O-W Certification (include 2 weeks for VDOT review and issuance)
/ /	Submit final plans & bid document/technical specs to VDOT (0-4 months; 2-4 weeks for VDOT review)
/ /	Request & obtain Advertisement Authorization (n/a to State-funded Revenue Sharing projects) (0-2 months)
/ /	Advertise for bids
/ /	Award contract/begin construction (0-3 months; VDOT must approve contract award before NTP)
/ /	Construction complete
/ /	Final reimbursement request (ensure funds expended by deadline on Proj. Admin. Agreement)

Note that this schedule must be received by District staff before Project Administration Agreement & Appendix A will be forwarded to Central Office for execution and processing.

Programmatic Initiatives to Improve Project Delivery

- **Business Plan – LAPs (continue for next FY)**

Evaluate local government ability to effectively manage and deliver projects ... make changes to agreements, programs, policies, and procedures ... so that locally administered projects and project phases are completed within agreed time frames.

- ✓ Enhanced RtA process for federal aid projects
- ✓ Require a scoping completion date in the Project Administration Agreement
- ✓ Require a firm project schedule in scoping package
- ✓ Update Locality Dashboard so that individual locality on-time performance can be tracked
- ✓ Delegation of Request to Administer process for Tier 1 projects
- ✓ Obtain Stakeholder Input – Local Gov't Advisory Group?
- ✓ Continued Emphasis on District use of risk-based approach to project oversight



Project Delivery Performance

Implementing a Risk-Based Oversight Approach

State-Aid Project Certification*

- No requirement to provide oversight / review
- Poses no or minimal risk to VDOT

Locality certifies proper administration of:

- Design (VDOT review for VDOT-maintained)
- State procurement
- Right of Way Acquisition / Relocations
- Public Involvement
- Environmental (SERP > \$500,000 exception)

***Not applicable to projects developed as federal eligible**

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LPA Risks and Mitigations

Fed-Aid Essentials for LPAs

EDC-2 Initiatives



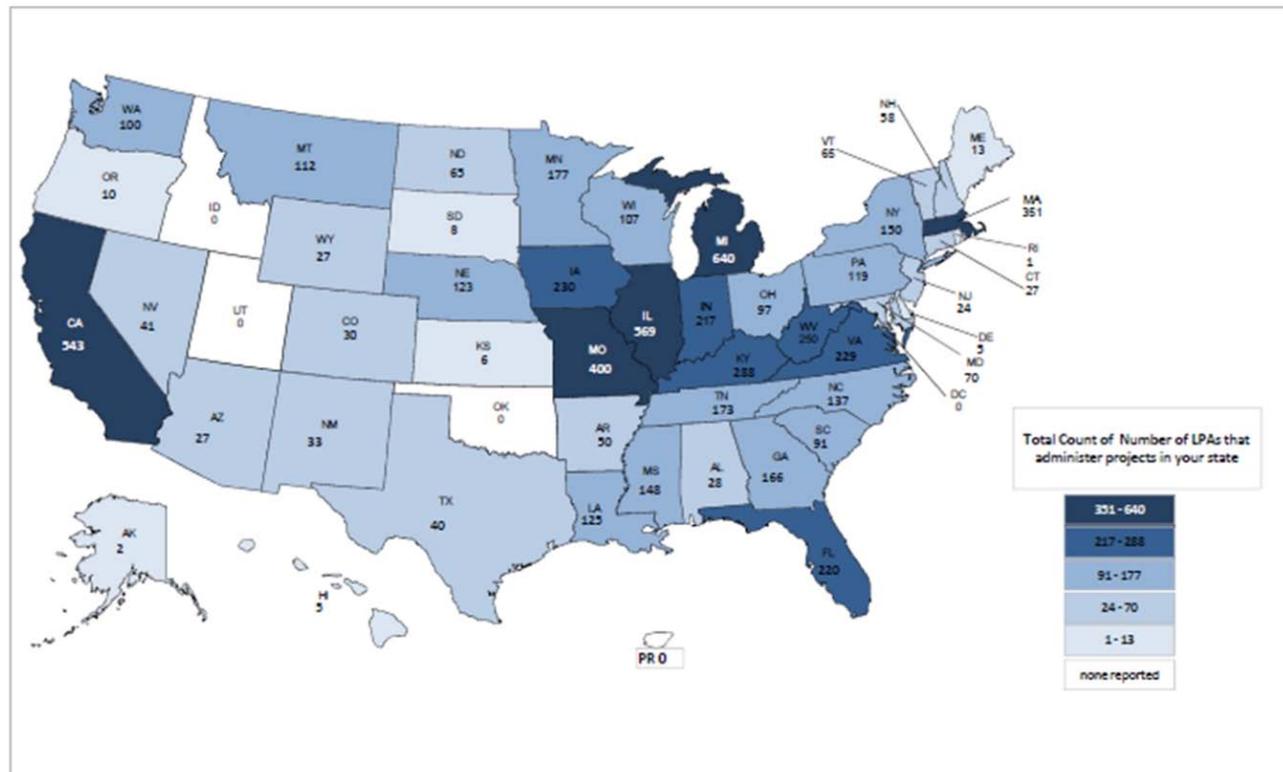
Measuring and Improving Locally Administered Projects' Performance

