Introduction

Fiscal Year 2007 was another year of growth and expansion for the Urban Construction Initiative. The City of Harrisonburg and the Town of Bridgewater joined the initiative on July 1, 2007. This brings the total to six municipalities that are managing their construction programs.

In addition to working with our partner cities, the program continued to grow this year. Throughout the course of FY2007, VDOT partnered with the City of Lynchburg to prepare them for joining the initiative. This preparation included one-on-one meetings, workshops and technical sessions. The City executed the programmatic agreement and joined the initiative on July 1, 2007. The Town of Blacksburg and the Town of Dumfries submitted resolutions of intent to join the Initiative on July 1, 2008.

Implementation

With the Initiative completing its third year, we continue to work with the financial aspects of the program and developing new relationships with the participants. However, our primary focus has shifted to improving program management and streamlining processes for more efficient project delivery. Our partners also continue to have success in delivering projects and transportation improvements for their communities through the initiative.

A key element of this partnership is the relationships that are being developed through our quarterly meetings. Both VDOT and local staff grow through the discussion, communication, and lessons learned that are shared at these meetings. This year, technical sessions were added to the agenda for each quarterly meeting. Topics included air and noise analysis, land acquisition, performance measurement, and process streamlining. Through the input received in these forums, new guidance and training resources are identified and/or developed to improve delivery of the program.

All participants continue to advance their individual programs as well. This year, participating localities have started new projects, secured consultant services, acquired right of way, and administered construction. Effective coordination, communication, and responsibility are resulting in successful program delivery through this new partnership.
Financial Table

The commitment of Urban Construction Funds, including reimbursable federal funds and state funds paid directly to the participating municipalities in their quarterly payment, continues to increase as participation in the program expands. In Fiscal Year 2007, the state match for SAFETEA-LU earmark funds were also included in the quarterly payments. The federal earmarked funds are available on a reimbursement basis. The total financial commitment is shown on the following table.

<table>
<thead>
<tr>
<th>CITY / TOWN</th>
<th>FISCAL YEAR 2005</th>
<th>FISCAL YEAR 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FEDERAL FUNDS</td>
<td>STATE FUNDS</td>
</tr>
<tr>
<td></td>
<td>(for Reimbursement)</td>
<td>(Quarterly Payment)</td>
</tr>
<tr>
<td>F HAMPTON</td>
<td>$2,781</td>
<td>$2,268</td>
</tr>
<tr>
<td>Y RICHMOND</td>
<td>$4,484</td>
<td>*$10,846</td>
</tr>
<tr>
<td>0 VIRGINIA BEACH</td>
<td>$1,670</td>
<td>$3,029</td>
</tr>
<tr>
<td>0 BRIDGEWATER</td>
<td>$1,670</td>
<td>$3,029</td>
</tr>
<tr>
<td>7 HARRISONBURG</td>
<td>$1,670</td>
<td>$3,029</td>
</tr>
<tr>
<td>FY 2007 TOTALS</td>
<td>$19,881</td>
<td>$12,178</td>
</tr>
<tr>
<td>TOTALS TO DATE</td>
<td>$27,146</td>
<td>$19,990</td>
</tr>
</tbody>
</table>

NOTES:
1. Figures in thousands (1,000).
2. Figures shown for FY07 and Previous Funding on Active Projects are based on allocations made in FY07 Program.
3. Federal Funds are paid to localities on a reimbursable basis.
4. State Funds provided in localities as Quarterly Payments are to be used for state funded projects and/or local match on Federally Funded Projects.
5. Includes SAFETEA-LU and Local Partnership Funds

Program Streamlining

Participants from the municipalities, VDOT, and FHWA joined efforts to evaluate the program requirements and the project development process this year. The working group identified several areas for potential streamlining. This effort resulted in significant changes to the Guidelines involving projects developed with other funding sources, project certifications, and a risk based assessment process. A short description of each of these changes follows:

Include projects developed with other funding sources
Previously, the Program Guidelines only applied to projects developed with Urban Construction Funds. Projects utilizing other funding sources, such as Safety (HSIP), Congestion Mitigation (CMAQ) and regional federal funds (RSTP), for example, were developed under different procedures for locally administered projects. The update to the guide clarified that all projects administered by a locality participating in the Urban Construction Initiative will be developed in accordance with the procedures identified in the UCI Guidelines. This enables a municipality to take full advantage of the streamlined process for all projects they are administering, regardless of funding source.

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**Project Certifications**

The UCI Guidelines were revised to provide for local government certification at the beginning of the right of way acquisition and construction phases. These certifications replace multiple checklists that were previously required. The certification must be signed by a representative of the locality recognized as having authority to sign such documents on behalf of the locality. The plans developed for the project must also be signed by an individual of responsible charge and be sealed and signed by the Professional Engineer responsible for the development of the project.

**Risk Based Assessment for Project Oversight**

Not all projects are the same, nor should they have the same level of oversight. Through the efforts of the working group, a process has been developed to identify project complexity, funding sources, project classification, project estimates, overall project scope and size, the localities experience and long term responsibilities for maintenance. Using this assessment, VDOT and the localities will jointly determine the level of project oversight required for each project. Larger federal projects, those with federal oversight and with identified complexities will have the highest level of oversight and involvement by VDOT. On the other end of the spectrum, smaller projects with minimal identifiable risk have fewer required submissions, greater acceptance of local certification, and minimal oversight by VDOT. This will allow both VDOT and our local partners to focus on the areas critical to project and program delivery.

**Lessons Learned**

There continues to be opportunities to improve the implementation of this program in terms of delivering projects and establishing workable processes. We need to continue to work as a group to implement streamlining measures and build our technical skills in delivering federal projects. We also need to evaluate our processes – federal, state, and local – to identify ways to streamline project development and program management while still adhering to all applicable laws and regulations.

We need to continue to focus on effective communication. By working cooperatively, we can identify the most efficient methods for program and project delivery and learn from one another. VDOT and our local partners must recognize the others role and responsibility, and through communication and coordination strive to improve the process by which our transportation goals are achieved.

We should continue to clarify project oversight and review responsibilities to maximize local decision making both with the locality and the VDOT District, reducing the reviews required by VDOT’s Central Office.

We need to complete a program-wide risk assessment to document areas of risk and what the potential effects may be. A risk assessment will ultimately support the further streamlining of the initiative by focusing stewardship and oversight on the areas of highest risk and providing greater flexibility in low risk areas.
Goals for Fiscal Year 2008

➢ Performance Measurement - develop and establish a methodology to document program and project accomplishments.
➢ Risk Assessment – complete a program-wide assessment to focus future streamlining efforts.
➢ Training and Development – develop training to enhance local competencies, reduce risk and improve oversight
➢ Streamlining – Continue to evaluate measures and expand on progress made.
➢ Expansion - Incorporate other funding programs into programmatic agreement.

Long Term Vision / Goals

➢ Continue the VDOT shift to a stewardship and oversight role – much like FHWA’s relationship with VDOT.