

Communications:

LAD continued publishing the Local Assistance Newsletter but reduced its frequency from quarterly to triannually. The purpose of the newsletter is to serve as another outreach avenue for the Department and provide general information, updates, and changes about locally administered projects and other items affecting local programs.

In Fall 2010, LAD held three (3) regional sponsor workshops for successful Enhancement Program applicants focusing on project development and state / federal requirements. In addition, five (5) public workshops were scheduled during Summer 2011 for those interested in applying for future Enhancement Program funding

The Division's external webpage continues to be updated regularly to include mass communications to local governments as well as to reflect program and policy changes and new initiatives.

Urban Construction Initiative:

The Urban Construction Initiative (UCI) program now has 13 localities under agreement to administer their entire construction program. This year, the City of Chesapeake and the Town of Purcellville each executed the programmatic agreement effective July 1. They join the cities of Virginia Beach, Hampton, Richmond, Charlottesville, Harrisonburg, Lynchburg, Colonial Heights and Newport News and the towns of Blacksburg, Bridgewater and Dumfries in the program.

The City of Danville submitted a resolution of intent to join the initiative. This resolution serves as a starting point for the year-long transition process which is established by Code. Danville will be eligible to enter into the programmatic agreement to join UCI effective July 1, 2012. Additionally, the *Code of Virginia* was modified to reduce the transition period for localities interested in joining UCI from 12 months to 6 months. Therefore, localities will have until December 31 to express intent to join the initiative on July 1, 2012.

The City of Virginia Beach has started the process to become UCI Certified by submitting a letter of intent and detailed certification application. The certification program encourages localities that have been with the Urban Construction Initiative for at least one year to become certified allowing them additional authority over their transportation program. With certification comes streamlined oversight and stewardship provided by the Department.

LAD has continued to hold monthly UCI Workgroup Meetings to develop new ways to enhance communication with our municipal counterparts and to streamline project delivery. This group consists of representatives from 9 different localities, VDOT District and Central Office Staff, and the FHWA. The group has previously been successful in creating the process outlined above for UCI Certification.

To better assist the VDOT and Local staff, LAD will be discontinuing the use of the UCI Guide. The project development portions of the UCI Guide will be relocated into the Locally Administered Projects (LAP) Manual, while the policy and program guidance information will be incorporated into the Urban Manual. This should be completed in 2012.

Secondary Policy:

With recent organizational changes within the Department, LAD is currently working to create a tool that will assist VDOT and Local staff on policies and guidance in relation to the County's Secondary Roads programs by creating a Secondary Roads Policy Manual. A working group consisting of District and Residency Staff was created to help determine the content of the manual. Central office divisions are providing policy information. The anticipated completion of this manual is fall of 2011. Completion was postponed to ensure coordination with the new PIM Manual.

Local Performance and Accountability for Transportation Funding:

LAD produces a biennial report for local performance measurements for bridges and pavements. This report was done in 2009 and will be prepared again in 2011. LAD continues to report local bridge condition (from dashboard) on a quarterly basis through "Virginia Performs". As of July 2011, 97.7% of the bridges on the county maintained system and 91.2% of the bridges on the city/town maintained system were rated in "fair or better" condition. The bridge performance target is that 92% of structures are rated in "fair or better" condition.

Since FY06, the Weldon Cooper Center for Public Service has been under contract to VDOT to conduct an annual Road, Street, and Highway Finance Survey. The Survey information is utilized to meet state and federal data requirements for reporting expenditures of maintenance and construction payments by category. This on-line survey provides data to VDOT that fulfills both the state reporting requirements and the annual Federal Highway Administration requirements. The Weldon Cooper Survey for FY2010 has been completed and posted on the LAD webpage.

Locally Administered Projects (LAPs):

Project Administration Agreements:

A total of 309 Locally Administered Project Agreements were executed this year, up from 256 last year. In addition, 20 supplemental agreements were completed. At the request of several local governments, the standard project administration agreement was modified to reflect that funding provided by localities and / or VDOT is subject to annual or other lawful appropriation and to provide third-party indemnification protection to employees acting within the scope of their responsibilities. All new project administration agreements for projects funded with RSTP, CMAQ, or HSIP now include specific deadlines for fund obligation and expenditure.