Demographics:

More than 28,000 Cities, Towns, and Counties

More 6,600 LPAs administering Federal-aid projects

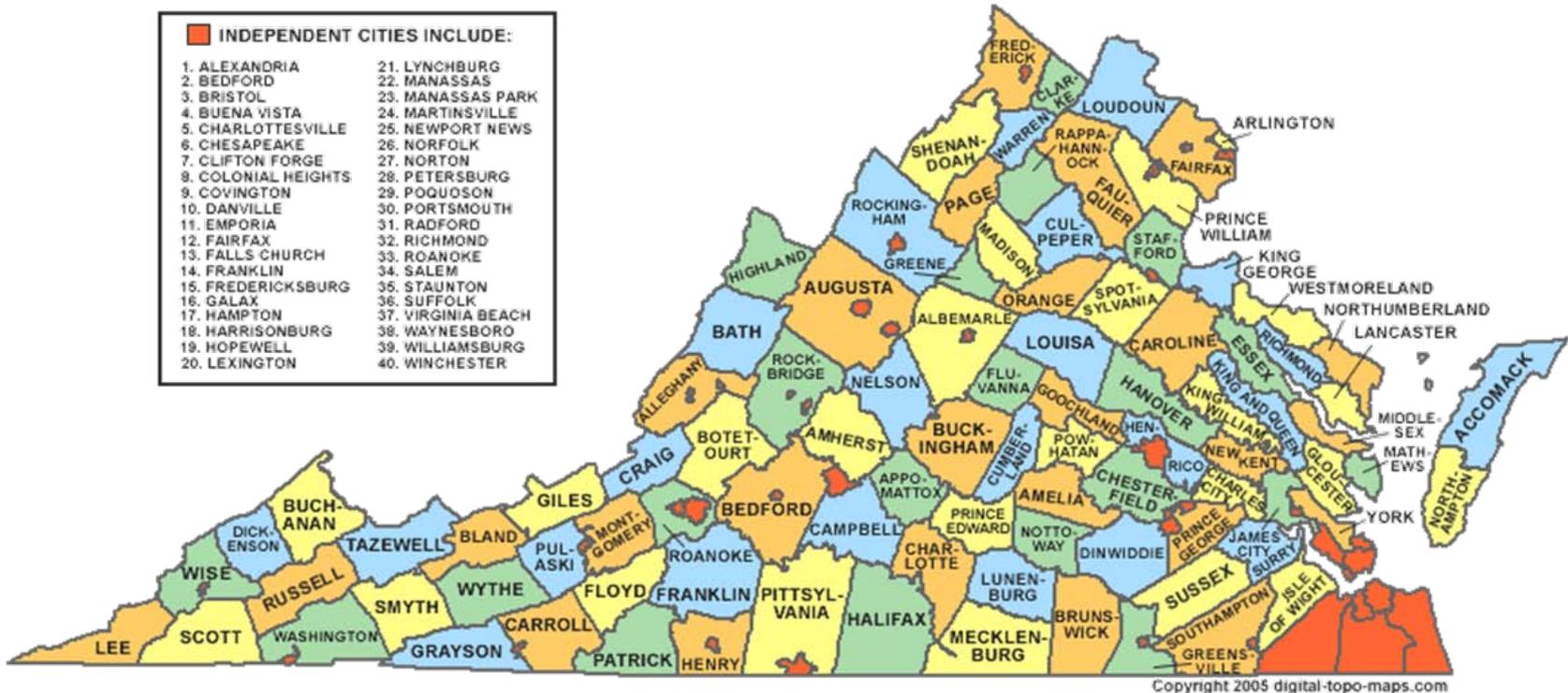
In 2009 -> 2,028 LPAs ARRA projects



Measuring and Improving Locally Administered Projects' Performance

Demographics:

> 28,000 Cities, Towns, and Counties | VA:(Cities & Towns – 231, Counties -95)
6,600 LPAs administering Federal-aid projects



Measuring and Improving Locally Administered Projects' Performance

Risks Nation-Wide:

