



U. S. Department  
of Transportation

Virginia Division  
(804) 775-3320

400 N. 8<sup>th</sup> Street, Room 750  
Richmond, VA 23240

**Federal Highway  
Administration**

**November 1, 2008**

Mr. David Ekern  
Commissioner  
Virginia Department of Transportation  
1111 East Broad Street  
Richmond, VA 23219

Dear Mr. Ekern;

The attached document, *Joint Process Review of the Virginia Department of Transportation's Local Government Administered Federal-aid Program*, outlines the results of a comprehensive study of Virginia Department of Transportation's (VDOT) Local Assistance Program. In the spring of 2008, the Federal Highway Administration (FHWA) division office and VDOT partnered to perform a review of VDOT's locally administered projects program. The document contains many recommendations to improve VDOT's oversight of their federally funded locally administered program.

Generally, the federal project level requirements are being met on locally administered projects, but VDOT's programmatic oversight is inconsistent across the districts we reviewed and needs to address deficiencies in their oversight of federal-aid locally administered projects program. To address the deficiencies, standardization of project oversight requirements and improvements in internal and external guidance documents are necessary, particularly in the areas of construction administration, financial management, and property acquisition processes.

Highlighted areas where VDOT needs to improve their oversight and guidance include:

- 1) The Central Office Divisions need to follow up with the Districts to ensure the consistency of oversight policies. We recommend improved written guidance to the local governments and VDOT district staff.
- 2) VDOT needs to develop a manual which provides VDOT Project Coordinators with the internal processes and procedures they need to be aware of to effectively coordinate and oversee a locally administered project.
- 3) VDOT needs to develop internal construction oversight guidelines for their staff to follow when reviewing active construction projects and direct resources to monitor active construction projects.
- 4) VDOT and the FHWA Virginia division office need to develop an acceptable oversight/compliance plan for Right-of-Way activities certified by local governments.
- 5) VDOT needs to develop a process for reviewing the back up documentation for billings received from local governments and to ensure that local governments have procedures in place for billing federal-aid projects.

- 6) VDOT needs to develop guidance for project closeout that will ensure projects are financially “closed” in a timely manner and in accordance with federal regulations and policies.

The process review involved a review of existing guidance documents and interviews with VDOT staff in the Hampton Roads, Richmond and Northern Virginia districts and local government staff in the cities of Richmond, Hampton, and Chesapeake and the counties of Henrico and Fairfax. Lastly, since policy and guidance regarding locally administered projects is developed by the VDOT Central Office and many project actions require final approval by the VDOT Central Office, staff representing the primary project delivery divisions were also interviewed.

As this process review focused on those districts and local governments with the most experience coordinating and administering federal-aid highway projects, the conclusions of this review likely represent a “best-case” scenario. Districts and local governments with less experience would be expected to have more difficulties administering federal-aid projects. VDOT needs to provide improved oversight to ensure that localities of all experience levels are in compliance with the necessary requirements.

I would like to thank your staff for their cooperation during our review and am looking forward to working on the recommendations. If you have any comments or questions, I can be contacted at 804-775-3355.

Sincerely Yours,



Michael Canavan  
Field Operations Team Leader

MOVING THE  
**AMERICAN**  
**ECONOMY**



***JOINT PROCESS REVIEW OF THE  
VIRGINIA DEPARTMENT OF TRANSPORTATION'S  
LOCAL GOVERNMENT ADMINISTERED FEDERAL-AID PROGRAM***

By

Federal Highway Administration – Virginia Division  
And  
Virginia Department of Transportation



*October 2008*

## TABLE OF CONTENTS

I	Executive Summary .....	1
II	Process Review Team and Participants .....	5
III	Process Review Objectives and Scope.....	6
IV	VDOT LAP Program Overview .....	8
V	Process Review Observations, Discussions and Recommendations.....	10
VI	Commendable / Best Management Practices .....	23
VII	Conclusions.....	25

### APPENDICES

A	VDOT District Offices Interview Questions
B	Local Government Interview Questions
C	Local Government Project File Documents Reviewed
D	Federal-aid Locally Administered Projects Identified for File Review
E	VDOT Policy: “Delivery of Locally Administered Programs and Projects”
F	Right of Way Certification Statement

### ADDITIONAL REFERENCES

- [Virginia Department of Transportation Baseline Report – Local Public Agency Federal –aid Program](#)
- [Guide to Local Administration of VDOT Projects](#)
- [Construction Oversight Guide for Locally Administered Projects](#)

## **I. Executive Summary**

In the spring of 2008, FHWA-Division Office and the Virginia Department of Transportation partnered to perform a review of the Virginia Department of Transportation's (VDOT) oversight program of locally administered projects. VDOT's Local Assistance Division (LAD) was the lead VDOT Division because they are responsible for policies impacting locally administered projects.

The review was performed with the following objectives in mind:

- (1) evaluate VDOT's oversight program for locally administered projects;
- (2) evaluate the effectiveness of the guidance provided to local governments and to VDOT staff;
- (3) assess the general knowledge of VDOT staff and local governments regarding federal requirements for the administration of federal-aid projects;
- (4) identify potential areas of process and program improvement, to include specific training or guidance needs that would be helpful during VDOT's current efforts to update their guidance documents;
- (5) if necessary, identify specific items which require correction/action; and,
- (6) identify good management practices that could be implemented state-wide.

The process review involved a review of existing guidance documents and interviews with VDOT staff in the Hampton Roads, Richmond and Northern Virginia Districts and local government staff in the cities of Richmond, Hampton, and Chesapeake and the counties of Henrico and Fairfax. Lastly, since policy and guidance regarding locally administered projects is developed by VDOT Central Office and many project actions require final approval by the VDOT Central Office, staff representing the primary project delivery divisions, were also interviewed.

The process review revealed a relatively young, but rapidly maturing LPA program. Virginia's program contains many of the elements necessary to ensure success, such as a consolidated guidance document for local governments, training for local governments and DOT staff, and a written policy regarding local administration of federal-aid projects. However, as would be expected with any developing program, there are aspects that require improvements to ensure full compliance with federal requirements. Additionally, other improvements could be made to simplify or expedite existing processes. The need for some adjustments to VDOT's implementation of LAP Program processes became evident as the review identified a lack of consistency in the management and oversight of locally administered projects among the VDOT Districts. This inconsistency appears to be the result of misunderstanding of federal requirements by VDOT and local governments, a lack of internal guidance to VDOT oversight staff, and unclear expectations of both VDOT Project Coordinators and local governments.

Generally, the federal project level requirements are being met on Locally Administered projects because local governments are acting in good faith and are trying to adhere to guidance provided by individual VDOT Project Coordinators and, in some cases, because parallel state

and local requirements already meet or exceed federal government requirements. However, VDOT's programmatic oversight is inconsistent across the Districts we reviewed and needs to address deficiencies in their Federal-aid Locally Administered Projects Program. To address the deficiencies, standardization of project oversight requirements and improvements in internal and external guidance documents are necessary, particularly in the areas of construction administration, financial management, and property acquisition processes.

Highlighted areas where VDOT needs to improve their oversight and guidance include:

- 1) The Central Office Divisions need to follow up with the Districts to ensure the consistency of oversight policies. We recommend improved written guidance to the local governments and VDOT District staff.
- 2) VDOT needs to develop a manual, similar to the "Guide," which provides VDOT Project Coordinators with the internal processes and procedures they need to be aware of to effectively coordinate and oversee a locally administered project. Alternatively VDOT may incorporate this within a revised guide for localities administering federal-aid projects.
- 3) VDOT needs to develop internal construction oversight guidelines for their staff to follow when reviewing active construction projects and direct resources to monitor active construction projects.
- 4) VDOT and the FHWA Virginia Division Office need to develop an acceptable oversight/compliance plan for ROW activities certified by local governments.
- 5) VDOT needs to develop a process for reviewing the back up documentation for billings received from local governments and to ensure that local governments have procedures in place for billing Federal-aid projects.
- 6) VDOT needs develop guidance for project closeout that will ensure projects are financially "closed" in a timely manner and in accordance with federal regulations and policies.

The process review also revealed that the FHWA Division Office's practice of "spot-checking" various LAPs under construction does not provide adequate federal oversight of the locally administered projects program. Outside this process review, the Division Office has inspected several federal-aid locally administered projects under construction and has noted deficiencies in VDOT's oversight. Observations included non-compliance with "Buy-America" provisions, inadequate project documentation and materials acceptance testing and two instances of approved designs which did not comply with minimum Americans with Disabilities Act standards. The \$100 million dollar program, the complexity of various local governments involved, and VDOT's movement to have more local governments administer projects all support the position that the inconsistencies in the various VDOT districts would be better addressed by a single focal point in the FHWA Division Office.