Locally Administered Projects Manual:

LAD has continued to improve and update the Locally Administered Projects Manual. In FY 2011, the Manual was updated four times. Some of these updates reflected changes associated with the newly implemented Tier 1 / 2 project development oversight processes, clarification of the funding verification process for state-funded projects, Federal Funding Accountability and Transparency Act reporting requirements, the implementation of a locally administered projects compliance assessment program, a new dispute resolution process, and new streamlined environmental processes.

FHWA Process Review of Locally Administered Projects Program:

LAD was involved in several audits involving the Locally Administered Projects program in FY 2011. Among them was a National Review Team Audit of locally administered projects funded through the American Reinvestment and Revitalization Act (ARRA). The review identified the

LAP Manual coupled with the existing communication network between the LPAs and their VDOT District staff as a best practice. The summary of the review also indicated that Virginia's LAP program is not considered a high risk area.

LAP Performance Initiative:

This year, LAD began to compile and analyze a variety of data on the performance of locally administered projects. Areas that are being reviewed to establish measures, track progress, and provide consistent and meaningful tools to District and local staff include: federal strategy, inactive projects, and dashboard (on-time/on-budget).

Local Partnership Team/Outreach/Training:

As part of the locally administered projects training core curriculum announced last year, LAD produced two web-based modules to provide local government decision-makers and project managers a basic understanding of locally administered projects. The first module, entitled *An Introduction to Locally Administered Projects*, is intended to give the local government decision-makers, including City or Town Managers, County Administrators, Directors of Public Works, and City Engineers, a basic understanding of the requirements and expectations of administering a state or federal aid project. With this information, local governments can make better-informed decisions when considering administering a project. It is approximately 12 minutes in length. The second module, entitled *Locally Administered Projects for the Local Government Project Manager* highlights some of the key requirements associated with delivering locally administered projects, raises awareness of resources available to ensure successful project delivery, and provides guidance regarding the use of the Locally Administered Projects Manual. This module is approximately 40 minutes in duration, but can be viewed in segments.

LAD also partnered with the Scheduling and Contracts Division and the Hampton Roads District to offer the National Highway Institute Contract Administration Core Curriculum course to both VDOT and local government staff. The course is designed to discuss contract provisions, administrative procedures, and applicable policies related to federal-aid design and construction contracts. Thirteen local government staff attended.

Finally, LAD worked to provide access to and training on Dashboard and VDOT's Project Cost Estimating System (PCES) to a total of 27 local government staff this year, up from 14 last year.

Local Compliance:

The Local Assistance Division understands that self-evaluation is a key aspect of program improvement. Accordingly, a compliance assessment program for locally administered projects has been developed, piloted, and is scheduled for implementation later this year. The assessment program includes three separate types of assessments: evaluations of local government compliance with specific functional areas, such as Right-of-Way or Environmental requirements; evaluations of all applicable functional areas for a single locally administered project; and, a programmatic evaluation of the Locally Administered Program in its entirety, in a process similar to FHWA's Process Review. Details of the compliance assessment program have been included in the Locally Administered Projects Manual, Chapter 7.

Results of the evaluations will be used to identify and prioritize updates to guidance, training, and other outreach programs to improve LAP compliance with federal and state requirements. In addition, implementation of this program will also help satisfy several outstanding external and internal audit findings of VDOT's Locally Administered Program.

Transportation Enhancement:

Policy Update:

Staff worked with the CTB for several months on a policy update to address several initiatives of the new Administration. In December 2011, a new policy resolution was passed by the CTB which 1) expanded potential selection of new projects back to all 12 eligible TE activities [2009 resolution had reduced the eligible categories for new projects down to 5 primary categories] 2) provided the Secretary of Transportation with a \$4M set aside from the TE program funds for high priority statewide initiatives and 3) officially approved the *De-allocation, Project Transfer and In-active Project Process*. This resolution also changed the distribution of remaining TE funds from the prior policy of dividing the funds evenly among all CTB members; to providing that 75% of the funds would be allocated to the District CTB members and 25% allocated collectively to the At-Large members. The resolution further states that the 75% allocated to the District members will be divided evenly among the 9 District members and the 25% collectively allocated to the At-Large members will be focused on projects of regional significance and completing funding of projects selected by District members.

