

# STP Active Program Management:

Issues & Options

January 24, 2017

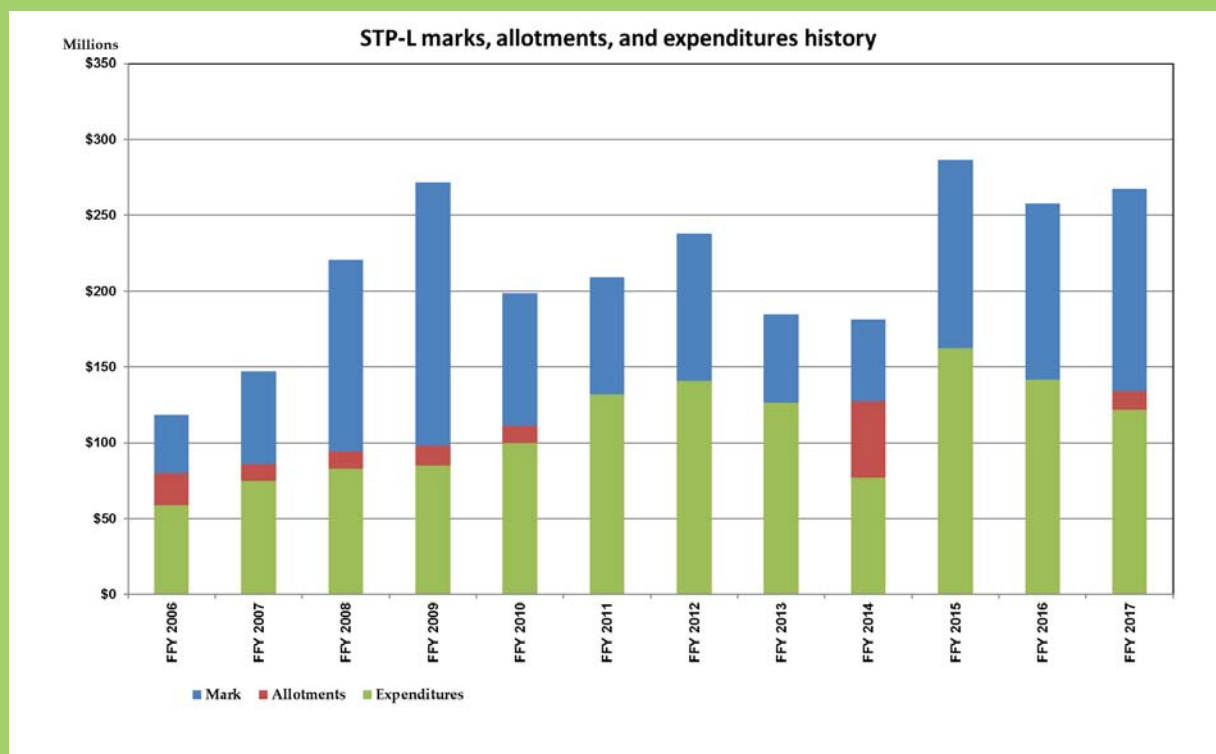
## Today's goals

- Review why APM is needed
- Review brainstorming sessions and make additions
- Consider peer review
- Identify most important issues that can be addressed with APM
- Get a sense of options available

# Why APM?

- Obligation History
- Implementation Issues
- Transparency
  - Sponsor Expectations
  - GATA

## Obligation History



Source: CMAP STP-L Obligations spreadsheet.

# So what?

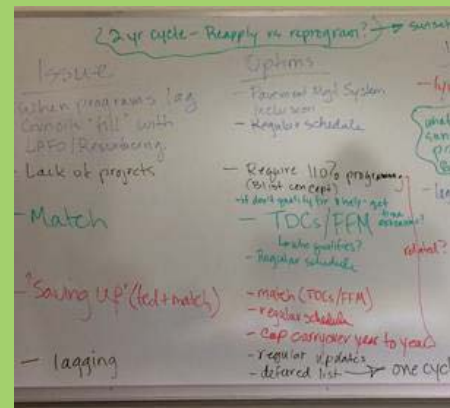
- STP funds used to be protected from rescission – not anymore
- Projects are programmed, even more projects are needed, but they're not getting done

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CMAP

# Brainstorming

- Three sessions
  - CMAP staff
  - Planning Liaisons
  - IDOT D1 Local Roads
- Developed “Issues & Options”



