

Local Public Agency Federal-Aid Program

FHWA Baseline Review



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Virginia Department of Transportation Local Public Agency Federal-Aid Program – A Baseline for FHWA

1.0 INTRODUCTION

1.1 Background

The Virginia Department of Transportation (VDOT) has been constructing, operating, and maintaining the vast majority of the road systems across the state for over 70 years. With an inventory of over 57,000 centerline miles of roads, VDOT operates the third largest state-maintained highway system in the country, just behind North Carolina and Texas. Of the total mileage, 48,000 are local roads located within Virginia's 95 counties. A separate system of over 10,000 miles of urban streets is maintained by 81 independent municipalities. Only two Virginia counties operate and maintain their own system of local roads.

Traditionally, VDOT has been responsible for the delivery of engineering and construction for the entire highway system. In the late 1980s, VDOT began allowing localities to administer small-scale projects on a case-by-case basis. At the turn of this century, the Department began placing more emphasis on encouraging local governments to play an active role in the delivery of their construction programs.

Funding for Virginia's highway construction program is determined through a set of legislatively-mandated formulas which provide allocations for individual local government jurisdictions for urban (Cities and Towns over 3,500 population) and secondary (typically County roads numbered 600 and above) highways and also to VDOT on a Construction-District basis for Primary Roads and State-wide for Interstates. The funding formulas take into account both projected state and federal revenues. In this manner, every local jurisdiction receives an allocation from both State and Federal funding sources. Local governments, in consultation with VDOT, are responsible for determining the construction priorities for urban and secondary roads, while the Commonwealth Transportation Board is responsible for setting construction priorities for Primary highways and Interstates. Together these construction priorities make up the Urban Six Year Plan, the Secondary Six Year Plan, and the Six Year Improvement Plan. Certain Federal allocations associated with regional planning areas (i.e. Regional Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program) are distributed to Metropolitan Planning Organizations (MPOs). These projects are identified within the MPO's Transportation Improvement Plan (TIP).

VDOT also manages and allocates other funding programs on an individual project basis. These funding programs include miscellaneous federal funds, including discretionary Federal funds and Enhancement funds, and several State-funded programs, which are intended to encourage local revenue participation in the local highway construction program.

1.2 Scope of Report

This report is intended to provide a baseline of VDOT's Local Public Agency (LPA) Federal-Aid Highway Program. VDOT's Local Assistance Division (LAD), which provides policy and

guidance on the oversight of VDOT’s LPA Program, prepared this report. Information provided within this report was gathered through consultation with staff from other VDOT Divisions, District and Residency Offices, a review of existing guidance and policy documents, and queries into VDOT’s “Data Warehouse.” The “Data Warehouse” is a compilation of different VDOT project management, fiscal, and cost estimating systems and databases. Queries of the Data Warehouse were prepared in consultation with VDOT’s Project Management Office, housed in the Scheduling and Contract Division. While we believe the information gathered from the Data Warehouse represents an accurate reflection of the VDOT Federal-aid LPA program, the databases that provide the information to the Data Warehouse are continually updated and minor changes in the program are not unexpected.

2.0 LOCAL PUBLIC AGENCIES PROGRAM DESCRIPTION

2.1 Size of Federal-Aid Construction Program

Virginia provides individual highway construction allocations for projects within 176 independent local governments. Many of these local governments have administered a highway construction project of some type over the years, although many of these have been relatively small, state and locally funded projects. This report will focus only on the federal-aid highway projects administered by LPA’s, as indicated in the Scope of Report section, above.

Currently there are over 2,600 federal-aid highway projects valued at over \$11,000,000,000 in estimated construction costs, identified as “active” in VDOT’s Project Management Tracking systems. “Active” projects are defined as those that have been entered into one of VDOT’s project management systems, but have not been subsequently completed, closed, or otherwise placed in indefinite “storage.” They do include, in addition to projects that are actively working toward a completion date, projects that do not have any specific work activities scheduled, those with unscheduled construction dates, and those that have been deferred. Nearly 30% of the total number of identified federal-aid highway projects are being administered by LPA’s. This represents approximately 14% of the construction value of all active federal-aid highway projects in Virginia (see Table 1, below).

Table 1, Federal-Aid Program “Active Projects”			
	<i>Total</i>	<i>LPA Administered</i>	<i>% of Program</i>
CN Value	\$11,433,649,852	\$1,614,624,497	14%
# of Projects	2,673	784	29%

Obviously, many of these projects are far from actual construction. Better indicators of the size of Virginia’s LPA program are a target advertisement schedule and actual construction awards. The 2007 – 2009 target advertisement schedule includes nearly \$900,000,000 estimated to be programmed with federal-aid allocations (federal and matching non-federal funds). Of the 240 federal-aid projects included in the target advertisement schedule, 81, valued at approximately \$106,000,000, are expected to be administered by LPAs. As depicted in Table 2, on the following page, this represents 12% of federal-aid highway construction program funds and 34% of the total number of projects scheduled to be advertised over the next two years.

	<i>Total</i>	<i>LPA Administered</i>	<i>% of Program</i>
CN Estimate	\$894,546,384	\$106,475,294	12%
# Projects	240	81	34%

A review of projects actually awarded from January 2005 through April 2007 supports the results provided by the 24-month advertisement schedule. Over that time period, approximately 14% of the federal-aid highway construction dollars awarded in Virginia and approximately 30% of the total number of federal-aid highway projects are attributed to projects administered by LPAs (see Table 3, below).

	<i>Total</i>	<i>LPA Administered</i>	<i>% of Program</i>
CN Award (estimate)	\$1,302,143,756	\$187,252,292	14%
# Projects	301	90	30%

The average construction value of a federal-aid highway project in Virginia is approximately \$4.3 million; VDOT administered projects average just over \$5 million each and LPA-administered projects average just over \$2 million each.