Program Administration:

As set forth in the November 2009 CTB policy resolution, VDOT only solicited requests for existing projects for funding applications in FY2012. No separate applicant workshops were held in 2010 since only applications from existing projects were accepted. The applicant outreach efforts for FY2012 resulted in the submittal of 99 applications, of which the CTB selected 82 projects for funding. The CTB allocated approx \$30M to Enhancement projects this year. This included the approval of \$3.5 M in tourism initiatives to commemorate the Civil War's sesquicentennial described below. This year, of the projects selected for funding, 81% of the requests were fully funded. Increasing the funding on projects selected has been a specific goal of recent policy changes to facilitate moving the vast backlog of projects forward toward completion.

Program staff updated the Enhancement Manual increasing the pre-award audit threshold to \$100,000 and updating Appendix E with regard to Procurement and Management of Professional Services, along with other updates and clarifications. The new priority ranking system established last year for existing Enhancement projects to identify those projects that were making progress and to highlight good candidates for additional funding was used for the second year and appears to be working as intended. The Division conducted four (4) "Enhancement Day" workshops for District Enhancement Coordinators and new PIM personnel. These workshops provide program updates, training and development opportunities. As a result of "Blueprint" staff changes, the Enhancement Team has been more engaged in providing guidance to staff new to the Transportation Enhancement Coordinator role. Several districts are still "defining" the coordinator and locally administered project role within the district.

Civil War's Sesquicentennial/Tourism Initiative:

LAD continues to work with several statewide organizations on a project that will provide Virginia motorists with key information about the Civil War Sesquicentennial (150th Anniversary) and promote Virginia's Scenic Byway Program through multi-media at Virginia's Welcome

Centers. The interactive tool has been demonstrated at several venues and was scheduled to be available at select Welcome Centers in August.

Other High Priority Statewide Enhancement Project Initiatives:

Other high priority statewide initiatives selected by the Secretary of Transportation included: gateway beautification into the state's capital city of Richmond; establishing gateway signage into Virginia's wine regions; and development of a landscaping plan for the Journey Through Hallowed Ground route designated as a National Scenic Byway in 2009.

Deallocation Process:

The de-allocation process initiated in 2007 to close-out dormant and/or completed Enhancement projects was formally adopted as CTB policy in December 2010. This process resulted in \$4,466,173 in funds being re-allocated to other active Enhancement Program projects. To improve communication about existing projects, District financial summaries were enhanced to include reports sorted by project sponsor and provided to CTB members as well as District Enhancement Coordinators.

Scenic Byway Programs (Virginia and National):

LAD coordinated the Virginia Byway Designation for 5 roadway sections, totaling 38 miles. This brings the total mileage of Designated Byways in Virginia to 3,438. FHWA announced the award of a National Scenic Byway FY10 grant of \$638,479 to Brunswick County for a Virginia Byways Visitor Center. The Byway Program Manager worked with various organizations to submit four applications for FY11 National Scenic Byways Grant Program funding requesting approximately \$2.6 M. The Byway Program Manager provided technical assistance to several organizations across the Commonwealth who are considering applying for National Scenic Byway designation through FHWA. LAD worked with Public Affairs to create a Civil War 150th Anniversary Supplement to the *Map of Scenic Roads in Virginia*. This publication highlights celebrating the Civil War's Sesquicentennial along Virginia's Byways. This map was scheduled for publication late summer of this year.

