Performance After Funding
Breakout Session #4

Thursday, September 20, 2018
Michaela McCain – Moderator
Outreach Manager – Local Assistance Division
Project Dashboard

Nicholas J. Roper, P.E.
Project Development Engineer
VDOT – NOVA District

Jay Styles
Performance & Strategic Planning Director
VDOT
Agenda

• Introduction to Dashboard
• Project Development and Delivery Visuals
• Business Rules
• Data Sources
• District Perspective on Dashboard
• Questions
Introduction to Dashboard

- Performance Reporting System for Projects and Programs
- **Best used as a tool** to identify strengths and weaknesses in project management and administration
- To get there:

  Go to [www.virginiadot.org](http://www.virginiadot.org) and find the Dashboard icon

  On the Dashboard page go to the PROJECTS dial
VDOT’s NEW Dashboard for Projects

Quick Guide

VDOT Dashboard - Projects Dial User Guide
July 13, 2018

New Platform – Microsoft Power Bi
DASHBOARD 4 QUICK GUIDE

NAVIGATION

Projects Home

Via Drillthrough
Via Buttons

Project Development

Project Delivery

DRILLTHROUGH

Drillthrough: Drillthrough is a new function of Dashboard 4. Users can perform drillthrough by right-clicking any of the project or contract data row from the table or matrix and select drillthrough from the menu. Depends on if the drillthrough function is initiated from a UPC or Contract ID, user can open up either Development Detail or Delivery Detail of selected UPC or Contract ID. Here are some of the places users can initiate drillthrough functionality.

<table>
<thead>
<tr>
<th>UPC</th>
<th>District</th>
<th>Description</th>
<th>Associated Contract ID</th>
<th>Associated UPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>98213</td>
<td>Culpeper</td>
<td>#H82.FY17 Construct Rural Roundabout</td>
<td>30000982131C001</td>
<td>98213</td>
</tr>
</tbody>
</table>
Filters enable the user to customize the information on the report
Project Development – VDOT & Locally Managed

- **ON-TIME PERFORMANCE**

  - VDOT Managed:
    - 70% completion (72 of 103 On-Time)
    - 88% completion (129 of 145 On-Time)

  - Locally Managed:
    - 71% completion (155 of 217 On-Time)

- **ON-BUDGET PERFORMANCE**

  - VDOT Managed:
    - 74% completion (80 of 108 On-Budget)
    - 82% completion (120 of 145 On-Budget)

  - Locally Managed:
    - 76% completion (164 of 217 On-Budget)

*Target: 70% of Projects Complete Development Phase On-Time*

*Target: 74% of Projects Complete Development Phase On-Budget*
Project Delivery – VDOT & Locally Managed

On-Time Performance
(Target: 77% of Projects Complete Delivery Phase On-Time)

On-Budget Performance
(Target: 85% of Projects Complete Delivery Phase On-Budget)

New For Localities
(Target: 77% of Projects Complete Delivery Phase On-Time)

(Target: 85% of Projects Complete Delivery Phase On-Budget)
## Business Rules

Project Development On-Time ⇒ Target 70%

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity Code</th>
<th>Early Finish</th>
<th>Late Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agreement</td>
<td>10</td>
<td>&gt; 30 days early</td>
<td>≤ 30 days early</td>
</tr>
<tr>
<td>Start Development (Authorize PE)</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determine Requirements (Scope Project)</td>
<td>22</td>
<td>&gt; 30 days early</td>
<td>≤ 30 days early</td>
</tr>
<tr>
<td>Engage Public (Approve Willingness, Adopt Location/Design)</td>
<td>47, 49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start Purchasing Right-of-Way (Authorize R/W &amp; UT Funds)</td>
<td>52</td>
<td>&gt; 60 days early</td>
<td>≤ 60 days early</td>
</tr>
<tr>
<td>Utility Relocation</td>
<td>67U</td>
<td>&gt; 30 days early</td>
<td>≤ 30 days early</td>
</tr>
<tr>
<td>Complete Purchasing Right-of-Way (Acquire Right-of-Way)</td>
<td>69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtain Permits</td>
<td>70</td>
<td>&gt; 60 days early</td>
<td>≤ 60 days early</td>
</tr>
<tr>
<td>Solicit Bids (Advertise Project)</td>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start Delivery (Award Contract)</td>
<td>84</td>
<td>&gt; 30 days early</td>
<td>≤ 30 days early</td>
</tr>
</tbody>
</table>