As this process review focused on those Districts and local governments with the most experience coordinating and administering federal-aid highway projects, the conclusions of this review likely represent a "best-case" scenario. Districts and local governments with less experience would be expected to have more difficulties administering federal-aid projects. As

such, FHWA and VDOT should consider including less experienced Districts and local governments during future process reviews or program evaluations. This process review also did not include detailed project-level assessments. The intent of this process review was to provide a broad assessment of VDOT's program. Project-level assessments should also be considered during any future program reviews.

Specific findings are detailed in Section V of this document; however, most recommendations can be associated with five primary categories, as discussed below. FHWA and VDOT have agreed that while this report contains many specific findings and recommendations, VDOT will provide progress reports to FHWA for the first four of the following five primary recommendations. The fifth category is a recommendation for FHWA action.

(1) Additional guidance to both local governments and VDOT staff.

The Process Review team found that the "Guide to Local Administration of VDOT Projects" (the Guide) provided the basic information local governments needed to administer federal-aid projects. However, there is no parallel guidance to VDOT staff providing oversight and support to local governments, especially regarding how locally administered projects adhere to standard requirements and procedural actions required of VDOT-administered projects. Some VDOT staff strictly apply internal procedures and the use of internal forms to locally administered projects and some do not, resulting in inconsistency and confusion.

VDOT needs to develop clear, detailed guidance, outlining expectations and responsibilities of both local government and VDOT staff.. The process review team understands that VDOT is currently updating the Guide to include both local government and VDOT guidance and to ensure that all processes affecting locally administered projects are incorporated within a single document. Priority should be placed on the timely completion of this guidance document. Training should be provided for both VDOT and Local governments on the contents and application of the guide once it is published.

(2) Improved VDOT guidance and oversight of locally administered projects under construction.

Currently construction oversight varies widely across Districts and across functional areas. District staffs understand the need for some amount of oversight but there is a general uncertainty regarding the amount of oversight that is necessary and required. District's staff specifically stated that there is a lack of staff and project "charges" to perform adequate oversight for many locally administered projects. Local governments also revealed a divergent range of knowledge regarding the federal requirements for federal-aid construction projects. All local governments interviewed provided highly qualified staff with some exhibiting a thorough understanding of the federal-aid requirements. Others, however, presented a general lack of understanding, or need for meeting, federal-aid requirements

**FHWA spot checked several projects in the districts we reviewed and they identified deficiencies in project oversight by VDOT.** Observations included non-compliance with "Buy-America" provisions, inadequate project documentation and materials acceptance testing and two instances of approved designs which did not comply with minimum Americans with Disabilities Act standards.

VDOT needs to provide additional guidance to their staff on the proper oversight of Locally Administered Projects and direct resources to monitor active construction projects. VDOT recently completed a construction oversight guide that has provided basic expectations for oversight of locally administered projects. This guide, however, was not developed as a guide to local governments administering projects. Districts are not sufficiently implementing the guidance and require additional direction to perform adequate oversight.

### (3) Implementation of compliance verification processes

For several activities VDOT accepts certifications from local agencies that the work has been accomplished in accordance with federal requirements. For many of these activities, verification of compliance during project development would result in redundant efforts, additional costs, project delays, and may not be practical. For these activities, some follow-up verification of what the locality has certified would be expected. Of particular note are the processes VDOT currently uses to certify local governments have met Right of Way and Financial Accounting requirements. The Process Review interviews provided sufficient evidence that most of these processes are being completed by the local governments in general compliance with federal requirements; however, VDOT cannot confirm compliance as no compliance verification process for these “certified” activities has been established.

Where local governments are allowed to “certify” compliance with specific federal-aid requirements, VDOT should provide sufficient guidance and/or training so that local governments understand what the certification means so local governments can ensure that they are utilizing adequately qualified staff or consultants to perform that work in compliance with federal-aid requirements. Where compliance is not monitored during project development, VDOT needs to develop guidance for the periodic assessment of those local governments which have provided these certifications to ensure appropriate oversight of the program.

### (4) Improved and Targeted Training and information exchange with Local Governments

Local governments consistently expressed a desire for training in the federal-aid process. Most local governments were not aware of federal highway administration training through the National Highway Institute (NHI) and some indicated that they were not aware of VDOT’s efforts through the Local Partnership Team (LPT). Local governments also expressed the need to have training held locally to hold down travel expenses.

An increased effort to provide local governments training in federal-aid requirements and to make them aware of other training opportunities, such as those offered through the NHI is needed. VDOT has already surveyed local governments to determine what types of training would be most beneficial. VDOT should attempt to develop, or bring in training developed by others, to assist local governments in their education efforts.

### (5) Improved FHWA oversight of VDOT’s program

It is the recommendation of the review team that FHWA dedicate an employee to the stewardship of the locally administered projects program. The dedication of an FHWA



employee, with generalist experience, to this growing program would demonstrate to VDOT, FHWA's level of commitment to the program and help ensure that guidance to local governments and VDOT staff meets federal requirements.

An FHWA Division Office local assistance coordinator would provide a single point of contact for VDOT to provide guidance on the oversight of local projects and the overall program. Within the Division, the coordinator would provide program level guidance to the Division and coordinate each program area within the office.

VDOT dedicates approximately \$100 million dollars per year to locally administered projects and has issued a policy statement stating that it is their intention to encourage additional partnerships with local governments. It is fair to say that the program is growing and careful attention to guidance and policies during this developmental stage will help to implement systems that will ensure that local governments meet federal requirements. VDOT is committed to developing their local assistance program as demonstrated by their efforts to identify best practices of others including scanning tours of the States of Washington and Ohio. This is in addition to rewriting their guidance to local governments and internal staff charged with oversight of locally administered projects.

In fiscal year 2008, the Division began, spot checking local projects to determine whether the local governments were meeting federal requirements and whether VDOT had systems in place to ensure compliance. Our spot checks have indicated several systematic issues relating to construction oversight, project staffing, material testing and federal contracting requirements.

The FHWA Virginia Division Office is in a unique position to assist VDOT in developing their local assistance program. VDOT is currently in the process of rewriting their local assistance manual and looking at how to best provide stewardship of the construction phase of local projects. The program is still in the developmental stage and FHWA would be in the position to provide meaningful input for the development of the program.

## **II. Process Review Team and Participants**

### **Review Performed:**

March – May 2008

### **Process Review Team**

#### *FHWA*

Michael Canavan, Field Operations Team Leader  
Janice Richards, Finance Manager  
Clementine Fleming, Financial Specialist

#### *VDOT*

Russ Dudley, Local Assistance Division  
Robert Crandol, Richmond District – Construction Management  
Bart Thrasher, Central Office, Location and Design Division  
Tom Bushley, Central Office, Core Development Staffer

#### *Participants*

##### VDOT Districts and Staff

Richmond  
Hampton Roads  
Northern Virginia

##### VDOT Central Office Project Development Divisions

Location and Design  
Right of Way  
Environmental  
Civil Rights  
Scheduling and Contract  
Materials  
Local Assistance

##### Local Agencies and Staff

Henrico County  
Fairfax County  
City of Hampton  
City of Richmond  
City of Chesapeake

### **III. Process Review Objectives and Scope**

This process review was intended to be a broad review of the primary elements of the Virginia Department of Transportation (VDOT) locally administered projects (LAP) program and the general effectiveness of the program in assuring compliance with federal requirements. It focused on existing policies, guidance, training, and oversight activities and on the general understanding of federal expectations by both VDOT and local governments. While some project-specific information was reviewed, the process review was not intended to assess project-level compliance with federal requirements.

The objectives of this process review were to:

- (1) evaluate VDOT's oversight program for locally administered projects;
- (2) evaluate the effectiveness of the guidance provided to local governments and to VDOT staff;
- (3) assess the general knowledge of VDOT staff and local governments regarding federal requirements for the administration of federal-aid projects;
- (4) identify potential areas of process and program improvement, to include specific training or guidance needs that would be helpful during VDOT's current efforts to update the guidance documents;
- (5) if necessary, identify specific items which require immediate correction/action; and,
- (6) identify good management practices that could be implemented state-wide.

Of nine VDOT Construction Districts, approximately 80% of federal aid going to locally administered projects is allocated to the Richmond, Hampton Roads, and Northern Virginia Districts. Accordingly, this process review focused on those Districts and local governments within those Districts with the most experience administering federal-aid projects. Local governments selected to be included in the process review interviews were all experienced at administering federal-aid projects and were in the process of (or had very recently completed) administering a federal-aid project through construction. Appendices A and B provide the interview questions for VDOT District Offices and local governments, respectively. The interview questions were intended to provide enough information so that the process review team could evaluate the general knowledge of and compliance with existing VDOT guidance as well as with federal regulations pertaining to highway construction.