2.2 Federal-Aid Project “Types”

Federal-aid projects include those projects both “on” and “off” the National Highway System (NHS) and are funded through a myriad of FHWA-programs. With few exceptions, LPA administered projects are funded using the same federal sources as VDOT-administered projects. Notable exceptions are that LPAs do not administer projects funded through the Interstate Program and very few LPAs administer projects with Federal Bridge allocations. A summary of the primary federal sources used to fund projects awarded from January 2005 to April 2007 follows, in Table 4:

Primary Federal Funding Source	Total Project Award CN Estimate; January 2005 – April 2007	LPA Administered CN Estimate	% of Total Program LPA
CMAQ (CM)	\$37,770,000	\$30,633,000	81%
Regional STP (RSTP)	\$26,813,000	\$16,444,000	61%
Bridge-Related (BR, BROS, BR/STP)	\$267,151,000	\$3,332,000	1%
Surface Transportation (STP)	\$475,128,000	\$87,164,000	18%
Enhancement (subset of STP)	\$35,851,712	\$35,851,712	100%
(DEMO)	\$41,350,000	\$4,137,000	10%
National Highway System (NH, NHS)	\$78,035,000	\$17,978,000	23%*

* represents one project in Chesterfield County

While the previous chart indicates that 11% of the value of NHS funds was obligated on LPA administered projects, in this case, the value represents a single, relatively large project administered by one of Virginia's more experienced local governments. The 24-month target advertisement schedule is, likely, more indicative of LPA-administered projects on the NHS.

	24-Month Advertisement Schedule: NHS Projects
Total VDOT Program	\$575,450,000
LPA-Administered	\$3,921,000

Accordingly, the 24-month advertisement schedule anticipates that only 1% of all federal-aid NHS projects will be LPA-administered and that of all federal-aid LPA-administered projects, only 4% are on the NHS (these include projects funded without federal participation).

Because of additional federal requirements for projects on the NHS, these projects typically represent higher risk and have traditionally been administered by VDOT.

2.3 Geographic Breakdown of LPA-Administered Projects

As would be expected, the most active LPA's are located within the most urbanized areas of the state: Hampton Roads, Richmond, and Northern Virginia. LPA administered projects in the more rural portions of the state are dominated by Enhancement projects, as illustrated in Table 6.

VDOT District	Total Awarded CN Value	# of LPA Projects	Total Awarded CN Value Enhancements	Enhancements # / % value of Projects
Bristol	\$1,173,020	2	\$1,173,020	2 / 100%
Culpeper	\$5,928,723	5	\$5,928,723	5 / 100%
Fredericksburg	\$5,386,689	3	\$5,386,689	3 / 100%
Hampton-Roads	\$24,042,162	21	\$5,247,413	6 / 22%
Lynchburg	\$10,458,141	9	\$7,152,689	8 / 68%
Northern VA	\$56,360,526	11	\$2,280,573	4 / 4%
Richmond	\$71,872,568	29	\$2,068,485	5 / 3%
Salem	\$6,295,618	4	\$3,063,184	3 / 49%
Staunton	\$2,770,936	5	\$2,770,936	5 / 100%

*The total number of LPA projects is 89 rather than 90 because 1 Enhancement Project is administered by a State Governmental Agency (Department of Game and Inland Fisheries)

3.0 LOCAL PROGRAMS INITIATIVES

VDOT is in the midst of transitioning to accommodate the increasing importance of partnering with local government in program delivery. Much of this has been initiated either through VDOT's change in business philosophy and/or the Virginia General Assembly's direction through legislation. VDOT's business plan highlights the importance of local participation in program delivery. This transition is the cornerstone of providing better coordination between land use and transportation decisions and also allows the State to maintain focus on issues of statewide and regional significance.

As indicated previously, VDOT is generally responsible for the highway construction program across the State. There have been, however, several initiatives to encourage local governments to assume more responsibility for delivering transportation projects. The "Urban Construction Initiative" allows a City or Town (Towns over 3,500 population) to assume responsibility for the entire construction program in their locality. For those Cities and Towns that assume this responsibility, all new projects, regardless of funding source, will be administered by the locality. Project administration by these Cities and Towns is implemented through a programmatic agreement and separate Project Administration Agreements are not executed. Because these localities assume a greater level of responsibility for program delivery and because these localities are, or should quickly become, some of the more experienced localities implementing highway projects, a current focus of VDOT is to identify means to streamline and, where practical, reduce redundancies in VDOT oversight of these locally administered projects. Such a streamlined approach should assist localities in delivering their program more quickly and at less taxpayer expense.

Similar legislation exists for counties to assume responsibility for their entire construction program and their processes would be similar; however, no County has entered into an agreement to take on this responsibility. Two Virginia Counties, Arlington and Henrico, hold a unique position in Virginia – they are the only two counties that have never relinquished control over their local road system to the State. As such, these counties maintain responsibility over their own local road construction programs.

Regardless, localities that assume responsibility for their entire program receive state construction allocations on a quarterly basis with the federal portion of their allocation withheld until the locality incurs qualifying federal costs, verifies that federal requirements have been met, and submits requests for reimbursement.

4.0 VDOT OVERSIGHT AND ORGANIZATIONAL STRUCTURE

4.1 Central Office and District Responsibilities and Coordination

VDOT is comprised of a Central Office and nine separate Construction District Offices. District Offices are supported by several Residency Offices and Area Headquarters (typically a minimum of one per County). VDOT's LPA program is generally implemented through the combined efforts of Central Office Divisions and District/Residency Offices. For most programs, the Central Office is charged with policy for the State, while the District Offices, along with the

Residencies, are tasked with the day-to-day implementation of project work. As stated previously, VDOT maintains over 48,000 centerline miles of the State’s local (secondary) road system and much of the work done at the Residencies and Area Headquarters is associated with operating and maintaining the local road system.