CMAP

# Issues

- Projects don't start on time
  - Repeat offenders
  - Agreement delays
- Funds are "reserved" for projects that are delayed
- Sense of "entitlement" to funding
  - "Saving up"
- Sponsors won't start project without "guarantee" for construction
- Time needed to save up match \$
- Early phases using local funds make construction "come out of nowhere"
  - Inaccurate cost estimates
- ROW delays can be significant and are not controlled by sponsor
- Changing local priorities/politics
- Lack of awareness of project status by decision/policy makers
- Lack of applications - filling programs with LAFO
- Lagging projects or phases
- Unrealistic/speculative project applications
- Balance keeping funding local vs. replenishing the shared fund

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# Issues

## Active Program Management

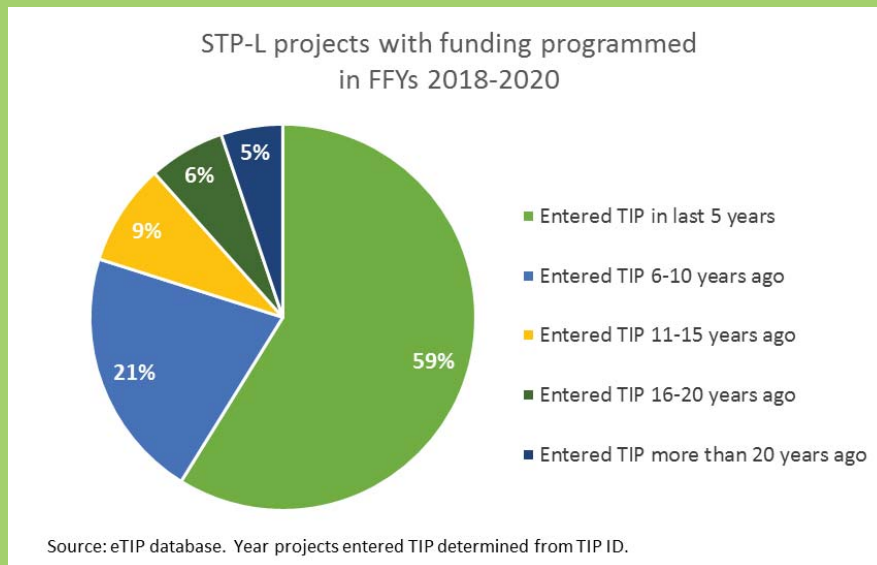
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## Project Selection Methodologies

- Inaccurate cost estimates
- Repeat offenders
- Different PMs/Consultants known to be more accurate with estimates
- Sense of "entitlement" to funding
- "Saving up"
- Lack of applications - filling programs with LAFO
- Sponsors won't start project without "guarantee" for construction
- Time needed to save up match \$
- Unrealistic/speculative project applications

## Issue: Lag between programming & implementation

- 20% of current projects were programmed more than 10 years ago



# Issue: Lag between programming & implementation

- 25% of projects had their first obligation more than 5 years after entering the TIP

| First obligation relative to entering TIP | Number of projects | Percent of projects | Amount of STP-L “reserved” for these projects |
|---|--------------------|---------------------|---|
| > 15 years                                | 11                 | 1%                  | \$75M   |
| 10 – 14 years                             | 39                 | 4%                  | \$280M  |
| 5 – 9 years                               | 179                | 20%                 | \$475M  |
| < 5 years                                 | 651                | 74%                 | \$714M  |

Source: CMAP STP-L Obligations spreadsheet. 880 projects entering TIP in 1994 or later, with at least one STP-L obligation.

# Issue: “Reserved” funds

- When delays occur, the “reserved” funds are going unspent
- There are different ways that we “reserve” funds:
  - By council with our distribution formula
  - By call for projects cycle when we create an “approved program”
  - By project when estimates or bids are low

# Issue: Agreement delays

- Funds cannot be obligated and project phases cannot be started without an agreement
- Delayed start of early phases can cause a snowball effect on later phases.
- Good news - Majority of delays are preventable!