Baseline set when CTB approves project

Baseline set when Scope Project is completed
## Business Rules

Project Development On-Budget ⇔ Target 74%

<table>
<thead>
<tr>
<th>Approved Budget</th>
<th>Current Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $5 million</td>
<td>≤ 0</td>
</tr>
<tr>
<td>$5 million to $10 million</td>
<td>≤ 0</td>
</tr>
<tr>
<td>&gt; $10 million (*whichever is less)</td>
<td>≤ 0</td>
</tr>
</tbody>
</table>

- **SMART SCALE Projects:** Baseline budget is set when the CTB approves Project
- **All Other Projects:** Baseline budget is set when scoping is complete
Business Rules

Project Delivery On-Time ⇒ Target 77%

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Early Finish</th>
<th>Late Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Specific Interim Milestones</td>
<td>&gt; 14 days</td>
<td>≤ 14 days</td>
</tr>
<tr>
<td>Complete Delivery</td>
<td>&gt; 0 days</td>
<td>&gt; 0 days</td>
</tr>
</tbody>
</table>

⇒ Milestones
→ Start Delivery (Notice to Proceed – NTP)
→ Interim Milestones: can be contractual dates (e.g., partial opening of lanes to traffic, substantial completion, etc.) or optional milestones selected by the project administrator
→ Complete Delivery (Final Acceptance)
## Business Rules

### Project Delivery On-Budget ⇒ Target 85%

<table>
<thead>
<tr>
<th>Status</th>
<th>Active</th>
<th>Completed</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Neither the current contract amount, nor the cost of work to date, exceed the award amount by more than 3%</td>
<td>Either the current contract amount, or the cost of work to date, exceeds the contract award amount by 3% to 10% for construction contracts, or by 3% to 25% for paving work contracts.</td>
<td>Either the current contract amount, or the cost of work to date, exceeds the contract award amount by more than 10% for construction contracts, or 25% for paving work contracts.</td>
</tr>
<tr>
<td></td>
<td>Un-audited final cost is less than or equal to 10% of award amount for construction contracts, or less than or equal to 25% for paving work contracts</td>
<td>n/a</td>
<td>Un-audited final cost is not known; Either the cost of work to date, or the current contract amount, is greater than 10% of the construction contract award amount, or greater than 25% of paving work contract award amount.</td>
</tr>
</tbody>
</table>
How Does Dashboard Get Its Information?

For Local Assistance Projects:
- Project Development — VDOT Project Coordinators enter information into VDOT data systems
- Project Delivery — Local government enters project information using the Smart Portal
What Dashboard Can Do For You - District Example

- Dashboard can help you identify:
  - strengths and weaknesses
  - upcoming issues
- Example: NOVA District Look Ahead in Project Development, FY19 through FY28

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Projects</th>
<th>On Time</th>
<th>On Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19</td>
<td>19</td>
<td>81%</td>
<td>76%</td>
</tr>
<tr>
<td>FYs 20-22</td>
<td>121</td>
<td>82%</td>
<td>62%</td>
</tr>
<tr>
<td>FYs 23-25</td>
<td>85</td>
<td>95%</td>
<td>90%</td>
</tr>
<tr>
<td>FYs 26-28</td>
<td>15</td>
<td>100%</td>
<td>93%</td>
</tr>
</tbody>
</table>

Filter Settings: All Projects/selected Fiscal Years/VDOT and Local Admin

On Budget percentages for projects finishing in FYs 20-22 are under targets – need to investigate.