4.2 Central Office Organizational Structure

The Local Assistance Division (LAD) provides general policy, direction, and guidance regarding the LPA Highway Construction Program. Each Central Office Division which has a role in LPA administered projects (i.e. Location and Design, Environmental, Right of Way, Scheduling and Contract, Civil Rights, etc.) identifies oversight and stewardship requirements associated with their programs. An organizational chart for VDOT’s Central Office is provided below.

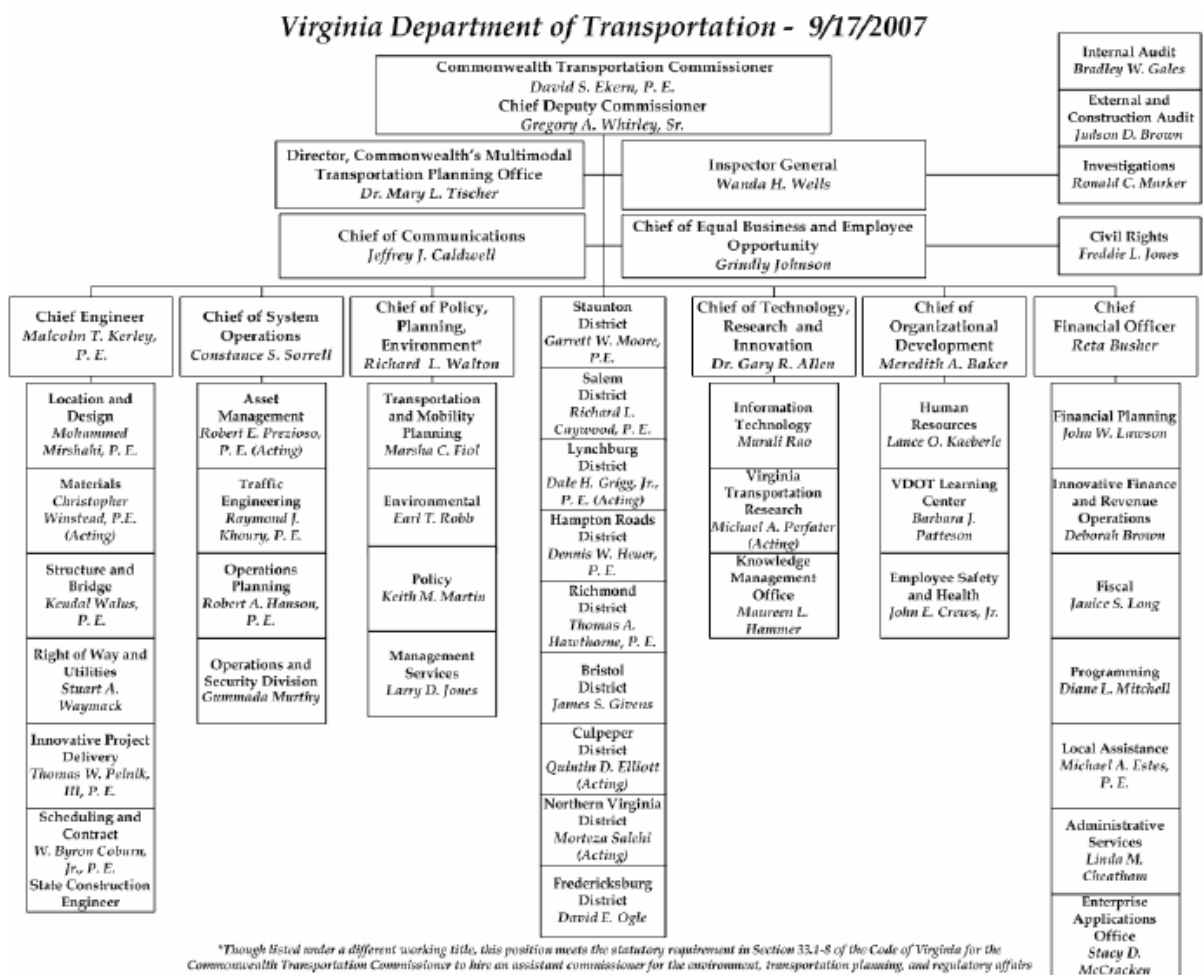


Figure 1, VDOT Central Office Organizational Chart

LAD, using those requirements developed by Central Office Divisions, prepares and develops guidelines which are distributed to local governments and VDOT. The Local Assistance Division consists of sections that manage Urban Maintenance and Construction Programs, Special State and Federal funding programs, Enhancement and Scenic Byways Programs, and the LPA Oversight Program. The division primarily has program level responsibilities. Only the

Enhancement section coordinates specific LPA administered projects; although specific Enhancement project management is currently being transitioned to the Districts. Figure 2 is the organizational chart for LAD.