Forest Highway Program:

LAD worked with the Eastern Federal Lands/FHWA coordinator and U.S. Forest Service to develop a funding strategy to ensure each phase of selected projects will be fully financed in order to bring individual projects to completion. In FY 2010, Virginia received an allocation of \$2,057,619.00. The cumulative amount of this carryover and allocation, minus the current FY 2010 obligations and programmed funds amount, is the current balance of Forest Highway funding of \$3,029,154.45. At the 2010 Forest Highway Annual meeting, a 5 year plan was developed to maximize utilization of available funding. It is anticipated the allocation of Forest Highway funds to the state of Virginia will continue in a Continuing Resolution (CR) status in the amount of approximately \$2,050,000.00 per federal fiscal year until a new Transportation Bill is authorized. LAD staff worked with Eastern Federal Lands/FHWA coordinator on reconciling completed projects. Reconciliation of older projects was completed in February 2010. The 2011 Annual Forest Highway Meeting was scheduled for July 12, 2011 at the Forest Service District Office in Harrisonburg. Eastern Federal Lands has developed a Long Range Transportation Plan and they are proposing a new application process that may be implemented as soon as this fall for new projects being added to the 5 year plan. The Forest Highway ARRA construction projects previously selected were successfully completed.

Urban Construction and Maintenance Program:

Urban Six Year Improvement Program:

LAD provided assistance to District staff and local governments in establishing priorities for potential funding.

Reconciliation of the urban program continues on a rolling basis and residual allocations are being distributed in the annual update to the Six Year Improvement Program. Each district is provided with a list of action items based on the rolling reconciliation/program review.

LAD continues to provide the Districts with an assessment of the urban program on a biannual basis – comparing allocations to project estimates and current expenditures. This tool was provided to district staff with guidance and priority on areas needing improvement in delivery of the urban program. Areas of focus include: continued consolidation of projects (financially feasible alternatives) and expenditure of funds on fully funded phases (for federal obligation). Based on input from the District Offices, this tool was enhanced to separate information by Locally and VDOT Administered projects and by project phase (i.e. PE, R/W, and CN).

Urban Policy and District Support:

To better serve District Staff, LAD has modified the Urban Day meetings to be monthly, topic-focused, one-hour sessions with the District PIM Offices. These meetings continue to be important in communicating the changing transportation program and promoting consistent and uniform application of program policy.

With the transition of new staff in the Districts, LAD is currently working on updating the Urban Manual to provide the latest in policy and procedural changes. The Urban Manual will be upgraded to ensure that VDOT and Local staff have a single reference for information relating to the Urban Construction and Maintenance Programs. The Urban Manual will also include the program development and policy requirements of the UCI Guide. The new manual is scheduled to be released later this year.

Local Maintenance Program (Urban, Arlington & Henrico)

LAD continues to work with the Steering and Technical Committees for the development and implementation of the new Roadway Network System (RNS). LAD has been working with IT and Timmons Group on a pilot project for the Urban Conversion Project to georeference the urban inventory, and to provide exception reporting and validation of the information in the Urban Maintenance Inventory.

During FY11, LAD reviewed and processed 1,415 urban system changes to include the addition of 0.28 centerline miles of arterials and 27.65 centerline miles of local/collector roads for a total increase of 77.06 lane miles in the urban system in FY12.

As a result of the 2010 Census, there are 3 localities that have exceeded 3,500 in population and therefore mandated by Code to come into the Urban System. Those new localities are: Broadway, Berryville, and Colonial Beach. Meetings were held to discuss the transition of the secondary roadway maintenance to these localities. The transition will be finalized on July 1st, 2012. Additional meetings, presentations, and training are planned as requested by the localities.

Devolution:

Secondary System Devolution:

Over the last couple of years, there has been a renewed interest in devolution options. LAD staff provided information and assistance to Fairfax County with their Road Takeover Study, which was completed in the fall of last year. LAD staff also provided background information and draft review comments of the George Mason University (GMU) Devolution Study which has recently been released.

Columbia Pike:

LAD worked with District and Central Office staff to finalize the Memorandum of Agreement and attachments to accommodate Arlington County's request to transfer Columbia Pike to the County's local system. The CTB approved the transfer on September 15, 2010 and effective October 1, 2010, Columbia Pike was a part of Arlington County's local road mileage network.