1 of 15 projects shows Red. Why is there a project with budget problems 8-10 years out when it may not have even started? Need to investigate.
FYs 20-22: 62% Green for On Budget

- 55 of 96 projects are **Green**
- 41 projects are **Yellow** or **Red**; of these, 21 are administratively out of date for "Critical Information Missing" or "Estimate Not Current"
- If data is corrected, the VDOT percentage will improve to 89% and the Local percentage will improve to 77%
- Project Managers need to routinely check project information to ensure data is complete and accurate ⇒ weakness that need improvement

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Projects</th>
<th>On Time</th>
<th>On Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 20</td>
<td>54</td>
<td>75%</td>
<td>59%</td>
</tr>
<tr>
<td>FY 21</td>
<td>42</td>
<td>85%</td>
<td>54%</td>
</tr>
<tr>
<td>FY 22</td>
<td>25</td>
<td>88%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Filter Settings: All Projects/FYs 20-22/VDOT and Local Admin

<table>
<thead>
<tr>
<th>FY 20-21</th>
<th>Projects</th>
<th>On Time</th>
<th>On Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>VDOT</td>
<td>19</td>
<td><img src="63%25" alt="" /></td>
<td>42%</td>
</tr>
<tr>
<td>Locally</td>
<td>77</td>
<td>85%</td>
<td>61%</td>
</tr>
</tbody>
</table>

Filter Settings: All Projects/FYs 20-21/VDOT and Local Admin

Problem is in FY 20 and 21
FYs 26-28: 1 of 15 Projects Shows Red

- The project has already been constructed and was completed in September 2016. It’s on the Development Dashboard because development milestone activities are incomplete. This is an easy administrative correction.
- Maintain data integrity!
Federal Funds Management

Wendy E. Thomas
Director of Federal Programs Management
VDOT
Federal Funds Management

- What is funds management?
- Authorizations
- Obligations
- Project monitoring
- Close out
- Strategies for good funds management
What is federal funds management?

- FHWA’s Project Funds Management Guide for State Grants
- Efficiently advancing projects through lifecycle
  - Authorization
  - Obligation of funds
  - Project monitoring
  - Closeout
- Ensures proper use of available federal funds
- Encompasses multitude of federal statutes and regulations
  - Accounting standards
  - Federal aid highways
  - Transportation in general
Proper Authorization

- Ensures laws, regulations, policies, procedures have been met before costs are incurred
- Required elements:
  - Phase
  - Defined scope of work
  - Total estimated cost (TEC)
  - Sufficient funds to accomplish work
  - Period of performance
- May occur when:
  - All applicable federal and state requirements have been met (e.g., TIP/STIP)
  - Work is READY TO PROCEED
Proper Authorization

- Scope of work
  - Project location (e.g., route, structure number)
  - Termini
  - Character of work (e.g., bridge replacement)
- Total estimated cost (TEC)
  - Accounts for ALL costs from ALL sources (i.e., federal, state, local, private, in-kind/donations)
  - Participating and non-participating
- Period of performance
  - State date - date of authorization
  - End date (PED) - set by SOP based on phase schedule
  - Establishes period of time during which costs may be incurred
    - Costs incurred after end date are NOT reimbursable
Proper Obligation

- Commitment by FHWA to reimburse federal share of eligible and allowable costs
- Occurs when project authorization:
  - Defines scope of work
  - Contains the obligation (or AC) amount necessary for the work
  - Supported by documented and current cost estimate and period of performance
  - Complies with federal regulations and orders
- An obligation recorded before work is ready to proceed is not proper
  - Projects must begin timely
  - Reimbursements must be submitted timely (in accordance with LAP Manual)
    - Expenditure activity is a proxy for identifying whether work is proceeding
Funds Management and Monitoring Practices