**AGREEMENT DELAYS**

- Submitted prior to PPI approval
- PPI, Agreement & TIP (do not match)
- Submitted w/o Design Approval
- Missing Exhibits
- Signed Agreements not dated
- Incorrect Resolution
- Project Scope Change
- Fund Source Changes

**EXPECT DELAYS**

**REASONS FOR DELAY ON ENGINEERING AGREEMENTS**

- Incomplete submittal
- Payroll Rate/Classifications missing or do not match the Current Payroll Rate listing
- Sub-Consultant not Pre-Qualified
- Profit formula not consistent
- Not submitted w/ LPA Agreements
- Project description must match the TIP

Source: IDOT D1 BLRS presentation at recent STP workshop

# Issue: ROW delays

- Can be significant
- Can legitimately be “beyond sponsor control”
  - Condemnation process can be long
  - Cost can escalate, causing delay while funds are secured

# Issue: Changing local priorities

- When priorities change, programming often doesn't follow suit

# Issue: Lack of awareness

- Decision-makers that budget and schedule often aren't in the loop:
  - On status of projects
  - On rules/procedures for spending

# Other issues?



# Agreement: Provisions to Consider for APM System

- Deadlines for projects to be initiated
- Deadlines for project phases to be obligated
- Grace periods for local reprogramming of funds
- Policies for project and phase eligibility
- Policies for re-distribution of unobligated funds

## Peer Review

- Five MPOs, our CMAQ/TAP program, and existing council policies

| MPO/Council                         | Require Status Updates | Milestones | Deadlines | Grace Periods/ Extensions | Penalties | Immediate Reprogramming | Training/ Project Mgmt | Other provisions |
|-------------------------------------|------------------------|------------|-----------|---------------------------|-----------|-------------------------|------------------------|------------------|
| Atlanta Regional Commission (ARC)   | ✓                      | ✓          | ✓         | ✓                         | ✓         |                         | ✓                      | ✓                |
| Puget Sound Regional Council (PSRC) | ✓                      | ✓          | ✓         | ✓                         | ✓         | ✓                       |                        | ✓                |
| NC Capital Area MPO (CAMPO)         | ✓                      | ✓          | ✓         |                           |           |                         | ✓                      |                  |
| EW Gateway                          | ✓                      | ✓          | ✓         | ✓                         | ✓         | ✓                       | ✓                      | ✓                |
| Metropolitan Council                |                        | ✓          | ✓         | ✓                         | ✓         |                         |                        |                  |
| CMAP (CMAQ/TAP)                     | ✓                      | ✓          | ✓         | ✓                         | ✓         | ✓                       | ✓                      |                  |
| North Shore                         |                        | ✓          | ✓         | ✓                         | ✓         |                         |                        |                  |
| Northwest                           |                        | ✓          | ✓         | ✓                         | ✓         |                         |                        |                  |
| North Central                       |                        |            |           |                           |           |                         |                        |                  |
| Central                             |                        |            |           |                           |           |                         |                        |                  |
| Southwest                           |                        | ✓          | ✓         |                           | ✓         |                         |                        |                  |
| South                               | ✓                      |            |           |                           |           |                         |                        |                  |
| DuPage                              |                        | ✓          | ✓         | ✓                         | ✓         |                         |                        |                  |
| Kane/Kendall                        | ✓                      |            |           |                           |           |                         |                        |                  |
| Lake                                |                        |            |           |                           |           |                         |                        |                  |
| McHenry                             | ✓                      | ✓          | ✓         |                           | ✓         |                         |                        |                  |
| Will                                |                        | ✓          |           |                           |           |                         |                        | ✓                |

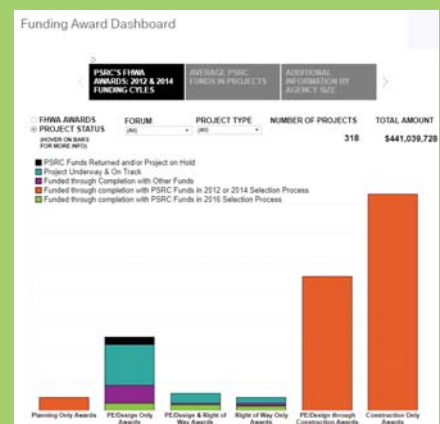
# Atlanta Regional Commission

- **Annual program status report**
  - Projects are “Advancing”, “Delayed”, or “Dropped”
- **Deadlines based on programmed year**
- **Delays > 1 year cause subsequent phases to move out of program**
- **New applications are limited for sponsors of delayed projects**
- **Deliverability assessment completed with funding application**



# Puget Sound Regional Council

- **One request for 6 month extension allowed, based on ability to progress, not reason for delay, limited to ROW and CON phases**
- **Aggressive contingency list for immediate reprogramming**
  - Projects receiving reprogrammed funds must be “immediately ready to obligate”
  - Hierarchy: prioritized contingency list, subsequent phases of previously funded projects, projects with other federal funds in the TIP
- **If miss deadline, funds removed and reduced # of new applications allowed next call**