Revenue Sharing Program:

The FY11 application process was delayed until the 2011 budget appropriation of \$15 M to the Program was confirmed. Applications were due by June 18, 2010 and, of the 120 requests for more than 37.2 M, the CTB allocated the entire \$15 M to 68 locally administered projects at its September 15, 2010 meeting.

During its 2011 session, the General Assembly revised legislation to remove the funding tiers leaving project acceleration as the only priority criteria. Also, the Program funding limit was increased from \$50 M to \$200 M while the maximum state matching amount a locality could receive was increased from \$1 M to \$10 M. As a result of the new legislation, the CTB revised its Revenue Sharing Policy and established the Revenue Sharing Program Guidelines which replaced the previous program guide.

In order to get a ballpark estimate of requests, localities were asked in October to submit a letter of intent indicating interest in the Revenue Sharing Program based on the legislation in place at that time. 62 localities indicated an intent to request \$45.2M by the December 17, 2011 deadline. After the formal solicitation based on the 2011 legislation was made in March 2011, LAD received 188 applications totaling \$131.5M by the April 29, 2011 deadline. The CTB approved funding for locality requests up to \$5M for projects that met the priority criteria. This resulted in the approval of 173 projects receiving \$103.3M at the June 2011 CTB meeting. The funding of these approved projects was split between FY 2012 and FY 2013; however, the funding arrangement was established to ensure there would not be an impact to any locality's ability to proceed with their selected project.

LAD staff continues to work with Programming and Fiscal Divisions to reconcile allocations shown in FMS and PAM for all Districts. In order to implement the first de-allocation procedure, LAD staff finalized the review of over 2000 financial records and has been coordinating with District staff on reconciling older projects. Districts were asked to review the list of projects subject to de-allocation and provide recommendations to LAD in August in preparation for a proposal for CTB review in November. Legislation approved several years ago made this deallocation process option possible if a locality is not expending funds and has not started a project after 3 years from the date of allocation.

Access Programs:

LAD staff worked with various VDOT staff, local governments and other entities across the state to successfully allocate \$1,124,000 to assist localities with projects to access four recreational areas and \$3,779,500 for projects to access seven economic development sites. Staff also continued work on financial closure items associated with completed projects.

Rural Rustic Roads Program

LAD staff collected and summarized the Rural Rustic Road Program accomplishments. Since the program was established, VDOT has completed 666 rural rustic road projects at an estimated cost savings of approximately \$212M when compared to the estimated cost of traditional construction methods. A critical piece of legislation adopted during the 2011 General Assembly session helped clarify requirements surrounding the Rural Rustic Road Program. These changes solidified the Department's stance that routine paving of existing roads with a compacted surface should be exempt from certain stormwater management requirements. Based on the adopted legislation, LAD, in coordination with other divisions, including Location and Design, revised the program's guidelines. Additionally, the guidance document was revamped to reflect the program's success and maturity, includes the new Rural Rustic Road Scoping form and a checklist to track exceptions to normal environmental or stormwater requirements. The new Rural Rustic Roads Program Manual was completed and posted on LAD's website in July 2011.

General Assembly:

LAD prepared ten legislative proposals for consideration by the Executive team. Of those, seven were submitted to the Secretary of Transportation and each was incorporated into various components of the Governor's transportation proposals and approved by the General Assembly.

LAD represented the Department on legislative issues raised within the Senate Local Government Committee and the House Counties, Cities and Towns Committee, and worked with other Department representatives to assist them with legislation pertaining to their assignments. LAD tracked fifty one proposed bills and prepared legislative impact statements on ten proposed bills and met with legislators on issues.

Virginia Association of Counties/Virginia Municipal League:

LAD represented the Department at annual conferences as well as at the Transportation Steering Committees for these organizations. LAD staff made presentations on current VDOT initiatives, etc. to VACO and VML members and accompanied the Commissioner and/or Secretary when they were asked to make presentations to these organizations.

