The Administration of Federal-aid Projects by Local Public Agencies

UCI Tri-Annual Meeting
March 24, 2011
Why Local Project Administration?

- Number 1 priority area for national review by FHWA field and program offices
- $6 - $8 Billion per year (approx. 20% of Federal-aid program)
- 38,000 Local Governments
- Identified High-Risk Area in consecutive yrs
- Proliferation of Earmarks (11,000 in 2006 alone)
National Program Review Team

Formed in Feb 2006 to...

“Assess the administration, oversight and stewardship of local public agency Federal-aid projects...

Identify areas for improvement that will ensure the overall quality and effectiveness of local project activities along with any needed changes in the oversight requirements.”
Core Areas

Program Management

Project Development
- Environment
- Right-of-Way
- Design

Contract Award

Construction Administration
- Inspection
- Billing
The National Review Team (NRT)

Team established in 2008 with the following objectives:

- Evaluate program effectiveness and performance
- Evaluate FHWA oversight
- Identify successful practices, and
- Make recommendations for improvement
List of Common “Room for Improvements”

- Inadequate PS&E reviews
- **Issues with R/W** and utilities
- Use of local agency force account
- Use of local hiring preferences
- **Poor project documentation**
- QA/QC issues
- Inadequate state DOT oversight resources
- Labor compliance issues
- Proprietary products issues
List of Common “Room for Improvements”

- Outdated specifications
- **Inadequate Categorical exclusion documentation**
- Billing delay issues
- Contraction administration compliance issues
- Improper contract provisions
- Poor pay quantity documentation
- **Improperly processed contract changes**
List of Common “Room for Improvements”

- Poor financial records
- **Poor construction management**
- Lack of design standard enforcement
- Non-responsive bids
- Impact of ARRA time constraints and review/corrections process
- Conflict of interest issues
The National Perspective

Local Public Agency
Federal-aid Project Oversight & Program Stewardship – FY 2009 Status Report
July 2010
FY 2008 – Contributing Levels to the Collective Programmatic Material Weakness Determination

Adequately functioning comprehensive LPA oversight program.
Borderline with noted issues to resolve.
Borderline in terms of nearing graduation status.
Additional progress needed to help resolve programmatic material weakness.
FY 2009 Status Report

FY 2009 – Contributing Levels to the Collective Programmatic Material Weakness Determination

Federal Highway Administration
Common recommendations focused on

- Documentation improvements,
- Training and
- Staffing improvements
Role of the FHWA Staff

• FHWA Division office is available for consultation on all aspects of any VDOT oversight project.

• Includes...
  • fiscal matters,
  • design issues,
  • contract administration,
  • material and geotechnical issues,
  • new technologies,
  • research application, etc.
The “old” way...

FHWA VIRGINIA DIVISION
ORGANIZATION CHART

Senior Leadership
Division Administrator
Assistant Division Administrator

Field Operations Team

Structures Team

Major Projects Team

Planning/Environment/ROW Team

Financial Management Team

Transp. Management/Safety/ITS Team

Technical Specialists

Federal Highway Administration
Office of Program Administration

Oversight of Federal-aid Projects Administered by Local Public Agencies

http://www.fhwa.dot.gov/federalaid/lpa/lpa_sites.cfm
## Contacts in the VA Division Office

<table>
<thead>
<tr>
<th>Lorenzo Casanova</th>
<th>Iris Rodriguez</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:Lorenzo.Casanova@dot.gov">Lorenzo.Casanova@dot.gov</a></td>
<td><a href="mailto:Iris.Rodriguez@dot.gov">Iris.Rodriguez@dot.gov</a></td>
</tr>
<tr>
<td>(804)775-3362</td>
<td>(804)775-3376</td>
</tr>
</tbody>
</table>
Questions/Comments

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