Due to time restrictions and the broad scope of the review, detailed reviews of individual projects were not performed. Generally, specific project files were requested during the local government interviews to determine if the local government could produce adequate documentation. The list of specific project documentation requested of the local governments is included at the end of the local government interview questions, in Appendix C. A list of the projects, their Construction estimates, and associated federal-aid funding programs is provided in Appendix D.

Finally, interviews with Central Office staff representing the major project delivery divisions were performed. These interviews were performed with the intent to verify information provided by Districts and local governments, to clarify roles and responsibilities of various groups within

VDOT, and, again, to assess the general knowledge of federal requirements associated with highway construction and the applicability to locally administered projects.

#### **IV. VDOT LAP Program Overview**

In August 2007, the VDOT Local Assistance Division prepared [a baseline study report](#) on VDOT's locally administered projects program and submitted that report to FHWA. The following information is summarized from that report. The full report, entitled "Local Public Agency Federal Aid Program" can be found at [http://www.virginiadot.org/business/resources/FHWA\\_Report\\_9-24-07\\_v1\\_3.pdf](http://www.virginiadot.org/business/resources/FHWA_Report_9-24-07_v1_3.pdf). That report provides detailed background information on VDOT's locality administered projects program. Readers are referred to that document for additional information regarding specific aspects of the program. The Baseline report was requested by FHWA's headquarters office of all States to determine the status of Locally Administered Program on a national level. The report describes the statistical information regarding VDOT's program including size of the program, organizational structure, guidance provided to locals and distribution of funds statewide.

Currently, locally administered projects comprise approximately 15-20% of VDOT's total construction dollars and over 30% of the total number of construction projects. Responsibility for project delivery for VDOT's LAP Program is generally delegated to the District offices, while VDOT's Central Office divisions develop policies and provide training and guidance for the program. In order to facilitate LAP projects, the VDOT District office assigns a VDOT "Project Coordinator" (P.C.) to every locally administered project. The role of the Project Coordinator is to coordinate VDOT reviews and provide guidance and support to assist local governments meet the applicable state and federal requirements.

VDOT has developed two specific guidance documents to assist local government and VDOT oversight staff during the local administration of federal-aid projects. Local government responsibilities are provided in the "[Guide to Local Administration of VDOT Projects.](#)" This document follows the project development and delivery process from inception to final construction and provides locality project managers with basic regulatory requirements as well as specific submittal and approval requirements that are necessary. The Guide, however, does not provide VDOT staff with specific guidance or instruction. As a result of inquiries and requests for additional guidance for VDOT oversight of local government projects during construction, VDOT developed the "[Construction Oversight Guide for Locally Administered Projects.](#)" This document provides VDOT construction inspection staff with the minimum expectations for oversight of a locally administered project. Both documents are available on line and can be provided to locals by the LAD upon request.

For most locally 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 locally administered projects enter the construction phase, oversight requirements typically are assigned to 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 commitments and to make a general assessment of the contractor's erosion and sedimentation control measures.

### *Current Activities*

VDOT is currently modifying many of its internal processes to accommodate the increasing importance of partnering with local government in program delivery and the increased number of federal-aid locally administered projects. VDOT recently published a new Policy entitled "Delivery of Locally Administered Programs and Projects." This policy emphasizes the importance of partnering with local governments, providing the local governments with the tools and knowledge they need to successfully administer these projects, and providing local governments the flexibility to use their own processes to meet federal-aid requirements, even when those requirements may be somewhat different than VDOT's internal processes.

Part of the Policy's implementation plan is to revise the "Guide to Local Administration of VDOT Projects" to provide a more robust manual which includes VDOT staff responsibilities and construction oversight expectations, thus combining the two existing primary guidance documents. The revised Guide is scheduled to be complete by January 2009. In order to incorporate findings of this Process Review within the revised Guide, this Process Review schedule was expedited significantly.

## **V. Process Review Observations, Discussions, and Recommendations**

The following are specific process review observations, accompanied by discussions and recommendations. Observations are generally segregated by either project development phase or by discipline (i.e. Preliminary Engineering, Environmental, Civil Rights, etc.).

Recommendations, for the most part, could be associated with one of the following broad recommendations:

- (1) Additional Project Development Guidance for Local Governments and VDOT Staff;
- (2) Additional Guidance and Oversight for the Construction Phase of Locally Administered Projects;
- (3) Need for a compliance verification process;
- (4) Increased and Targeted Training for Local Governments
- (5) Improve FHWA oversight of VDOT's program

.....

### ***General Practices***

Observation #1: VDOT has not established a minimum set of qualifications for local governments to demonstrate in order to administer federal-aid projects and does not routinely ensure that the locality has identified a full-time employee in charge of the project.

Discussion: VDOT does not qualify or certify local governments to administer federal-aid projects. Prior to administering most projects, local governments must submit a "Request to Administer a Construction Project" (RtA) form to the Preliminary Engineering (PE) Manager of their VDOT Construction District. The PE Manager consults with various project development staff and makes a recommendation to the Chief Engineer (CE) regarding the ability of the local government to administer the project. While the PE Manager is encouraged to consult with his staff, there is no guidance or direction provided regarding what considerations should be made prior to his recommendation to the CE. Projects administered by local governments which manage their entire construction program do not submit requests. Enhancement projects also do not require RtA forms, as they are selected through an application process and are assumed to be locally administered.

Recommendation: VDOT should develop a minimum set of qualifications that local governments must meet in order to administer federal-aid projects. This could be in the form of project-by-project reviews or it could be a part of a larger certification or qualification program.

Recommendation #1  
Category:

.....

Observation #2: The approach to LAP oversight by VDOT across Districts is inconsistent. Approaches to oversight and assumptions regarding VDOT’s responsibility for LAP oversight vary across districts, disciplines, and local governments.

Discussion: The current guide to locally administered projects provides local governments with the basic information they need to administer state and federal-aid projects. Because there is little oversight guidance available to VDOT staff, many VDOT staff use internal VDOT processes and procedural documents to supplement the Guide. This results in inconsistent requests for information or VDOT forms and unclear expectations of the local governments. When internal processes are used by “approving” offices in Central Office, both District Project Coordinators and local government project managers are often caught unaware and project delays occur.

Recommendation: The Central Office Divisions needs to follow up with the Districts to ensure consistency. We recommend improved written guidance to the local governments and VDOT District staff. Guidance must be detailed enough so that all parties involved in the project development process are clear regarding expectations. The various Divisions need to work with the LAD to ensure that guidance documents provide detailed information and are provided to each district.

Recommendation  
Category: #1

.....

Observation #3: The local governments are not being notified of FHWA authorization in a consistent manner. The authorization from the Federal Highway Administration is a critical point in the development of a project since the locality cannot be reimbursed for funds spent without it. Several instances have been observed where local governments have proceeded with a particular phase without FHWA’s authorization.

Discussion: District staff acknowledged that there was no consistent approach to notify local governments that federal authorization had been provided, although all the District Project Coordinators understood the importance of providing that notice to local governments. Notice to local governments is made verbally, by e-mail, written letter, or a combination of these. Local governments interviewed were aware of the importance that they receive federal authorization prior to proceeding with phase activities.

Recommendation: VDOT need to develop a consistent process to inform the local governments when phase authorizations, as well as other approvals, have



been provided. It is recommended that the local government receive an electronic copy of the federal phase authorization agreement.

Recommendation  
Category: #1

.....

Observation #4: Project management tools that are available to local governments are not used due to access difficulties.

Discussion: VDOT requires local governments to utilize the Project Cost Estimating System during Preliminary Engineering. There are other VDOT project management tools (systems) that are also available to local governments to use on a voluntary basis. However, both VDOT staff and local governments stated that access to VDOT's project management databases to support LAPs is undependable and local governments do not consider using the voluntary systems because of the difficulty involved with gaining access to the mandatory systems.

Recommendation: Work with the local governments, VDOT IT Division, and Virginia Information Technology Agency (VITA) to ensure access to databases that will help them administer their projects. This will ensure consistency among Districts and Local governments.

Recommendation  
Category: #4

.....

Observation #5: The FHWA Division Office's practice of spot checking various projects does not provide adequate oversight of the locally administered program. The inconsistencies in the various VDOT districts would be better addressed by a single focal point in the Division.

