



# **FHWA LPA Order: Stewardship and Oversight of Federal– Aid Projects Administered by Local Public Agencies (LPAs)**

UCI Meeting  
Richmond, Virginia  
October 21, 2014



U.S. Department of Transportation  
**Federal Highway  
Administration**

# Purpose

- Defines the role of the State Transportation Agency (STA).
- Establishes a uniform method for assessing in the STA's stewardship and oversight of LPA-administered projects.
- Establishes a uniform method for ensuring compliance with Federal requirements on LPA-administered projects.



# Relationship to Risk Based Stewardship and Oversight (RBSO)

- LPA administered projects are a continued **Corporate Risk.**

FHWA has not adequately quantified the extent of the risk at the corporate level.

- LPA administered projects need to be included under the umbrella of the RBSO approach.



# Definitions

Local Public  
Agency (LPA)

Subrecipient

LPA-  
Administered  
Project

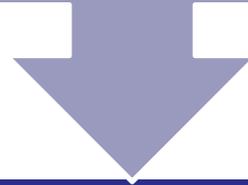
LPA  
Stewardship and  
Oversight (S&O)  
Program



U.S. Department of Transportation  
**Federal Highway  
Administration**

# Implementation Approach

Phase One - Program Assessment –  
PY 2015



Phase Two – Project Compliance Determination  
- PY 2016



U.S. Department of Transportation  
**Federal Highway  
Administration**

# Assessment/Compliance Cycle

The Assessment/Compliance Determinations will occur on a 3-year cycle.

- **First 3-year cycle:**

- Year one: Programmatic Assessment
- Year two: CAP Review
- Year three: (action plans, risk response strategies, more detailed assessment – division driven, other division priorities)

- **Second 3-year cycle:**

- Year one: Programmatic Assessment
- Year two: CAP Review
- Year three: (action plans, risk response strategies, more detailed assessment – division driven, other division priorities)



# Link to Every Day Counts (EDC)

The LPA Order complements EDC particularly the initiative pertaining to Stakeholder Partnering.



Stakeholder Partnering is an initiative under EDC-2 that will be continued under EDC-3.



The Goal of Stakeholder Partnering is to:

Improve Communications

Launch Program Improvements

# Overview of Programmatic Assessment (Attachment A)

## Program Assessment Candidness:

- What do we know or do not know?
- What needs further investigation and review?
- What are the strengths, weaknesses, and opportunities?
- What are the significant concerns and/or risk?





# Program Assessment Questionnaire (Attachment B)

Assessment is  
Divided into 3 Parts:



Part I – Attributes  
and Context



Part II – Program  
Level Compliance



Part III – Division  
Office Conclusions



# Program Assessment Questionnaire Answer Choice “Key”

## Description of Responses to Questions in Questionnaire Set

**Firmly Yes** – Element in question is considered fully compliant and operating effectively by the STA/LPAs. The LPA S&O program is considered exceptional at the “state-of-the-art” level.

**Mostly Yes** – Element in question is determined to be in good shape but may be found in need of some minor improvements or show opportunities for program enhancements. Non-compliance issues are not systemic but more project specific. The LPA S&O program is generally considered state-of-the-practice.

**Borderline** – Element in question needs attention but has not been found to be programmatically fatal. Non-compliance issues reoccur in multiple projects but are not statewide. Corrective action is required and may warrant its inclusion in a formal action plan.

**Mostly No** – Significant issues need to be addressed. Problems may be systemic. Initiatives/action steps will need strong consideration to be included as part of an overall formal corrective action plan.

**Firmly “No”** – Major systemic issues of compliance and effectiveness need to be addressed. Further authorization of federally funded LPA projects may be under consideration for suspension. Initiative/action steps are to be included as part of an overall formal corrective action plan.

**Needs Reviewing (NR)** – Do not have sufficient information or knowledge to answer question confidently. This requires action steps to be included as part of an overall action plan.

**Not Applicable (NA)** – Element in question is not a part of an LPAs designated administrative responsibilities as established by the STA.



U.S. Department of Transportation  
**Federal Highway  
Administration**

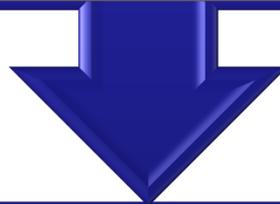
# Plans of Corrective Action (PCAs)

What will trigger a PCA?

Any question answered  
“NR” – Needs Reviewing

Program level compliance  
questions marked  
“Borderline or below.

Results of the CAP review  
below acceptable levels of  
compliance.



PCAs developed and implemented



U.S. Department of Transportation  
**Federal Highway  
Administration**

# State Roles and Responsibilities (Attachment C)

Responsibility  
of the States  
is to ensure:

- LPAs know and understand federal requirements;
- LPAs have adequate project delivery systems;
- LPAs have sufficient accounting controls to properly manage Federal funds; and
- STAs provide adequate oversight to assure compliance with federal requirements.



# Logistics

## Completion of the Program Assessment:

- It is a Division effort!
- Completion of the Assessment is due January 30, 2015.





U.S. Department of Transportation  
**Federal Highway  
Administration**