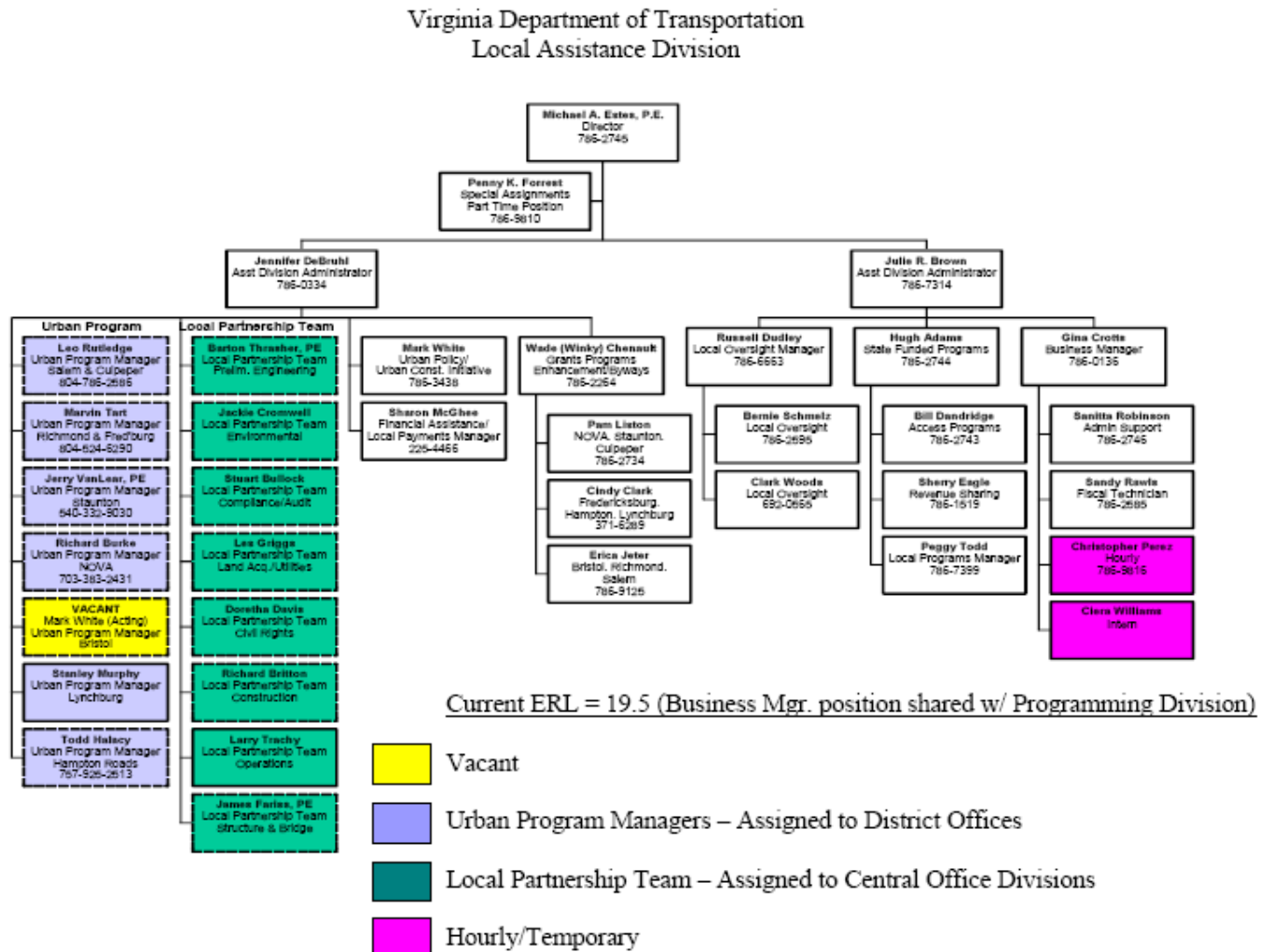


Figure 2, Local Assistance Division Organizational Chart

4.3 District Office Organizational Structure

District Offices deliver our programs within the basic planning and policy guidelines established by the Central Office, however, they are free to establish an organizational structure that best fits the unique needs found within their Districts. Districts are typically divided into several functional areas, including Administration, Maintenance, Land Development, Preliminary Engineering, and Construction. Each of these functional areas is comprised of the specialties/disciplines which predominantly work within that functional area. Although these disciplines may be assigned to a specific functional area, the staff may be utilized District-wide. For example, the Environmental “discipline” is contained within the Preliminary Engineering Section of many Districts; however, it may also have permitting and inspection duties associated with Maintenance, Land Development, and Construction responsibilities. Similarly, the District

Construction Staff, while focusing their efforts on projects under construction, also supports the Preliminary Engineering Section by providing constructability reviews of highway designs. Some Districts also include the Regional Operations Centers located throughout the state.

An example of the organizational structure of a VDOT District Office is found in Figure 3.