Discussion: A Division local assistance coordinator would provide a single point of contact for VDOT to provide guidance on the oversight of various aspects of local projects, to include design, construction, ROW and finance. Within the Division, the coordinator would provide program level guidance to the Division and coordinate each program area within the office. In fiscal year 2008, the Division began spot checking local projects to determine whether the local governments were meeting federal requirements and whether VDOT had systems in place to ensure compliance. FHWA's spot checks have indicated several systematic issues relating to construction oversight, project staffing, material testing

and federal contracting requirements. The FHWA Virginia Division Office is in a unique position to assist VDOT in developing their local assistance program. VDOT is currently in the process of rewriting their local assistance manual and looking at how to best provide stewardship of the construction phase of local projects. The program is still in the developmental stage and FHWA would be in a good position to provide meaningful input to the development of the program.

Recommendation: The Division should have a local program coordinator. The program staff person should have experience in contract administration, construction and geometric design.

Recommendation  
Category: #5

.....

***Preliminary Engineering***

Observation #1: Local government project schedules are adversely impacted by unpredictable review times by VDOT.

Discussion: Several of the local governments interviewed stated that VDOT's response time for reviews of plans, inquiries, and other required submittals is inconsistent and, on some occasions, has had an adverse impact on the local government's schedule. Districts also stated a similar concern for some Central Office reviews and approvals.

Recommendation: Establish reasonable response time goals for the review and approval of submissions by VDOT so local governments can prepare their project schedules accounting for the "wait time" necessary for VDOT staff to review, comment on, and where appropriate, approve information provided by local governments.

Recommendation  
Category: N/A

.....

***Consultant Contracts***

Observation #1: Local governments are unsure of what VDOT is reviewing when they submit consultant contracts for approval and assume that the contracts are being reviewed for federal and state compliance. There were many

accounts where the only comments that were received were focused on Civil Rights and DBE goals.

Discussion: During the interviews with all the participating parties, the Team found conflicting and unclear responses when asked who reviews the local governments' consultant contracts and what was being reviewed. Local governments assumed that all aspects of the proposed contracts were being reviewed for federal requirements; however, all stated that they seldom get comments back on any issues other than Civil Rights. Districts stated that they send the proposed contracts to Civil Rights but do not have staff to review other aspects of professional contracts. All professional procurement for VDOT is performed at the Central Office, so it would appear that Districts may not actually have the expertise to review a professional service contract. Central Office staff stated that there is no dedicated person who reviews professional procurement contracts for locally administered contracts.

Recommendations: VDOT LAD should work with the various Divisions and local governments and develop consultant RfP and contract templates that would be available for local government use. The use of contract templates could expedite VDOT reviews.

VDOT staff, with professional procurement experience should develop a checklist of critical items that must be included in every federal-aid professional procurement contract. In that manner, VDOT Project Coordinators could provide a basic level of professional contract review prior to advertisement.

Staff need to be assigned to review local government consultant contracts or provide support to those local governments when necessary. This may require additional training of Central Office or District staff in Federal Acquisition Regulations (FAR) and Brooks Act procurement requirements.

Recommendation  
Category: #1

.....

***Plan / Design Reviews & Approvals***

Observation #1: VDOT plan/design review comments generally do not distinguish between recommendations and requirements. As a result, excessive time is spent while the local governments' design engineers and VDOT staff discuss changes to the design, which are not necessarily requirements.

Discussion: Local governments stated that they have a difficult time distinguishing which VDOT comments are requirements and which are recommendations. In addition, local governments expressed concern over receiving “formatting” comments versus technical comments. The “Guide” states that “Reviews focus on relative completeness of the plans, comprehensiveness, constructability, biddability and adherence to sound engineering practices and principles. They will not focus on format or presentation preferences. VDOT will not be looking at "format" issues, per se, but will closely examine the plans to make sure they are adequate for use during advertisement and construction of the project.” Local governments stated that they receive comments regarding formatting issues and comments that are preferential, rather than required.

Recommendation: When providing comments to local governments, it is advisable to note comments which are preferential (should be taken under advisement) versus comments that are mandatory (i.e. geometrics don’t meet AASHTO).

Recommendation  
Category: #1

.....

Observation #2: Both Districts and local governments stated that decisions are more readily made at the District level and when questions or final decisions reside in Central Office, the wait time for these answers or decisions can become excessive. District Project Coordinators lose “touch” with the status of the issue and cannot provide local governments with information regarding the status of the issue.

Discussion: Both Districts and local governments stated that keeping decisions at the District level provides for the most efficient management of locally administered projects. Central Office staff stated that typically decisions can be made quickly by Central Office staff but delays occur when the Districts and local governments do not provide sufficient background information. The team found that there are situations where “redundant” reviews are provided by District staff and Central Office staff. On several occasions, information was directed to Central Office for approval or coordination with FHWA, when that authority already existed at the District level.

Recommendation: VDOT should explore if there are any approvals or reviews that could be delegated to District offices or if there are redundant reviews occurring throughout the project development process. VDOT needs to clarify and document what delegated authorities the District has as they relate to locally administered projects.

Recommendation  
Category: N/A

.....

***Training/Guidance***

Observation #1: Local governments are not aware of and do not take advantage of available training opportunities.

Discussion: Most of the local governments interviewed were not aware of available FHWA training, including those offered through the National Highway Institute. Local government staff also stated that they were not aware of VDOT’s training program known as the Local Partnership Team (LPT). When asked about specific training that is needed, several local governments specifically identified the requirements for Noise Impact Studies.

Recommendation: VDOT LAD should develop a system to notify local governments of available training opportunities. VDOT could list training on their local assistance web site and the local governments would be responsible for tracking training opportunities.

Recommendation  
Category: #4

.....

Observation #2: VDOT lacks clear internal guidance for District / Project Coordinator review.

Discussion: Because there is little oversight guidance available to VDOT staff, many VDOT staff use internal VDOT processes and procedural documents to supplement the Guide. This results in inconsistent requests for information or VDOT forms, unclear expectations of the local governments and, when internal processes are used by “approving” offices in Central Office, both District Project Coordinators and local government project managers are caught unaware and project delays occur.

Recommendation: VDOT needs to develop a manual, similar to the “Guide,” which provides VDOT Project Coordinators with the internal processes and procedures they need to be aware of to effectively coordinate and oversee a locally administered project. This would also improve the consistency among the Districts and the local governments.

Recommendation  
Category: #1

.....

Observation #3: Local government submittals are incomplete and obtaining proper documentation results in project delivery delays. There is a need for more examples of properly completed information in VDOT's guidance.

Discussion: Local government and District staff both expressed the desire to have and provide examples of properly completed submittals that are required by VDOT.

Recommendation: Examples of properly completed information should be included in the revisions of the manual for locally administered projects.

Recommendation  
Category: #1/#4

.....

***Civil Rights***

Observation #1: Obtaining goals in a timely manner is inconsistent and has adversely impacted a local government's advertisement schedule.

Discussion: District staff indicated that all Civil Rights language is reviewed by the Central Office, even when the District Office has already performed a review (no goals necessary). All Civil Rights reviews are sent to CO.

VDOT establishes goals for all projects at the Central Office, with, in some cases, input from the District Civil Rights Manager. Also, every project is reviewed for possible DBE goals at the Central Office. The Process Review team understands that a single individual is given the responsibility for all DBE goal reviews for all projects, whether they are locally administered or VDOT administered. Also, where the DBE requirements are inclusions of standard language, the Central Office staff is tasked with the responsibility of ensuring that the language is included in the contracts, resulting in an initial review by the District staff and another review by Central Office staff.

Recommendation: VDOT Civil Rights Division should explore if there is a need to review all the Civil Rights language especially when no goal is required. They should also explore if there are any actions that can be delegated to the Districts or local governments

Establishing DBE goals requires experience and training – VDOT should consider some redundancy in this so that additional staff could be available for peak demand periods or so that District offices can absorb this responsibility.

Recommendation  
Category: N/A

.....  
***Right of Way***

Observation #1: VDOT is accepting certifications of compliance from local governments with no system of verification (either during or post-project).

Discussion: To obtain Right of Way Certification for advertisement, local governments provide VDOT a certification statement outlining that they have met the basic federal-aid requirements for property acquisition. The ROW certification statement (include as appendix F) clearly outlines specific compliance items that have been met; however, VDOT does not periodically verify, through file reviews, that local governments have actually met all federal-aid requirements for right of way acquisition.

Recommendation: VDOT and the FHWA Virginia Division Office need to develop an acceptable oversight/compliance plan for ROW activities certified by local governments.

Recommendation  
Category: #3

.....  
Observation #2: Local government project managers are not aware of the minimum qualification requirements for Right of Way professionals performing work on federal-aid projects nor do they always have the latest edition of the VDOT Right of Way Manual.