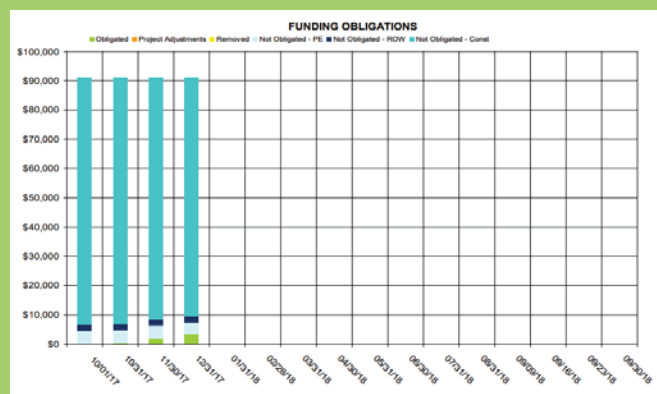


# Capital Area MPO (Raleigh)

- Programming/management changes in response to 2009 rescission
- Program 2-years in future, every year
- Agreements for programmed phases signed by local and state in September (before start of programmed FFY), or funds reprogrammed
- Project selection includes consideration of past project delivery performance
  - Limit number of new applications based on number of projects delayed in past
- Project managers and training required

## East-West Gateway

- Monthly status reports
- One chance to reprogram (IMP or CON only) if delay beyond sponsor control *and* a strategy is in place to obligate funds
- Missed deadline/no extension: funding forfeited *and* prior phase(s) federal funds repaid by sponsor



# Metropolitan Council (Twin Cities)

- Request extension 6 mos. before deadline
- Unforeseen delay *and* project progressing
- Projects that miss deadline are not carried into new TIP
- No automatic inflationary cost increase for extended phases.

## High Level Options

- Realistic programming
- Project sunsets
- Frequent status updates
- Active reprogramming
- Regular and uniform calls for projects
- Standardized implementation procedures

# Realistic Programming

- Ask for funds when project/phase(s) *will* be ready, not in current/next year
- Use IDOT milestone schedule and previous experience as a guide
- Creates foundation for success

## Issues addressed:

- Delayed start
- Agreement & ROW delays
- Time to save match

**PROJECT MILESTONE SCHEDULE**

Municipality: \_\_\_\_\_ County Information: \_\_\_\_\_  
 Project: \_\_\_\_\_ Council Location: \_\_\_\_\_  
 TIP #: \_\_\_\_\_ Contract: \_\_\_\_\_  
 TIP Years (P/B / Cont): \_\_\_\_\_ IDOT: \_\_\_\_\_  
 Section: \_\_\_\_\_  
 Last Coster & E.I. Cost (Apr): \_\_\_\_\_ Date Prepared: \_\_\_\_\_ Date Entered: \_\_\_\_\_  
 Current Coster & E.I. Cost (Apr): \_\_\_\_\_

| Project Dates  | Project Dates |          |                | Notes |
|--|---------------|----------|----------------|-------|
|  | Initial Est   | Kick-Off | Revised Actual |       |
| 1. Project Scoping                                   |               |          |                |       |
| 2. IDOT Phase I Kick-off Meeting                     |               |          |                |       |
| 3. In State Federal Coordination Meeting             |               |          |                |       |
| 4. Conceptual Estimation Conference                  |               |          |                |       |
| 5. Design Variance Conference                        |               |          |                |       |
| 6. Submit Draft Phase I Report (PDR) to IDOT (6)     |               |          |                |       |
| 7. Public Hearing Scoping (or N/A)                   |               |          |                |       |
| 8. Right of Way Kick-off Meeting (or N/A)            |               |          |                |       |
| 9. Submit Final Phase I Report (PDR) to IDOT (6)     |               |          |                |       |
| 10. Submit Phase II Eng. Agreement to IDOT (or N/A)  |               |          |                |       |
| 11. Phase II Design Approval                         |               |          |                |       |
| 12. ROW Application Submission (or N/A) (4)          |               |          |                |       |
| 13. Phase II Eng. Agreement Approval (or N/A)        |               |          |                |       |
| 14. Submit Pre-Final Plans and Estimates (6)         |               |          |                |       |
| 15. Submit Phase III Eng. Agreement to IDOT          |               |          |                |       |
| 16. Submit Final Plans, Specs & Estimates (PS&E) (4) |               |          |                |       |
| 17. ROW Acquisition Complete                         |               |          |                |       |
| 18. Construction Letting                             |               |          |                |       |