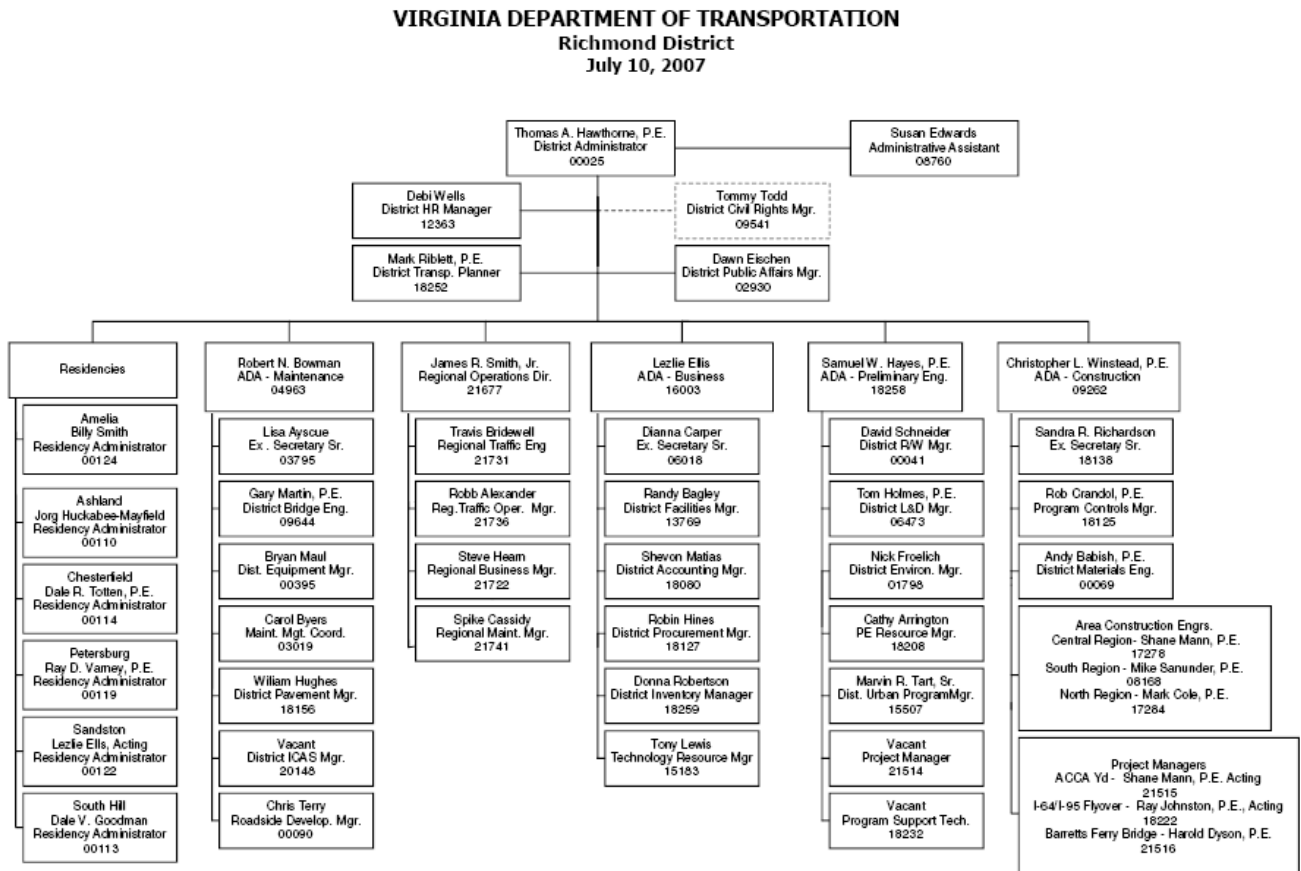


Figure 3, VDOT Richmond District Organizational Chart

At the initiation of a LPA project, the District (typically the District Preliminary Engineering or “PE” Manager) assigns a VDOT Project Coordinator to oversee the project throughout project development. That Project Coordinator becomes the locality’s primary contact for the project and is responsible for assisting the local government through the project development process. A further description of the VDOT Project Coordinator’s role is provided, below, in the *Oversight Process* section of this report.

Functional disciplines/specialties generally work on LPA-administered projects, as-needed, along with their work on VDOT-administered projects. One exception to this is Environmental. Each District has one Environmental staff assigned to work as the Environmental Project Coordinator for all LPA’s in that District. Depending on work-load, they may have other duties associated with VDOT-administered projects.

4.4 VDOT Staffing for LPA-Administered Projects

Records which provide time spent by VDOT staff on LPA-administered projects are not readily attainable or available through queries of VDOT's fiscal and/or project management systems. In order to obtain a general sense of the commitment of VDOT staff time on LPA-administered projects, LAD conducted a survey of VDOT Central Office Divisions, District Preliminary Engineering Managers, District Construction Engineers, and LPA Project Coordinators. Respondents were asked to estimate the number of full-time equivalents (FTEs) having LPA project responsibilities.

A review of survey results indicates that Central Office Divisions have a staff commitment of between 9.5 and 11.5 FTEs for LAP's, while the Districts have an FTE commitment between 55.5 and 79.5 FTEs, for a state-wide range between 65 and 91 FTE's. FTE commitment for individual Districts range from 2.5 to 16 FTEs for Preliminary Engineering activities and 0.5 to 6 FTEs for Construction activities. Generally, the District commitment is divided between Preliminary Engineering (PE) and Construction Engineering (CN) activities. As may be expected, PE activities require a greater FTE commitment, and the Districts indicated that as somewhere between 42 and 62 FTE's, statewide. CN activities, according to the survey results, require a commitment of between 13.5 and 17.5 FTE's, statewide. The number of LPA Projects assigned to any single VDOT Project Coordinator varies widely but range from one to nearly 100, according to survey responses and queries of VDOT's Data Warehouse.

5.0 LPA PROJECT OVERSIGHT

5.1 Overview

Currently, Virginia has no "certification" or "prequalification" process for a local government to administer transportation projects. Any local government wishing to administer a transportation project, with or without federal funding in their locality, may do so, with the approval of VDOT's Chief Engineer. VDOT's oversight requirements of the LPA are fundamentally the same during project development regardless of project type (i.e. road function classification, on or off NHS, etc.) or funding source (i.e. State funds, Federal funds, or differing federal funding programs).

5.2 Project Initiation

In order for a local government to administer a state or federally-funded project, the LPA must submit a "Request to Administer" form to the District Office. The District Office gathers comments from the appropriate District staff and provides a recommendation to the Chief Engineer regarding the LPA request. The VDOT Chief Engineer, taking into account the District recommendations, makes the final decision regarding LPA administration of the project. After approval of the local administration of the project, VDOT and the Local Government will enter into a Project Administration Agreement (PAA), which outlines the general responsibilities of VDOT and the LPA.

For urban municipalities that have entered into an Urban Construction Initiative Agreement, individual PAA's are not required nor are Request to Administer forms submitted. Furthermore, certain funding programs which involve an application process by the local government, such as the Enhancement program, do not require Request to Administer forms; the application by the locality substitutes for the Request to Administer form.

An LPA may elect to administer one, two, or all three project phases (Preliminary Engineering, Right of Way, Construction) of a project. VDOT usually expects localities to administer entire phases and prefers localities to administer projects throughout project development and construction, if at all possible. However, the LPA may request that VDOT perform specific tasks within a phase. VDOT may agree to perform these tasks, although VDOT is not obliged to do so.

5.3 Project Development Oversight

Throughout the Project Development Process, the VDOT Project Coordinator provides guidance and project coordination to the Local Government and also acts as the primary conduit for submittals by the LPA to VDOT technical review staff. Project Coordinators typically also have Project Manager or Contract Administrator duties for VDOT administered projects. However, recognizing the trend for more LPA-administered projects, two VDOT Districts have assigned an individual as their District-wide Locally Administered Projects Coordinator. While their duties are exclusively related to LPA-administered projects, they do not, however, coordinate all LPA-administered projects in those Districts. Many smaller projects, such as Enhancements, have Project Coordinators that are assigned at the Residency level.