Discussion: The VDOT R/W Manual is not available electronically. Right of Way Division staff state that there are negotiating strategies and delegated authorities included in the Right of Way Manual that would not be appropriate to make publicly available. The Right of Way Division staff did make it clear that local governments are issued the latest edition of the manual upon request.

Recommendation: VDOT needs to ensure that the qualifications for Right of Way consultants are clear in guidance to local governments and that the “Guide” clearly

identifies the need for local governments to obtain a current edition of the VDOT R/W Manual.

The VDOT Right of Way Division should explore making the Right of Way manual, or a public version of that manual, available online to ensure that local governments are using the most current version. Specific negotiating strategies or delegated negotiation authorities that are contained within the Manual should be re-evaluated for inclusion in the manual. Most states have on-line versions of their Right of Way manuals available to local governments and consultants.

Recommendation

Category: #1/#4

.....

Observation #3: Local governments are not receiving a copy of the formal approval letter for Right of Way Certifications.

Discussion: Right of Way Certification is provided by VDOT Central Office via a letter to the District Right of Way section. Interview results indicated copies of those letters are not provided to the local governments.

Recommendation: VDOT should clarify guidance to ensure Districts provide the local governments with the ROW approval letter.

Recommendation

Category: N/A

.....

### ***Construction Oversight***

Observation #1: VDOT oversight during construction of LAPs is inconsistent depending on District.

Discussion: The oversight performed by VDOT District Construction staff varies greatly. In 2007, Central Office prepared a guidance document to assist Districts in determining the proper level of oversight and minimum expectations for locally administered projects. It does not appear that guidance issued by Central Office (Construction Oversight Guide for LAPs) is consistently being applied. For some local governments, VDOT construction oversight activities only take place within VDOT Rights of Way, where land-use permits have been issued (where municipal-managed R/W intersects with VDOT-managed R/W). If federal funds are used, VDOT's oversight applies to the entire project.



Recommendation: VDOT needs to develop internal construction oversight guidelines for their staff to follow when reviewing active construction projects and direct resources to monitor active construction projects. . The guidelines should clearly specify requirements for the VDOT Districts for follow for documentation, inspection staffing and materials acceptance and assurance testing, both on and off the National Highway System..

Recommendation  
Category: #3

.....

Observation #2: Materials Acceptance Testing practices at local governments are not consistently meeting State-approved requirements.

Discussion: During interviews with local governments the process review team found that materials acceptance procedures vary widely. Several local governments demonstrated a thorough knowledge of acceptable industry practices and a willingness to implement them, while others appeared to have adequate background but did not see the necessity in performing thorough quality assurance and/or on-site acceptance testing. Local governments, however, all used VDOT approved materials sources.

Several local governments stated that they have no or very few claims, which may be an indication of overly lenient materials acceptance procedures. It should be noted that the local governments indicated that lack of claims was a result of good and clear specifications before contract award.

Recommendation: VDOT needs to develop guidelines and a verification program in each District for material acceptance on locally administered projects. The guidelines should include testing frequency, documentation and recommended staffing levels.

Recommendation  
Category: #2/#3

.....

***Environmental***

Observation #1: Environmental oversight during construction is inconsistent.

Discussion: Two Districts stated that they do not have the staff to perform many local government reviews however, one stated that they provide the same level of environmental inspections on LAPs as they do on VDOT-administered projects. Districts also had differing opinions regarding exactly what the

Environmental staff is expected to review for LAPs under construction. One district specifically stated that they do not treat LAPs any differently (in terms of environmental inspection) than their own projects while another stated that they need to ensure those commitments made in FHWA approved documents are fulfilled and it would not be their responsibility to review permit conditions for the project, as they would for VDOT-administered projects.

Recommendation: VDOT should develop internal oversight guidelines and minimum verification requirements for their staff to follow when reviewing environmental commitments. Clarification of FHWA's expectations is recommended to ensure adequate oversight is provided. Those expectations should be clearly outlined in guidance that both local governments and VDOT staff receive.

Recommendation  
Category: #1/#2

.....  
*Financial*

Observation #1: VDOT does not have a process in place to review the back-up documentation being maintained by the local government, in the cases where the local government submits summaries for reimbursement requests.

Discussion: Several of the local governments interviewed noted that they provide summaries of costs incurred when requesting reimbursement, rather than providing itemized lists of costs. This is acceptable under VDOT-local government agreements. However, in order to ensure all local governments are following federal requirements regarding invoice documentation, VDOT should periodically check local governments' records to assess compliance. No local government interviewed could recall ever having a VDOT representative review their project accounting records.

An invoice was selected from each project to determine if the local governments had documentation to support the invoice request submitted to VDOT for payment. In all instances, the local governments were able to provide the necessary documentation required to support the expenditure. Reimbursement requests were also submitted with letters certifying Federal requirements were met. All payment requests had the required signature approval. We requested and received a written signature delegation of authority from the local governments.

Recommendation: VDOT needs to develop a process for reviewing the back up documentation for billings received from local governments and to ensure that local governments have procedures in place for billing Federal-aid projects.

Recommendation  
Category: #1

.....

Observation #2: VDOT does not have or has not provided a written, standard project close-out process for local government projects, to include financial closure.

Discussion: When projects are complete the local governments noted that they will generally mark the last invoice to VDOT as the final bill. All local governments were aware and adhered to the record retention requirement for maintaining project documentation for three years after the project was fiscally closed. All local governments actually maintained the documentation for a much longer period. The local governments were not aware of any formal process for closing Federal-aid projects with VDOT.

Recommendation: VDOT needs to develop guidance for project closeout that will ensure projects are financially “closed” in a timely manner and in accordance with federal regulations and policies. The guidance should focus on VDOT’s internal processes to ensure that all completed projects are addressed in a timely manner. The District Administrator, or designee, should be held accountable for close out of all completed projects.

Recommendation  
Category: #1/#2

.....

## **VI. Commendable / Best Management Practices**

As part of the general review of LAP state-of-the-practice, activities or processes used by VDOT and local agencies that served to enhance the program were captured as best practices. The best practices identified are presented categorically as follows:

### **Preliminary Engineering**

#### General

- All the local governments interviewed for this process review have staff dedicated to managing LPA's.

#### Consultant Contracts

- Local governments all state that they have processes to meet the Virginia Public Procurement Act.
- VDOT Environmental Division offers a review of locality RfPs as well as consultant scopes of work and task orders. These reviews are performed with the purpose of ensuring the local governments are obtaining sufficient information from their consultants and are not approving scopes of work or task orders that are beyond the scope of the project.

#### Plan / Design Reviews & Approvals

- Two VDOT Districts track plan comments on "Comment Resolution Sheets."
- Routine coordination and communication with local governments is achieved through monthly project meetings in at least two Districts' Urban Program sections.
- Larger projects receive focused attention from VDOT.
- Local governments typically have project managers' assigned cradle to grave (through construction) and have involvement of construction staff during design.

### **Training/Guidance**

- VDOT has developed a Local Partnership Team for the specific purpose of providing local governments and VDOT staff with project delivery training opportunities. Workshops already developed cover the following topics: General Project Delivery Workshop; NEPA and Environmental, Consultant Management, and Construction Administration.

### Right of Way

- One District requires a monthly report on R/W proceedings of the locality, which provides on-going verification of R/W activities.

### Construction Oversight

- Local governments use VDOT certified material sources.
- All local government inspectors and their contract staff have VDOT material certifications.

### Environmental

- VDOT's environmental oversight activities are well refined and provide well-documented project-level approvals and programmatic reviews of local governments performing federal-aid projects. Districts were all clear in their understanding that compliance reviews of NEPA commitments need to be performed, although actual NEPA commitments (that need to be reviewed during construction) are relatively few.

### Financial

- Local governments all exceed the 3-year project record retention requirement.

## **VII. Conclusion**

As with the FHWA “National Review of Local Public Agency administration of Federal-aid Projects,” this process review did not indicate any widespread waste, fraud, or abuse. For most project development areas, VDOT’s locally administered projects program is providing guidance, support, training, and oversight to local governments administering federal-aid programs; however, there are specific areas of concern that must be addressed to fully meet FHWA expectations for a locally administered federal-aid program. Of most concern is the guidance and oversight provided to local governments for and during construction administration. Interviews with VDOT staff and local governments revealed a variety of approaches to oversight activities and expectations from VDOT staff and a wide range of knowledge regarding federal-aid construction administration requirements by the local governments. In isolated cases, it appeared that FHWA expectations and minimum regulatory requirements were not being met. Other concerns include the oversight activities provided for the right of way activities and financial controls of local governments. Interviews with these experienced local governments provided a degree of confidence that minimum expectations are being met, but VDOT does not have a program in place to spot check and verify that these minimum expectations are, indeed, being met beyond accepting a certification. With regard to construction administration oversight, right of way, and financial controls verifications, VDOT needs to work with the FHWA Division office to develop and implement a program to follow up and verify compliance with federal regulations.