Internal Controls

Weak knowledge of federal requirements

Poor policy/procedural guidance for LPAs

Lack of statewide policy and/or procedural consistency

Poor project documentation

Financial Management

Financial controls and billing issues

Procurement

Consultant selection issues

Oversight

Inadequate staffing and resources

Lack of proper project inspection

Poor quality control



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Risks-VA:

Diversity of localities

- Urban vs. Rural
- Large vs. Small
- Lack of association

Diverse geography and climate

- Unique materials and environment





Measuring and Improving Locally Administered Projects' Performance

Managing Risks:

- **LAP manual**
- **Certification Track**
- **Regular meetings with UCI**
- **Increase Communication**
- **Project/Process reviews**
- **Education (LTAP and other venues)**



Local Assistance Division

http://www.virginia.gov/business/locally_administered_projects_manual.asp

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Managing Risks...cont.:

◆ Federal-aid Essentials for Local Public Agencies

www.fhwa.dot.gov/federal-aidessentials

U.S. Department of Transportation
 Federal Highway Administration

Search FHWA

Federal-aid Essentials for Local Public Agencies

Federal-aid Simplified.

HOME ABOUT FEDERAL-AID ESSENTIALS VIDEO LIBRARY STATE RESOURCES

Share More info

Federal-aid Simplified. Understanding the Essentials.

More and more, transportation agencies must pursue better, faster and smarter ways of doing business. Federal-aid Essentials offers a central online library of informational videos and resources, designed specifically for local public agencies. Each video addresses a single topic-condensing the complex regulations and requirements of the Federal-aid Highway Program into easy-to-understand concepts and illustrated examples.

To learn more, view the video to the left.

I want to know more about
 Funding requirements
 Go!

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 Federal Highway Administration | 1200 New Jersey Avenue, SE | Washington, DC 20590 | 202-366-4000

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Why create Federal-aid Essentials?

Complex system

Diverse users

Funding responsibilities

Regulations

<http://www.fhwa.dot.gov/federal-aidessentials/>

Measuring and Improving Locally Administered Projects' Performance

FHWA's Guiding Philosophy

**Easily
accessible**

**Easy to
understand**

Self paced

**Available
anytime**

<http://www.fhwa.dot.gov/federal-aidessentials/>



Measuring and Improving Locally Administered Projects' Performance

The Web site: Federal-aid Essentials

Three main components of the Web site:

Vast library of videos

Printable takeaways

Additional resources/contacts

Other features

Feedback mechanism



<http://www.fhwa.dot.gov/federal-aidessentials/>

Measuring and Improving Locally Administered Projects' Performance

Library of Video Modules

- Modules cover 7 main categories
- Categories reflect key activities of the Fed-aid Hwy Prgrm
- Videos are about 4 – 7 minutes long
- Concise content provided in plain language



Measuring and Improving Locally Administered Projects' Performance

Topics in Library of Video Modules - Main Categories

Federal-aid Program Overview

Project Construction and Contract Administration

Project Development

Right-of-Way

Finance

Environment

Civil Rights



<http://www.fhwa.dot.gov/federal-aidessentials/>

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Sample Topic in Library of Video Modules

Federal-aid Program Overview

- Stewardship and Oversight
- A Process from “Cradle to Grave”
- Funding Basics and Eligibility
- Project Requirements
- National Bridge Inspection Standards
- Procuring Consultant Services



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Companion Resources

- Takeaways – printable resources and extra information, includes text of video content
- Additional web links are posted for other resources, such as:
 - The main FHWA program page
 - The applicable CFR section
 - Existing FAQs and more

Federal-aid Essentials for Local Public Agencies JUNE 2012 U.S. Department of Transportation Federal Highway Administration

Federal-aid Program Overview Project Delivery Cradle to Grave Process

Check out the video

<http://www.fhwa.dot.gov/federal-aidessentials>

You wouldn't think of starting out on a trip without knowing where you were going. The same is true for Local Public Agencies as they consider a project of any scope. Think of a transportation project being developed under the federal-aid highway program as an extended road trip with a series of required waypoints. It's a good idea to have a map that shows where you are going and how to get there. This presentation will provide you a sound understanding of the phases or building blocks and the major approval milestones.

America has the best transportation system in the world where safety is the top priority. The Federal Highway Administration values the public trust of delivering quality projects and protecting the civil rights of everyone who is affected. Understanding this program and how projects are advanced will help to preserve this trust and continued confidence.

Projects that use Federal-aid Highway Program funds typically follow a series of

six fundamental phases of development. Each phase embodies the building blocks, leading to successful project delivery for your Local Public Agency. The first phase is planning. Your transportation needs and ideas are conceptualized during the planning phase. Next—building upon the decisions initiated in planning—the project moves forward through the five remaining phases of development from environmental studies, design, right of way, construction and ending at maintenance and operation.