Note:  
 (1) 3 to 6 month review required per complexity and submitted quality  
 (2) 1 to 3 month review  
 (3) Milestone 3 to 18 months required from plans to acquisition  
 (4) 1 to 4 month review  
 (5) 7 to 12 days before Springfield B.L.R. due date

In IDOT Local Road Mechanism of Project Management  
 \*Federal Aid Project Submittal to Complete\* Flow Chart for sequence of events and related review times

# Project Sunsets with Serious Penalties

- Set deadlines based on programmed year
- Tie to letting and milestone schedules
- Milestones must be met well ahead of the end of the FFY in order to ensure obligation within that same year
- Motivates sponsors to make progress or risk losing funding for project and for council

## Issues addressed:

- Starting on time
- “Reserved” funds
- Agreement & ROW delays

**LETTING SCHEDULE THROUGH CY2019**  
 IDOT - Bureau of Local Roads and Streets  
 Region One

| Final Phase III Review Date (Friday) | TIP Revisions Due (Wednesday) | CMAP Transportation Committee Meeting (Friday) | Final P&E & Agreement/Agreement/Plan/Specs/Estimate (P/S&E) to IDOT (Friday) | Program Submittal Due (Friday) | Final P&E and Agreement/Agreement/Plan/Specs/Estimate (P/S&E) to IDOT (Friday) | ROW Contract by Bureau of Land Acquisition (Wednesday) | Federal Acquisition Request (Friday) | Notice to Bid (Friday) | Letting (Friday)   |
|--------------------------------------|-------------------------------|--|--|--------------------------------|--|--|--------------------------------------|------------------------|--------------------|
| August 11, 2017                      | November 8, 2017              | November 11, 2017                              | October 5, 2017  | October 30, 2017               | November 20, 2017  | November 20, 2017                                      | December 1, 2017                     | December 1, 2017       | January 10, 2018   |
| September 20, 2017                   | January 10, 2018              | January 10, 2018                               | November 21, 2017  | December 6, 2017               | January 10, 2018   | January 25, 2018                                       | January 25, 2018                     | February 5, 2018       | March 5, 2018      |
| November 10, 2017                    | January 10, 2018              | January 10, 2018                               | January 10, 2018   | January 10, 2018               | March 6, 2018  | March 10, 2018   | March 10, 2018                       | March 23, 2018         | April 27, 2018     |
| January 9, 2018                      | February 14, 2018             | February 23, 2018                              | March 5, 2018  | March 16, 2018                 | April 25, 2018   | May 1, 2018  | May 1, 2018                          | May 11, 2018           | June 10, 2018      |
| February 20, 2018                    | April 10, 2018                | April 27, 2018                                 | April 20, 2018   | May 1, 2018                    | June 11, 2018  | June 20, 2018  | June 20, 2018                        | June 29, 2018          | August 2, 2018     |
| April 10, 2018                       | May 10, 2018                  | June 4, 2018                                   | June 11, 2018  | June 20, 2018                  | July 20, 2018  | August 3, 2018   | August 10, 2018                      | August 17, 2018        | September 21, 2018 |
| June 1, 2018                         | July 20, 2018                 | August 1, 2018                                 | July 20, 2018  | August 10, 2018                | September 11, 2018   | October 20, 2018                                       | October 20, 2018                     | October 20, 2018       | November 5, 2018   |

# Frequent Status Updates

- Forces awareness of progress – keeps project at the forefront
- Confirmation of progress
- Early identification of delays – before a sunset milestone is missed
- Flexibility to modify schedule during a regular call for projects
- From beginning – not just beginning of federally funded phase

## Issues addressed:

- Phase delays
- Predictable schedule for securing match
- Less “surprise” construction
- Changing local priorities
- Lack of awareness

# Grace Periods and Active Reprogramming

- Delays do happen – must be reasonable when making progress
- Provides flexibility to move a project(s) forward when another is delayed
- Creates a pipeline a viable projects

## Issues addressed:

- “Reserved” funds
- Delays beyond sponsor control
- Changing local priorities
- Keeps funds local

# Standard Implementation Procedures

- **Uniform call for projects schedule**
- **Published, consistent policies across the region**
- **Frequent and comprehensive training**

## Issues addressed:

- Lack of awareness
- GATA requirements

# Active Program Management System development timeline

- **Selection Committee discussion**
  - Jan 2018: issues & options
  - Mar 2018: initial proposal
  - May 2018: revised proposal
  - Summer 2018: council and partner feedback
  - Sep 2018: Approval
- **Programming cycle begins with call for shared fund projects in Jan 2019 and local program projects in Jan 2020**

ON TO 2050

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