



Risk Based Approach To Local Projects

Assigning Project Risks and VDOT Oversight Levels

Why?

- **Limited Resources**

- Some Project Coordinators have 50+ projects in varying stages of completion

- **Flexibility and Streamlining**

When did it begin?

- **Construction Oversight**

- Cn Oversight Guidelines

- **Preliminary Engineering**

- UCI and LAP Guidance

Project Oversight Hierarchy

- **Federal-Aid - NHS/FO**
- **Federal-Aid - non-NHS**
- **State-Aid - VDOT Maintained**
- **State-Aid - Locally Maintained**

(LAP Manual, Appendix 9-B)

Assessing Risk

NFO	FHWA	FO
Non-NHS	Facility	NHS
State	Funding	Federal
Locality	Owner	VDOT
Type I	Project Category	Type V
Extensive	Experience	Minimal

LOW



HIGH

Project Risk & Oversight Evaluation

Locally Administered Projects Manual

Chapter 9 – Appendix C: Preliminary Engineering

Chapter 13.1 – Appendix B: Project Delivery

UCI Manual

Appendix K – Preliminary Engineering

Project Risk & Oversight Evaluation

Element	Value (factor)	Check Elements That Apply	Total Factor per Element
Federal Oversight	20		
National Highway System	20		
Funding			
Federal Funded (non-Enhancement)	15		
State Funded	10		
Federal Enhancement (Impacts R/W)	7		
Federal Enhancement (Off R/W)	1		
Completed Project Maintenance			
State Maintained Project	10		
LPA Maintained Project	2		
Project Category *			
Category I	2		
Category II	5		
Category III, IV, V	10		
LPA Experience Administering Project			
Low Level	15		
Intermediate Level	10		
High Level	5		
Factor Total			

Project Risk & Oversight Considerations

Level of Oversight	Range of Factor Total	
	High (H)	> 45
Moderate (M)	25-55	
Low (L)	< 35	

Table 2 – Oversight Assessment

Oversight Level	Impact/Probability
High (H)	Significant impact on infrastructure due to non-compliance - Significant effects to quality of construction, cost and schedule; High risk of non-compliance resulting in loss of funding or regulatory agency action
Moderate (M)	Moderate impact on infrastructure due to non-compliance - Moderate effects to quality of construction, cost and schedule; Moderate probability of non-compliance
Low (L)	Minimal impact on infrastructure due to non-compliance - Minimal effects to quality of construction, cost and schedule; Low probability of non-compliance

Project Risk & Oversight Considerations

Oversight Level	Minimum Oversight Activities
Low	<ul style="list-style-type: none"> • Kickoff (scoping) meeting attendance • Plan development coordination meeting • Final plan review • Pre-construction meeting attendance • Random site visits during construction • Final acceptance inspection
Moderate	<ul style="list-style-type: none"> • Kickoff (scoping) meeting attendance • Plan development coordination meeting • 30 percent plan review • Public hearing attendance • Final plan review • Pre-advertisement contract review • Pre-award bid review • Monthly to quarterly site visits during construction • Final acceptance inspection
High	<ul style="list-style-type: none"> • Kickoff (scoping) meeting attendance • Monitor consultant procurement process • Environmental coordination meeting • Plan development coordination meeting • Right-of Way coordination meeting • 30 percent plan review • Public hearing attendance • 60 percent plan review • 90 percent plan review • Bid document review • Pre-award bid review • Pre-construction meeting attendance • Weekly to monthly to quarterly site visits during construction • Final acceptance inspection

For Example

Federally funded and will be state maintained. It falls within category IV with construction duration of 30 months and having mid to high level complexities. It also has medium to high level schedule risks. The locality has demonstrated high level of experience administering projects.

Element	Factor	Check Elements That Apply	Total Factor per Element
Federal Oversight	20		0
National Highway System	20		0
Funding			
Federal Funded (non-Enhancement)	15	√	15
State Funded	10		0
Federal Enhancement (Impacts R/W)	7		0
Federal Enhancement (Off R/W)	1		0
Completed Project Maintenance			
State Maintained Project	10	√	10
Locality Maintained Project	2		0
Project Category *			
Category I	2		0
Category II	5		0
Category III, IV, V	10	√	10
Locality Experience Administering Project			
Low Level	15		0
Intermediate Level	10		0
High Level	5	√	5
Factor Total			40

* See Appendix B for project category description

Level of Oversight	Range of Factor Total
High (H)	> 45
Moderate (M)	25-55
Low (L)	< 35

Project Risk & Oversight Considerations

How does this help?

- **Time and Resources**
 - Help PC set Priority
 - Provide justification for PC decisions
- **Focus on Highest Risk Areas**

Managing Risk through a Programmatic Approach



- Guidance
- Training
- **Compliance**

SOURCE: "USE RISK MANAGEMENT FOR REASONABLE INFORMATION ASSET PROTECTION"

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