The FHWA Division Office’s practice of “spot-checking” various LAPs does not provide adequate oversight of the locally administered projects program. The \$100 million dollar program, the complexity of various local governments involved, and VDOT’s movement to have more local governments administer projects all support the position that the inconsistencies in the various VDOT districts would be better addressed by a single focal point in the Division.

**APPENDIX A  
VDOT DISTRICT OFFICES INTERVIEW QUESTIONS**

FHWA-VDOT Local Public Agency Process Review

Date of Interview:

\_\_\_\_\_

District: \_\_\_\_\_

District Representative(s):

Name:	Email/Phone:
Name:	Email/Phone:
Name:	Email/Phone:
Name:	Email/Phone:
Name:	Email/Phone:

VDOT / FHWA Representative(s):

Name:	Email/Phone:
Name:	Email/Phone:
Name:	Email/Phone:
Name:	Email/Phone:
Name:	Email/Phone:

### District Questions – General

1. How is the District organized to coordinate Locally Administered Projects? How do you generally coordinate with local governments when they are administering these projects?
2. Are locally administered projects tracked separately from other VDOT-administered projects? About how many locally administered projects are in the District? How many are federal-aid and are under construction at any one time?
3. Is the progress of locally administered projects tracked by the District and, if so, how are they tracked?
4. Are VDOT personnel available to provide advice and guidance to the LPAs upon request? How do you choose the Project Coordinators for LAPs and how do you choose those that are monitoring LAP Construction?
5. What does the District do to review local governments' procurement procedures for federal-aid projects?
6. Is there guidance available or do District staff provide guidance to local governments to help assure required Federal contracting procedures are followed?
7. Explain the process of establishing DBE goals in the District.
8. How is the locality notified that they are authorized to proceed with each phase (PE, RW, and CN)?



9. Does the District verify that funding for the project is identified in the STIP, MPO Long Range Plan, and a SYP and, if so, when is this done?
10. When a local government requests approval of a sole source procurement and/or proprietary materials, what is the process for approval?
11. Does the District verify that the LPA has a full-time government employee in responsible charge of the project?

Preliminary Engineering

1. Either during or before scoping is done, does the VDOT project coordinator go through Appendix E (checklist) with LAP project manager? Are the expectations explained to the Local Government?
2. In general, do local governments invite the VDOT project coordinator to the scoping meeting or is there a scoping-like meeting held with the local government Project Manager? How does VDOT estimate & communicate costs for administration and oversight? How are those costs included in project agreements?
3. For the projects identified, was a scoping meeting held by the local government and was the VDOT Project Coordinator invited. Did the P.C. attend? If no, why not? What documentation was received regarding the scoping? Was all of the required information provided?
4. Was the CTB policy for Bike & Pedestrian facilities followed during the development of this project? If no, why not? Is the reason clearly documented in the file?
5. Do the VDOT project coordinators work with the local governments' project managers to jointly determine the number of plan reviews and project meetings to be held through the project?
6. Does the District provide comments to the locality or deal directly with a consultant to the locality?
7. In general, does VDOT staff attend any other meetings with the locality in addition to the scoping meeting?
8. At what stages were plans submitted to VDOT for review? Did VDOT review and add comments and recommendations? Are comments tracked to ensure they have been addressed?
9. Do local governments submit consultant RfPs for review prior to advertisement? What did VDOT review when provided a copy of the locality's RfP for consultant services? What feedback did VDOT provide the locality that indicated they could proceed with advertisement of the consultant RfP? Who performed the review of the RfP?

10. Have you been requested to review and evaluate qualifications of prospective consultants that a locality will be using and what guidance do you use to do this?
11. How are design exceptions processed? Have any been requested and what were they for and what were the outcomes? Does the locality submit an LD-440 to VDOT?
12. Does the District check that previous plan comments have been addressed / resolved during a subsequent plan submittal? Is documentation of the resolutions of the comments requested of the Local Government and are they tracked in any manner at the District?
13. Are plans circulated throughout the District? What specifically is looked for by District staff during these plan reviews?
14. When reimbursement requests are submitted, does the District review the request and what, specifically, are these requests reviewed for? Is there a specified format for these submittals?
15. Does the locality provide updated estimates in PCES every 90 days? Does the District notify the locality if estimates have not been updated?

District Environmental Questions

1. Does the environmental coordinator outline the environmental expectations during scoping? Is the environmental scoping form used and provided to the local government and are there notes of the meeting kept?
2. Do the local governments generally request support regarding the procurement of an environmental consultant or during the development / review of the environmental work plan? If so, is there a record of the information provided?
3. If there were any NEPA commitments identified, are they conveyed to VDOT? If so, are they entered into CEDARS? Does the District ensure that these make it into the construction contract?
4. When special environmental provisions are necessary in the construction contract, does the local government submit these and does the District review the environmental provisions in the final contract?
5. Do the VDOT environmental monitors perform any site visits during construction? If so, how often / how do they determine the frequency of site inspections? Is the frequency the same as for a VDOT-administered project? How are deficiencies noted, who received the inspection results, and how were they addressed?
6. Are Environmental Commitments tracked once construction has started?
7. What is the most difficult aspect of coordinating environmental issues on federal-aid LAPs and are there any suggestions regarding this?

District ROW

1. Do local governments generally seek assistance with the procurement of qualified ROW consultants? Do they request specific assistance with the ROW process?
2. How often is relocation assistance necessary during LAPs? How do local governments become aware of relocation requirements? When local governments do encounter relocation assistance requirements, do they seek assistance and/or is it provided?
3. Does VDOT receive written certification from the LPA's that all legal and physical possession of right-of-way requirements for construction projects been fulfilled? Was the right-of-way acquired in accordance with all applicable Federal and State laws and regulations? Does the District attempt to verify the adequacy of the certification?
4. What were the most difficult or confusing aspects of the Locally Administered Projects' ROW process to navigate/coordinate and why and what could be done better?

Construction

1. Provide a general overview of how the District/Residencies coordinate LAP projects under construction. Explain who actually performs the inspections, pre-project coordination with the Local Government, project coordination while the project is under construction, etc.
2. How frequently does VDOT review a construction project? Is the CN oversight guide being used? Are the following aspects of the project reviewed? If so how are they reviewed and what resources are used to guide the inspector?
  - a. Civil Rights,
  - b. Project Documentation
  - c. Materials certification and testing
3. If you are not using the CN oversight guide, are you using a risk based approach for oversight? (Do you attempt to make a distinction for construction oversight when projects are federal vs. non-federal, on right-of-way vs. off right of way, NHS vs. non-NHS, etc)
4. Does the District verify that the Locality has contracted for adequate inspection staffing on CN projects and, if so, how?
5. Is a materials QA/QC plan for every project required and, if so, is it reviewed by VDOT?
6. When reimbursement requests are submitted, does the District review the request and what, specifically, are these requests reviewed for? Is there a specified format for these submittals?
7. How does the District handle work / change-orders for LAPs? Does the District review every work / change order and is there an approval process?
8. Does the District review utility costs to exclude betterments from reimbursements? Are there any reviews / audits of the utility costs?
9. Do you make final inspections of completed locally administered projects? Are these documented? How are findings resolved?

**Financial District (VDOT) Questions**

1. Who determines if costs are eligible for Federal-aid funding?
2. What does VDOT require from the locality to certify that a project can be final vouchered?
3. How are billing transactions and final project cost reviews performed? How are local governments submitting reimbursement requests and is the approval documented in any way?
4. What does VDOT require the locality to submit to document project expenditures?
5. What is your process for approving work orders on locally administered projects? Which work orders (all, \$<) on LPA projects do you require the locality to submit to you for approval? Have there been any work / change orders on the selected projects and how were they handled?
6. For work / change orders that are approved by VDOT, is the work / change order review and approval process for LPA projects different than projects in the State system?
7. How do you monitor projects to ensure adequate progress is being made and to ensure that timely billings are being submitted (every 90 days)?