VDOT oversight requirements during project development are outlined in the "Guide to Local Administration of VDOT Projects" and, for most projects, include three to five coordination meetings, which coincide with critical milestones identified in VDOT's concurrent engineering process: Scoping, Preliminary Field Inspection, Public Hearing Team Meeting, Field Inspection, and the Pre-advertisement Conference. Typically, there are three design reviews during this process. LPAs are also required to submit certifications, reports, and/or checklists throughout the project development process. Certification statements are used to ensure specific procedures and processes have been followed or met. Appendix A of this report contains a partial list of submittals and design review requirements. A separate "Program Administration Guide," containing its own set of checklists and submittal requirements, is used for those Cities and Towns with Urban Construction Initiative Agreements.

5.4 Construction Administration Overview

For most LPA administered projects, oversight responsibilities shift from Preliminary Engineering staff (the Project Coordinator) to Construction staff after advertisement / award. This transition usually begins with the Pre-Advertisement Conference where the Project Coordinator, VDOT Residency and VDOT Construction staff discuss project-specific issues, such as commitments made during the design process, permit requirements, etc.

Once LPA projects enter the construction phase, oversight requirements typically lie with Area Construction Engineers (ACE's), which are assigned specific geographic areas within a District (generally within specific Residencies). ACE's are usually responsible for all VDOT-construction management and LPA-construction oversight within their geographic areas. VDOT District Construction staff are the VDOT representatives to make site visits to LPA-construction projects to assess LPA and contractor compliance with Federal and State requirements. District Environmental Project Monitors typically make routine site visits to ensure compliance with NEPA and water quality permit commitments and to make a general assessment of the contractor's erosion and sedimentation control measures.

A written statement certifying project and contractor compliance with specific Civil Rights, Environmental, Materials Testing, and Fiscal Management requirements is required to be submitted with each reimbursement request.

The frequency and thoroughness of VDOT's oversight during construction is guided by VDOT's "District Construction Oversight Guidelines for Locally Administered Projects." This guideline uses a risk-based approach for establishing oversight requirements and ranks a construction project into three oversight levels, as identified and described in Table 6. Factors used to determine project risk and the associated VDOT oversight level for the LPA project are provided in Table 7.

Oversight Level	Impact/Probability
High (H)	Significant impact on infrastructure due to non-compliance - Significant effects to quality of construction, cost, & schedule; High probability of non-compliance
Moderate (M)	Moderate impact on infrastructure due to non-compliance - Moderate effects to quality of construction, cost, & schedule; Moderate probability of non-compliance
Low (L)	Minimal impact on infrastructure due to non-compliance - Minimal effects to quality of construction, cost, & schedule; Low probability of non-compliance

Element	Value (factor)
Federal Oversight	20
National Highway System Funding	20
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
Locality Maintained Project	2
Project Category *	
Category I	2
Category II	5
Category III, IV, V	10
Locality Experience Administering Project	
Low Level	15
Intermediate Level	10
High Level	5
Manage Own Program	1
Factor Total	

5.5 Fiscal Oversight

Virginia requires local governments to annually perform comprehensive financial reviews on revenues and expenditures. LPA's which expend over \$500,000 annually in federal funds are required, by federal law, to comply with Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations." Every local government in Virginia which receives federal and/or state funds performs a Comprehensive Annual Financial Report (CAFR), which must meet the requirements of OMB Circular A-133. Each year, VDOT's Fiscal Division works with the Local Assistance Division to identify sub-recipients of federal funds which meet this criterion and provide that list to VDOT's External and Construction Audit Division (ECAD). Annually, those sub-recipients submit the required audit report (the CAFR) to ECAD. ECAD then reviews each audit report to ensure that the local government has met the requirements of OMB Circular A-133. Where a sub-recipient has not submitted a report or where deficiencies directly related to VDOT's reimbursements are found, VDOT follows-up with the Local Government to ensure that the report is submitted and/or that appropriate and timely corrective actions are taken.

In order to ensure timely billing for projects administered by LPAs, VDOT requires each LPA actively administering a federal-aid project to invoice the Department at least every 90 days throughout the project and to provide a final billing within 90 days of project completion. To ensure that LPAs are aware of this requirement, a correspondence outlining this requirement and jointly signed by the VDOT Director of the Local Assistance Division and the FHWA-Virginia Division Field Operations Team Leader, was sent to all Virginia Local Governments on March 5, 2007. Since January 2007 the following statement has also been included in the Standard Project Administration Agreement for Local Administration of Federal-aid projects:

No more frequently than monthly, submit invoices with supporting documentation to the DEPARTMENT in the form prescribed by the DEPARTMENT. The supporting documentation shall include copies of related vendor invoices paid by the LOCALITY and a to-date project summary schedule tracking payment requests and adjustments. A request for reimbursement shall be made within 90 days after any eligible project expenses are incurred by the Locality. For federally funded projects and pursuant to the Federal Code of Regulation Title 49, Section 18.43, violations of the provision may result in the imposition of sanctions including possible denial or delay of payment of all or a part of the costs associated with the activity or action not in compliance.

During project development, project coordinators are required to review LPA invoices to ensure reimbursements are limited to expenses directly related to the project and meet provisions of State and Federal law. Generally, Project Coordinators are expected to review invoices to ensure expenses documented are necessary for project completion and are consistent with the progress of the project.