Staff:

LAD continued monthly cross training sessions. On a rotating basis, representatives from the division provide staff with detailed information and a better understanding of the programs they manage.

Other Division actions and staff accomplishments:

- Staff attended a one day retreat focusing on individual and team MBTI at the Pebble Creek Clubhouse in Mechanicsville.
- Peggy Todd and Hugh Adams retired after 30 years and 44 years of service respectively
- Bill Dandridge was promoted to the Section Manager for the Special State Funding Programs

- Ciara Williams joined the Division as Program Manager for the Special Federal Funding Programs and Program Coordinator for the Enhancement Program for the Hampton Roads, Fredericksburg and Lynchburg Districts.
- Fulton DeLamorton joined the Division as Program Manager for the Access Programs.
- Russ Dudley received his Master's in Public Administration from Central Michigan University.
- Todd Halacy joined the Division in September 2010 as the Local System Policy Manager and received his Master's in Business Administration from The College of William and Mary.
- Caroline Heltzel joined the Division in June 2011 as a summer intern.
- Carol West transferred from the Environmental Division to provide administrative assistance for the Division.

***Local Assistance Division
Vision, Mission and Goals for FY2011***

Vision

LAD will be recognized as a model for effectively establishing programs and policies that promote local partnerships and successful implementation of projects.

Mission

LAD will promote and facilitate partnerships between localities and VDOT to successfully deliver transportation programs and projects.

Organizational Objective (EWP)

The Local Assistance Division will develop and interpret policy dealing with local roads and locality issues, serve as liaison with local government organizations, manage the urban system and several special state and federal funding programs, manage localities system changes, prepare local assistance payments, provide oversight for locally administered projects, coordinate the urban construction program with urban localities and VDOT and coordinate with internal and external customers to successfully carry out our Mission.

Goals for FY 2011 to achieve Mission and Vision

How did we measure up?

- Continue to create a framework through which VDOT and local governments can successfully partner to manage programs and projects
 - *Continued to enhance and improve the Locally Administered Projects Manual.*
 - *The City of Virginia Beach submitted their intent to seek certification under the Urban Construction Initiative Certification Program, which will allow localities the opportunity to expand their control of program and project decision making with streamlined oversight from VDOT.*
 - *Released the web-based Core Curriculum for Locally Administered Projects.*
 - *Developed a compliance program for Locally Administered Projects.*
 - *Participated in PIM group and development of PIM manual.*

- Enhance communications and foster positive relationships with the other Divisions, the Districts and Residencies and Local Governments
 - *Continued LAD Newsletter on a tri-annual basis. The newsletter is distributed to local governments, VDOT staff, and the Virginia Transportation Construction Alliance.*
 - *Attended meetings of District Area Construction Engineers, District Preliminary Engineering Managers, etc. to provide information on the LAP Manual and UCI Certification Program.*
 - *Conducted Transportation Enhancement Applicant and Sponsor Workshops to enhance communication and understanding of the program. Expanded the Sponsor Workshops to include topic specific breakout sessions to allow participants to attend those topics of greatest interest.*

- *Facilitated Urban Construction Initiative Tri-Annual Meetings to serve as a forum for VDOT and local government leaders charged with delivery of the urban program.*
- *Hosted monthly Urban Day videoconferences for District PIM staff and Enhancement Days for District Enhancement Coordinators to facilitate effective policy development and program delivery.*
- *Held several topic specific video conferences to provide updates on Programs and guidance.*
- **Foster a positive work environment for Division staff**
 - *Held a one day team-building retreat for LAD staff. Staff developed the agenda and facilitated the retreat.*
 - *Created the opportunity for staff members to telecommute. 14 staff members are registered as teleworkers, with 5 of those working on a regular telecommuting schedule. In addition, 5 staff members are working alternate work schedules.*
 - *Provided cross training monthly at staff meetings. Rotated topics within the division to provide all staff understanding of each of our programs.*
 - *Held an “employee event” per month in coordination with the kitty fund to promote fun activities.*