**APPENDIX B  
LOCAL GOVERNMENT INTERVIEW QUESTIONS**



FHWA-VDOT Local Public Agency Process Review

---

Date of Interview:

Local Government: \_\_\_\_\_

Local Government Representative(s):

Name: \_\_\_\_\_ Email/Phone: \_\_\_\_\_

Name: \_\_\_\_\_ Email/Phone: \_\_\_\_\_

Name: \_\_\_\_\_ Email/Phone: \_\_\_\_\_

VDOT / FHWA Representative(s):

Name: \_\_\_\_\_ Email/Phone: \_\_\_\_\_

Name: \_\_\_\_\_ Email/Phone: \_\_\_\_\_

Name: \_\_\_\_\_ Email/Phone: \_\_\_\_\_

### General Questions – Local Government

1. Generally, how is the locality organized to administer transportation construction projects: what department manages the projects; is there a specific group or person that manages the projects; how much reliance is there on consultants; etc.
2. How long has the locality been administering VDOT funded projects?
3. Roughly, how many federally funded projects has the locality administered in last few years and how many of these have been completed through construction?
4. What resources does the locality use to assist staff to effectively administer and understand process requirements for locally administered projects? Which resources have proven the most valuable?
5. Does the locality establish a project schedule (toward advertisement and/or construction completion) and is that schedule shared with VDOT? Is a project scheduling software used? What activities are actually scheduled?
6. What are the current process(es) for procurement and selection of consultant contracts? How does the locality ensure that you are meeting FHWA procurement regulations and does the locality coordinate with VDOT (request assistance/reviews)?
7. Did the locality have VDOT review and comment on this prior to advertisement? What feedback did the locality receive that indicated you could proceed with advertisement of the consultant RfP?
8. How long are RfP's for consultant services and IfB's for contractors retained in the project file?

9. Did any of the local government staff attend a VDOT LPT workshop or any other training that assisted them with managing federal-aid projects? If so, which ones? Which ones were most helpful?
10. Does the project coordinator from VDOT provide the locality with a checklist highlighting all applicable items required for federal projects at the beginning of each federal project?
11. Is the checklist helpful in keeping track of required activities? Does the locality update this checklist as activities are completed? Is the checklist filed in the project file upon completion? Is it shared with VDOT?
12. How is VDOT notified that the locality is ready to proceed with various phases of project development and how is the locality notified that they are authorized to proceed with each phase of the project (PE, RW, CN)?
13. How often (if at all) does the locality update or request VDOT to update the current systems utilized to track the project status?
  - a. \_\_\_ Dashboard – PE and/or CN
  - b. \_\_\_ PCES
  - c. \_\_\_ RUMS
14. Which of these systems if any does the locality access directly?
15. Does the locality have their own systems to track the progress of projects or estimate project costs?

Preliminary Engineering – Locality

1. How does the locality's Project Manager determine the number of plan reviews and project meetings to hold with VDOT throughout the life of the project?
2. Are scoping meetings normally held, and, if so, is the VDOT Project Coordinator invited to the scoping meeting? Do they normally attend? If not, how are the results of the scoping meeting communicated to VDOT? How does the locality determine the primary issues to be addressed during scoping?
3. How does the locality follow up once plan review comments are received from VDOT? Are those comments and recommendations acknowledged? Does the locality Project Manager have any recommendations to more effectively track and resolve issues?
4. Once comments that were received by VDOT are addressed by the designer or design consultant, does the locality ensure that VDOT comments have been incorporated before submitting revised plans to VDOT?
5. Who prepares the locality's consultant services RfPs (in-house engineering, procurement section, consultant, etc)? Does the local government request that VDOT review and comment prior to advertisement? What feedback did the locality received that indicated they could proceed with advertisement of the consultant RfP and was the feedback helpful?
6. Has the locality ever requested VDOT review the locality's procurement guidelines?
7. Where any design exceptions needed? If so, was an LD-440 submitted to VDOT? Was the exception approved? What was the exception for?
8. Does the locality typically use VDOT specifications and how are VDOT specifications incorporated into the construction contract? How are non-VDOT specifications or special provisions incorporated into the project? Are there any alternate specifications that have been approved by VDOT?

Environmental - Locality

1. How familiar was the locality of the general Environmental requirements for a federal-aid project before initiating federal-aid projects? Can the locality easily find and navigate through the information to meet those requirements? Does the locality have any recommendations that would make this easier?
2. Does the VDOT Project Coordinator and the Environmental Coordinator thoroughly outline the environmental expectations during scoping (or otherwise near the start of the project)? Does the local government receive a copy of the Environmental Scoping form?
3. Does VDOT provide a noise scoping form and perform scoping for noise impacts early in the project development?
4. Are Preliminary Environmental Inventory (PEI) results (resulting from SERP) provided by VDOT and do they provide constructive and accurate information regarding the environmental resources regulated by State agencies?
5. Does the locality request support when developing, or to review, the environmental scope of work? Generally does the local government find that assistance provided was constructive?
6. When NEPA (National Environmental Policy Act) commitments are required, how does the Locality ensure that these commitments are carried out?
7. When environmental special provisions are necessary, are they submitted to VDOT for review?
8. How does the locality address hazardous materials during project development? Do they have standard scope of work or what other standards / guidance do they use to ensure adequate due diligence is performed?
9. Did VDOT perform environmental inspections during construction? If so, were deficiencies noted? How was the locality notified and how were identified deficiencies corrected?
10. Are these inspections in addition to what the local government is already doing or does the local government consider these as a substitute for what the local government would otherwise do?
11. What are the more difficult aspects of environmental requirements to coordinate and why?

ROW – Locality

1. How familiar with FHWA ROW requirements was the local government prior to initiating federal-aid projects and how does the local government go about obtaining this information. Was information on R/W acquisition processes readily available and/or provided by VDOT?
2. Does the local government have a copy of, or access to, VDOT's Right-of-Way Manual?
3. Do you handle R/W with your own staff or do you secure ROW consultants. What does the local government do (what standards/guidance do they use) to ensure their ROW consultants or in-house staff are sufficiently qualified to perform federal-aid work? Is the locality aware of the minimum qualification requirements for ROW consultants and how did they ensure the consultants meet those requirements?
4. Was the locality aware that appraisals must conform to VDOT Appraisal Guide, USPAP, and UASFLA? If so, how did that ensure that appraisals conform to VDOT Appraisal Guide, USPAP & UASFLA?
5. Does the local government restrict their consultants to those on VDOT's pre-qualified list of ROW consultants?
6. Does the local government have its own brochures and other written materials to advise and inform property owners about acquisition, relocation, and other programs, or do they use VDOT's brochures and materials?
7. Have there been instances where procedures in the ROW Manual could not be followed? How were these issues resolved?
8. How was VDOT's ROW certification provided? Verbally or in writing?
9. What were the most difficult aspects of the ROW process to navigate and why? What could be done better?

Construction-Locality

1. What practices and manuals are the local governments utilizing to perform inspection activities to meet Federal and State minimum requirements?
2. Are there additional resources the local governments use to ensure that federal-aid (FHWA) contract requirements are being met?
3. How does the locality determine the inspection needs for locally administered projects? How are the required qualifications of inspectors determined?
4. How does the locality determine what project materials / inspections documentation is required or how does the locality ensure that their contractor is keeping proper documentation?
5. Is local government staff for inspection or are consultant services procured?
6. If the locality has had any claims, at what point did VDOT become involved with a claim? What was VDOT's level of participation?
7. What procedures does the locality follow for the advertisement and award of construction contracts? Does the locality have their own written procedures for the award of contracts?
8. How is the quality of on-site and off-site materials evaluated and certified? Is there a process for ensuring that requirements for on-site and off-site materials certifications are being met?
9. Does the local government have a QC/QA plan for materials used on projects under construction? If not, how do they ensure that proper QC/QA is accomplished throughout construction? For local governments with QC/QA plans, are they reviewed by VDOT?
10. What is the locality's process for Final inspections/acceptance at the end of the project? How does the locality coordinate this with VDOT?

**Financial / Billing Questions**

1. What documentation does the locality maintain which supports the payment for completed work - including approved changes?
2. What is the local government's process for preparing, reviewing and maintaining financial records and are these processes in accordance with generally accepted accounting principles and record retention requirements?
3. How does the locality notify VDOT that the project should be closed out (financially)?
4. What is the locality's understanding of how long project records must be retained? How is that monitored? (see note, below)
5. How often does the locality submit requests for reimbursements of expenditures? Is the locality aware that all invoices for eligible federal expenditures must be submitted within 90 days of the expenditures being incurred? If so, how does the locality ensure that this occurs?
6. When seeking reimbursement, does the locality provide VDOT copies of invoices to support eligible project expenditures and/or a summary of the documentation maintained on file?
7. Who has authority to sign off on project payments? Is this a delegated authority?