VDOT's internal document "Virginia Department of Transportation District Construction Oversight Guidelines for Locally Administered Projects" outlines the requirements of the VDOT

Area Construction Engineer regarding reimbursement requests by the LPA. Area Construction Engineers review LPA invoices to ensure expenses documented are limited to those directly related to the project and meet provisions of State and Federal law and, generally, of the contract. LPAs are required to submit a certification statement, by the individual of Responsible Charge, which includes the following:

- Voucher is accurate and the payment request represents satisfactorily completed work
- All Civil Rights, Equal Opportunity, and Disadvantaged Business Enterprises (DBE)-related documentation has been submitted
- All applicable environmental controls are in place and are being maintained by the contractor
- All materials used on the project during the pay period meets applicable FHWA and VDOT requirements
- A breakdown of current charges for material-on-hand, any price adjustment, fuel adjustment, and change order.
- An updated project schedule (when a schedule is contractually required) showing the items completed during the pay period

For final payment vouchers, Area Construction Engineers verify that the locality has completed the final inspection with appropriate punch list, the necessary corrections have been completed, and final acceptance has been made. They will also ensure that the final voucher/estimate has been examined and verified by a qualified independent¹ reviewer or auditor², with the exception of low oversight level projects (see Construction Oversight Guide for definition of low oversight level projects).

6.0 GUIDANCE AND TRAINING

6.1 Local Governments

The Local Assistance Division has prepared a “Guide to Local Administration of VDOT Projects,” (the “Guide”) which walks a Locality through the three major phases of a project – preliminary engineering, right of way, and construction. The “Guide” provides a summary of the major requirements a local government should be aware of, but it is not intended to “stand alone.” It references a multitude of federal and state regulations, manuals, instructions, directives, and standards, all of which must be considered by the local government throughout project development and construction.

In 2006, in response to a Virginia legislative mandate, VDOT created a Local Partnership Team (LPT) with the goal of providing assistance and training to those local governments administering or planning to administer State or Federally funded projects. The focus of the training is, however, on federal requirements.

¹ The reviewer or auditor must be experienced with preparing final construction payments/vouchers and must not be affiliated with the project. She/he may or may not be employed by the locality.

² A locality may wish to have VDOT perform the final voucher review/verification. In this case, billing and project charge arrangements should be made and the Project Administration Agreement should be amended.

The initial training developed was a one-day Project Delivery Workshop, which walked the attendee through the entire Project Development Process, focusing on those milestones when VDOT must be consulted and on submittals that must be made by the Locality. The workshop follows the same general format as the “Guide to Local Administration of VDOT Projects” and is intended to provide a very broad overview of the project development process. As of July 2007, seven Project Delivery Workshops have been provided to 218 local government staff.

Recognizing that the Project Delivery Workshop provides only a broad overview of the entire Project Development Process, VDOT has been developing function-specific workshops to assist localities with the more complicated aspects of project development. The first of these provided was a half-day Environmental Workshop, in which consultants actively working with LPA’s were invited. The management of design consultants was identified by LPA’s as an area needing additional training and in April 2007 a half-day Consultant Management workshop was provided.

Table 8 , Local Government Training			
Workshop	Duration	# of Workshops held	# Trained
Project Delivery Workshop	8 hours	7	218
Environmental	4 hours	1	96*
Consultant Management	4 hours	1	47

*Total Number includes Consultants under contract with LPA’s

6.2 VDOT Staff Training

The creation of the Guide for Local Administration of VDOT Projects met the initial focus of providing local governments with a basic resource manual so that they could understand the requirements of administering their own projects. The “Guide” is also the primary resource used by VDOT Project Coordinators.

VDOT Central Office Divisions distribute various publications which provide policies and guidance regarding issues impacting the Department. The Location and Design Division published Instruction and Information Memorandum #216.6, entitled “Guidelines for Processing Projects Developed/Designed/Advertised by a Locality.” I&IM 216.6 provides broad guidance to VDOT staff regarding the expectations for LPA administered projects and generally deals with the internal coordination procedures and applicable design standards.

During routine reviews of draft instructions or directives issued by Central Office Divisions, LAD attempts to ensure that impacts to LPA administered projects are considered and addressed.

The Central Office Environmental Division has prepared a separate operating procedure, which outlines the oversight and coordination expectations of the District Environmental staff (including the District Environmental Project Coordinator). In 2004, the Environmental Division provided a day-long training session to District Environmental staff to review the Locally Administered Projects Standard Operating Procedure and discuss expectations of the District Environmental staff.

VDOT Project Coordinators have an important role in providing guidance for LPA projects. As such they should have a broad knowledgeable and understanding of all aspects of project development and construction. VDOT has recognized the need for additional guidance and training for the Project Coordinators and is currently developing a Project Coordinator one-day workshop to be provided by the Local Partnership Team. The first workshop was held in September 2007 and focused on identifying the expectations of a Project Coordinator and the various submittal requirements for a local government administering a federal funded project.

7.0 OPPORTUNITY AREAS

VDOT continues to review and seek out opportunities to improve the oversight and stewardship of its LPA program. The following is a list of potential “opportunity” areas for improvement:

1. Establish a consistent approach across Divisions/Districts

Central Office Divisions currently establish procedures independently of each other. VDOT has identified a need to establish an overarching policy for locally administered projects and programs that guide all other policy and process development.

2. Implement a risk-based approach to project oversight

Similar to what VDOT has implemented with the Construction Oversight, VDOT should consider expanding the risk based approach to all oversight areas. Staff resources should be focused on high risk areas. VDOT would welcome recommendations on risk based oversight approaches successfully implemented in other states.

3. Implement qualification or certification-based process

A qualification or certification-based process for LPA’s administering Federal-aid projects should be considered. VDOT should work with FHWA to identify and benchmark qualifications and certification programs successfully implemented in other states.

4. Identify streamlining opportunities to provide maximum flexibility to local governments

VDOT should evaluate possible flexibilities offered under current FHWA regulations for non-NHS routes as most LPAs administer projects off the NHS. VDOT should also review streamlining opportunities specifically related to Enhancement projects. Evaluating current practices may result in additional flexibility for not only locally administered projects, but for VDOT administered projects as well. VDOT recognizes however that streamlining is only possible, where the LPA demonstrates competency administering Federal-aid projects and VDOT is comfortable with the skill-set provided by those LPAs.