• Periodic reviews and modifications to authorizations to reflect current cost estimates, location, termini, project descriptions, etc.
• Period of performance reviews
  • Identify projects nearing end date
• Adjustments to obligation amounts based on current cost estimates (and, at VDOT, available federal funds)
• Managing inactive obligations
  • “Smoke” report
  • FIRE report
• Monitoring progress to the next phase of work
  • PE – 10-Year Rule
  • RW – 20-Year Rule
Period of Performance Reviews

• VDOT actively monitors projects nearing end date for approved period of performance (i.e., PED)
• Critical to ensure continued eligibility of costs incurred in cases where extended period of performance is justified
• PED may be revised/extended with appropriate justification and documentation through an approved federal agreement modification
How can you help with period of performance reviews?

• Data Quality
  • Keep accurate and updated schedules
  • Notify districts of schedule change immediately

• Communication
  • When a PED extension is required, provide clear, concise, and valid justification (handout)
  • Provide information to project coordinator within timeframe requested to ensure PED does not expire

• Failure to maintain schedules and to communicate timely and accurate information about projects can result in expenditures being unallowable for reimbursement
Inactive Obligations Monitoring - FIRE

- Quarterly review
  - No expenditure activity in previous 12 months or longer
  - Current process includes proactive review of projects approaching inactive status (i.e., no expenditure activity in previous 9 months)
- Requires demonstration that:
  - Obligation remains proper (i.e., supported by current cost estimate, remaining funds are still required)
  - Inactivity is beyond state’s control (e.g., litigation, unforeseen utility relocations, catastrophic events, environmental concerns)
  - Project will proceed (continue to expend) within a reasonable schedule
- For local projects:
  - Billing requirements must be met to ensure expenditure activity
  - Lack of billing is not a valid justification for inactivity
How can you help with inactive obligations monitoring?

• Submit reimbursement requests to VDOT as required by LAP Manual
• Communication
  • If a project is not ready to proceed, notify project coordinator so that project authorization can be withdrawn and re-authorized once ready to proceed
  • If project is experiencing inactivity, discuss with project coordinator to keep informed and identify potential solutions
  • When a justification is required, provide clear, concise, and valid justification (handout)
  • Provide information to project coordinator within timeframe requested to ensure project remains valid
• Failure to submit timely reimbursements or provide valid justifications as to inactivity can result in:
  • De-obligation of federal funds
  • Expenditures being unallowable for reimbursement
Monitoring Progress

- As with inactivity, demonstration that obligation remains proper is required
- With federal funding comes expectation that project is ready to proceed and will advance
- Project must advance within a reasonable schedule
  - PE 10-Year Rule
  - RW 20-Year Rule
- Options if phase is not advancing:
  - Request and gain approval for extension from FHWA (via VDOT);
  - Demonstrate phase precluded from advancing due to conflict with another law or regulation (e.g., NEPA); or
  - Repay federal funds
Extension or relief requests must be submitted through VDOT

For extensions:
  • Project must have a valid justification as to why it has not advanced
    • Lack of funding, changing priorities are not valid justifications
  • Project must have a reasonable and valid plan to advance
  • Plan to advance must be consistent with original purpose and need
  • Updated schedule must be submitted to project coordinator and documented in iSYP
  • Funding must be demonstrated in the SYIP
Prompt Closeout

- Closeout should occur when:
  - All required work or deliverables are complete
  - Administrative actions (e.g., reporting, expenditure reviews, final billing and reimbursement) are complete
- Includes de-obligation of any remaining unexpended funds
  - No longer proper because not supported by final costs
  - Free up funding for obligation on other projects
How do you help with funds management?

- Maintain accurate and updated project information
- Submit reimbursement requests timely as required by LAP Manual
- Communicate, communicate, communicate
  - Request authorization only when project is ready to proceed
  - Proactively partner with district project coordinators to communicate project status, estimate changes, scope changes to identify any impacts on federal authorization
  - Early and often about potential delays that could result in expenditure inactivity or lack of progression
- Easier to solve than to justify