As the project progresses through each of the six phases, your Local Public Agency also must take into account three major approval milestones: Environmental document approval; Plans, Specifications and Estimates; and closing the Project. Obtaining approval at each of the milestones advances the project. This video presents these core elements and approval steps to help achieve success in your project—in terms of staying on schedule, ensuring construction quality, managing costs, and complying with Federal regulations—so that you can receive Federal-aid funds for the project.

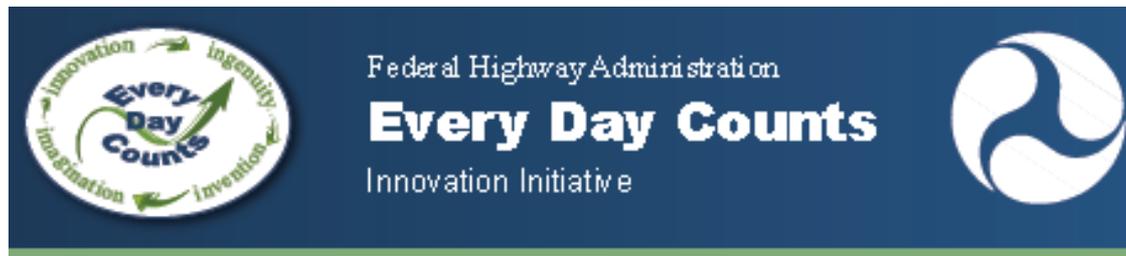
Let us first discuss the core elements of the program before moving on to challenges and solutions related to the success of your project. Project delivery within the Federal-aid highway program is represented as a series of interconnected phases that can affect each other.

<http://www.fhwa.dot.gov/federal-aidessentials/>

Measuring and Improving Locally Administered Projects' Performance

What is EDC? (Every Day Counts Initiative)

- ◆ **Designed to identify and deploy innovation aimed at:**
 - ◆ Shorten project delivery,
 - ◆ Enhance the safety of our roadways, and
 - ◆ Protect the environment.



<http://www.fhwa.dot.gov/everydaycounts/>

Measuring and Improving Locally Administered Projects' Performance

EDC 2 – New Wave of Initiatives

- ◆ **Locally Administered Federal-Aid Projects**
 - ◆ Aids LPAs through the complexities of the Federal-aid Highway Program's requirements and processes for establishing and administering Federal-aid projects.



<http://www.fhwa.dot.gov/everydaycounts/edctwo/index.cfm>

Measuring and Improving Locally Administered Projects' Performance

EDC 2 - New Wave of Initiatives...cont.

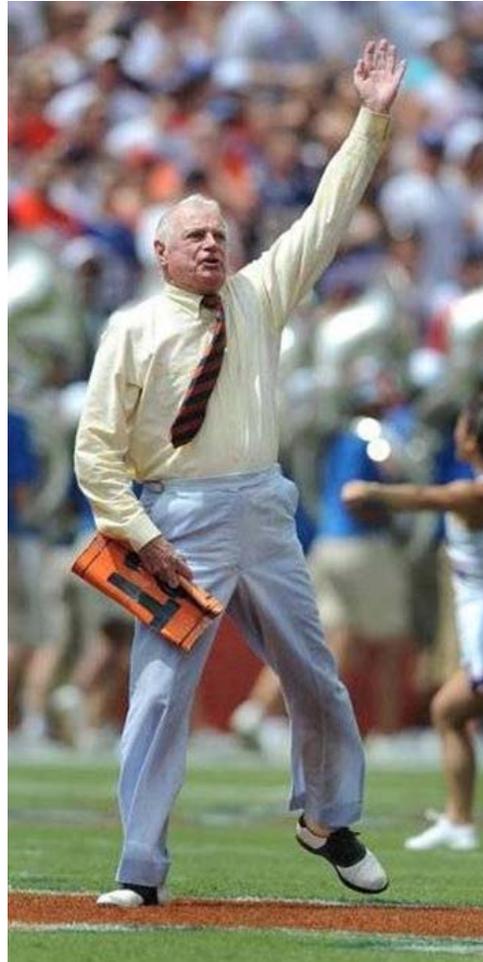
◆ Promotes and encourages...

- ◆ Use of certification/qualification programs
- ◆ Establishment of an Indefinite-Delivery/Indefinite-Quantity (IDIQ) Consultant Contract
 - ◆ Pool of qualified consultants
 - ◆ Through task orders
- ◆ Communication, coordination and cooperation
 - ◆ "Stakeholder Committee" (FHWA, VDOT and LPA)

<http://www.fhwa.dot.gov/everydaycounts/edctwo/index.cfm>

Measuring and Improving Locally Administered Projects' Performance

THE END



Questions?