5. Expand training offered to localities and VDOT staff

VDOT should continue topic based workshops through the Local Partnership Team for localities as well as VDOT staff and identify opportunities for training to be provided through LTAP.

Appendix A

Summary of Requirements

The following table is for projects fully administered by localities (PE, RW and CN).

Activity	Requirements for Federal Funded Projects	Requirements for State Funded Projects
Preliminary Engineering		
Project Initiation	<p>Locality requests project be included in SYIP or adds to SSYP</p> <p>In non-attainment & maintenance area must be part of conforming LRP & TIP</p> <p>Expenses are on a reimbursable basis</p> <p>Locality submits request to administer project</p>	<p>Locality requests or designates funding from appropriate source</p> <p>In non-attainment & maintenance area if project regionally significant must be part of conforming LRP & TIP</p> <p>Expenses are on a reimbursable basis</p> <p>Locality submits request to administer project</p>
PE Authorization	Locality must receive authorization from VDOT before initiating work on a particular phase	
SERP	Locality initiates and VDOT performs admin portion	
Preparation of Environmental Document	<p>FHWA determines level of document</p> <p>Locality prepares</p> <p>VDOT reviews to ensure compliance with fed/state requirements</p>	If a regulatory agency other than FHWA requires a NEPA document, locality is responsible for all preparation and coordination of document
Environmental Permits	<p>Locality must secure all permits-incl. USCG navigation permits, Army Corps of Engineers (ACOE) permits, Water Quality Permits, and similar permits which may be required.</p> <p>Locality must certify prior to construction that all permits have been secured. Though not an exhaustive list, the following agencies may have permits which impact a locally administered construction project: DEQ, DCR, VMRC, CG, ACOE, and TVA. Natural Resource Due Diligence Certification form (EQ-555) must be utilized and filed</p>	
Hazardous Materials	<p>Locality must certify that necessary action taken or will be taken. Hazardous Materials Due Diligence Certification form (EQ-121) must be utilized and filed</p>	
Consultant Procurement	Locality must meet fed/state laws and will follow VDOT's Procurement Manual to do so	
Value Engineering	<p>Required for projects > \$5M</p> <p>Locality conducts and submits reports to VDOT</p>	
Location Approval (if needed)	Must be approved by the CTB	
Design Standards	VDOT	

Activity	Requirements for Federal Funded Projects	Requirements for State Funded Projects
Plan Reviews	VDOT will perform at least 3 plan reviews at: Pre public hearing – 30% plan stage Pre Right-of-Way (including preliminary bridge plans)–60% plan stage Pre Construction (including 90% bridge plans) – 90%plan stage VDOT may also conduct additional reviews per LD IIM 216 Locality must certify all design in accordance with AASHTO prior to beginning construction	
Design Exceptions	VDOT must approve all exceptions to VDOT standards and specifications	
Public Involvement	All localities must meet fed/state laws and shall follow Department Policy Memorandum 1-11	
Design Approval	Chief Engineer	
Right-of-Way & Utilities		
Environmental Re-evaluation (Right-of-Way Phase; EQ201)	Re-evaluation performed by VDOT with information from locality on LD-441	Not needed
Right-of-Way Re-evaluation	Locality must submit RW-301 to district office	
Authorization	Localities must receive authorization from VDOT before initiating work on a particular phase	
Land Acquisition	Locality must conduct acquisition in accordance with Right-of-Way & Utilities Manual VDOT to perform random post construction audits/reviews	
Utility Relocation	Locality must conduct utility relocation in accordance with Right-of-Way & Utilities Manual VDOT to perform random post construction audits/reviews	
Construction		
Environmental Re-evaluation (Construction Phase) also known as “PS&E Re-evaluation” EQ200	Re-evaluation performed by VDOT with information from locality on LD-441/442 and copy of plans	Not needed
Environmental Certification (EQ103)	Certification performed by VDOT with information provided by the locality	Certification performed by VDOT with information provided by the locality
Authorization	Localities must receive authorization from VDOT before initiating work on a particular phase	
Project Certification	Localities certify that necessary action taken (checklist outlining requirements being developed to include items such as Environmental, RW, Design, Coast Guard Permit, etc.) VDOT reviews to ensure compliance with fed/state requirements	
Advertisement/Contract Letting	Locality will advertise project CTB or Commissioner must approve award of contract	
Change Orders/Funding Changes	Locality must give VDOT chance to review and approve change order before implementation Locality must submit justification if additional \$ needed from FHWA	Locality must give VDOT chance to review and approve change order before implementation

Activity	Requirements for Federal Funded Projects	Requirements for State Funded Projects
Environmental Monitoring	VDOT will monitor periodically during construction to ensure commitments made in SERP/NEPA processes are implemented by locality	
Civil Rights	All localities responsible in complying with Virginia Fair Employment Contracting Act, Title VI of the Civil Rights Act of 1964, provisions from the CFR pertaining to Disadvantaged Business Enterprises, On The Job Training Program, etc. VDOT will assist with various aspects of these programs and will monitor documentation from the Cities that the requirements have been met	
Post Construction		
Bridge Plans	Locality to submit TIF File of “As-Built” to VDOT	
Roadway Plans	Locality to submit TIF files of final plans to VDOT	
Audits/Compliance	VDOT may conduct random audits/reviews Cities must conduct a yearly independent audit of expenditures	
Recovery of VDOT Costs	VDOT will not charge for general admin of program VDOT will charge for project specific items (SERP, plan reviews, etc.) VDOT will provide an estimate of these costs to the Locality VDOT/Locality will enter into separate agreements for major project development items requested to perform on the Locality’s behalf	