*Note : Verify that local governments understand the clock starts upon final closure with FHWA.*

**APPENDIX C**  
**LOCAL GOVERNMENT PROJECT FILES**



*Local Government is asked to have the following information available for the interview:*

Project Files relating to the following as needed to address the information that will be solicited:

- Project Administration Agreement (Agreement between VDOT and Local Government)
- NEPA Concurrence Form
- Approved NEPA Documentation (PCE, CE, EA)
- Written Phase Authorizations
- ROW Certification Request and VDOT Certification
- Reimbursement Requests / Invoice Documentation (FHWA will review VDOT files and identify a specific reimbursement request and will request backup documentation for that request. Local Government will receive the invoice number or other identifying information prior to interview)

**APPENDIX D  
FEDERAL-AID LOCALLY ADMINISTERED  
PROJECTS IDENTIFIED FOR FILE REVIEW**

*Joint Process Review  
VDOT Local Government Federal-aid Program*

Scope	NEPA	Recommended CN Estimate	Fund	Fed High Desc	Actual Adv Date	Project Status Desc
Intersection Improvements	PCE	599,621	CM	NON NHS	08/15/2005	AWARDED
Left Turn Lane & Modify Existing Signal	PCE	625,000	STP	NON NHS	04/16/2006	ADVERTISED
Intersection Improvements	CE	481,775	STP	NON NHS	11/09/2006	CONSTRUCTION STARTED
Major Widening (PHASE 1B)	EA	3,926,282	STP	NON NHS	02/02/2007	AWARDED
Pedestrian Indicators and X- walks	PCE	16,482	STP	NHS	05/24/2007	CONSTRUCTION STARTED
Install Raised Medium	PCE	267,099	STP	NHS	05/24/2007	CONSTRUCTION STARTED
Reconstruction of Intersection	CE	3,200,000	FLH	NON NHS	03/24/2006	AWARDED
Parking Structure Expansion	PCE	26,456,231	CM	NON NHS	07/06/2006	AWARDED
Pedestrian Access Improvements	PCE	400,000	CM	NON NHS	09/29/2006	CONSTRUCTION STARTED
Intersection Improvements	PCE	1,015,000	STP	NON NHS	10/16/2006	ADVERTISED
CONSTRUCT DUAL LEFT TURN LANES	PCE	205,019	RSTP	NON NHS	11/19/2007	AWARDED
Street Relocation	PCE	1,430,935	STP	NON NHS	09/30/2005	AWARDED
Major Widening	CE	10,116,853	STP	NON NHS	10/22/2006	AWARDED
Major Widening	CE	16,033,000	RSTP	NHS	01/29/2007	AWARDED
Signalization Channelization Enhancements	PCE	1,104,396	CM	NON NHS	04/02/2007	ACTIVITY DATES SET
Intersection Improvements/ Pavement Resurfacing	PCE	879,031	STP	NON NHS	05/08/2007	UNSCHEDULED CONSTRUCTION

**APPENDIX E**  
“Delivery of Locally Administered Programs and Projects.”  
VDOT POLICY

Date:  
Approved:

DPM Number: 8-7  
Supersedes: None

## **DELIVERY OF LOCALLY ADMINISTERED PROGRAMS AND PROJECTS**

**Introduction**

---

Due to changes in the Virginia Department of Transportation's (VDOT) business philosophy and mandates from the General Assembly, Virginia's transportation program delivery continues to evolve to include increasing roles and responsibilities by local governments. As a result, VDOT's role is expanding beyond the traditional one as an implementing agency with an increased role in oversight and stewardship of the transportation program. To fulfill its oversight and stewardship responsibilities and ensure effective local program delivery, VDOT establishes this policy to provide guidance and the principles for implementation of an agency-wide approach to locally administered programs and projects.

**Policy**

---

VDOT will develop programs and processes that provide local governments the necessary tools to successfully administer transportation programs and that provide consistent requirements so federal and state stewardship and oversight obligations can be met and projects can be implemented in the most efficient and effective manner possible.

---

**VDOT  
Responsibility**

To implement this policy, VDOT will:

- provide oversight and guidance recognizing that local governments will be responsible for successfully delivering the project or program on time, on budget, with quality workmanship and in accordance with applicable federal and state requirements. VDOT will establish appropriate milestones for review to determine that the locality is on track to meet that responsibility.
  
  - strive to provide local governments with the maximum flexibility in how they administer their own transportation programs, while meeting all federal and state stewardship and oversight obligations. This effort includes accepting locality processes and methods as long as the end results are achieved and requirements are met.
  
  - establish agency stewardship and oversight of local government programs in a consistent approach across Division and District lines through written direction developed under this policy.
- 

*Continued on next page*

## DELIVERY OF LOCALLY ADMINISTERED PROGRAMS AND PROJECTS, *Continued*

**VDOT  
Responsibility  
(continued)**

- 
- focus its limited resources on oversight of federal projects and those projects that represent the greatest risks.
  - partner with localities to promote effective project delivery, including consideration of the impact to locally administered projects when developing new requirements and systems and when exploring and implementing innovative training opportunities.
- 

**Further  
Information  
Reference**

For further information, contact the Local Assistance Director.

---

- Code of Virginia, §§ [33.1-12](#), [33.1-75.3](#).
  - Local Assistance Division, Policy Development & Implementation Plan.
-

**APPENDIX F**  
**RIGHT OF WAY CERTIFICATION**

**CRITERIA CHECKLIST FOR CONTRACT LETTING OR ADVERTISEMENT**

Date

District Administrator

District Address

Project Number

City

Subject: Project Certification

Dear District Administrator:

Reference is made to the master agreement between the {locality} \_\_\_\_\_ and the Virginia Department of Transportation (VDOT) dated \_\_\_\_\_. This project consists of: (complete description from beginning to end of the location and the type of project, i.e. relocation of families and businesses, curb and gutter, intersection improvement, etc.)

This will certify that all right of way has been obtained and that the locality has legal right of entry onto each and every parcel for the advertisement and construction of Project \_\_\_\_\_. (**OR:** This will certify no additional right of way is required for Project \_\_\_\_\_.)

Also, this will certify that utility conflicts on the above project have been adjusted. (**OR:** There are no known utility conflicts on this project. **OR:** Utility conflicts on the above project will be adjusted by the advertisement date, (date). **OR:** Utility work that is to be performed during highway construction will be covered by a special provision or utility plan inclusion in the contract assembly.)

All displacees have been offered comparable, decent, safe, and sanitary housing within their financial means open to all persons regardless of race, color, religion, sex or national origin. Also, all displacees were informed of the amount of supplemental payments available to them and provided sufficient time to negotiate for and obtain possession of housing. (**OR:** No persons, businesses or nonprofit organizations were displaced by the right of way acquisition for this project; therefore, relocation assistance was not required.)

There are no railroads affected by the proposed construction. (**OR:** The railroad agreement has been secured.)

All buildings are vacant and available for removal by the road contractor. (**OR:** There are no buildings affected by the proposed construction.)

In addition, to the best of our knowledge, there are no contaminants within the soil on the right of way within the referenced project limits.



Further, all the right of way was acquired in accordance with VDOT Right of Way and Utilities Manuals of instruction. Any exceptions have been previously approved in writing by VDOT. (If Federal Funds participate in this project, reference to FHWA requirements should also be included.)

---

Locality Representative

---

Date

Attachments: EQ-103 (attached by VDOT Project Coordinator)  
Construction Checklist (Criteria for Construction  
Authorization)

**LOCALITY CERTIFICATION**  
**PROCESS VERIFICATION**

Right of way obtained by. (If by Consultant, required procurement procedures were followed.)

STAFF \_\_\_\_\_ CONSULTANT \_\_\_\_\_

Appraisals Reviewed by Licensed Appraiser other than person performing the appraisal and approved for negotiations by \_\_\_\_\_,  
Title \_\_\_\_\_.

YES \_\_\_\_\_ NO \_\_\_\_\_

Owners provided copy of approved Appraisal and Certified Title Report showing all persons with interests in land and all lien holders.

YES \_\_\_\_\_ NO \_\_\_\_\_

Plans fully explained to owner including profiles, if applicable, and copies given to owner.

YES \_\_\_\_\_ NO \_\_\_\_\_

If offer not accepted at first meeting, owner provided reasonable period to consider offer.

YES \_\_\_\_\_ NO \_\_\_\_\_

If offer refused, condemnation process was explained to owner.

YES \_\_\_\_\_ NO \_\_\_\_\_

Owners/Tenants fully informed of relocation benefits.

YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

All displaced owners/tenants have been properly relocated and compensated in accordance with law

YES \_\_\_\_\_ NO \_\_\_\_\_

All environmental issues have been identified, addressed and resolved.

YES \_\_\_\_\_ NO \_\_\_\_\_