



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item # 8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 18, 2023

MOTION

Made By: Ms. Hynes **Seconded By:** Mr. Merrill

Action: Motion Carried, Unanimously

Title: Performance Policy for Locally Administered Projects

WHEREAS Virginia's transportation program delivery is a collaborative approach with local governments whereby local governments provide significant fiscal resources to the program and administer a large percentage of the Six Year Improvement Program (the Program) of projects; and

WHEREAS, delivering the transportation system is a collective responsibility of the state and local governments, requiring all parties to meet reasonable performance expectations to ensure the successful delivery of the program and so that the fiscal and stewardship obligations to the State and federal government, as well as to the citizens of the Commonwealth, can be met; and

WHEREAS, the Virginia Department of Transportation (VDOT) has implemented means, utilizing appropriate metrics, to assess the performance of VDOT's construction and maintenance programs, and periodically reports to the Commonwealth Transportation Board (Board) on the performance of those programs; and

WHEREAS, successful delivery of the Program requires strong partnerships with the localities including reasonable State oversight of projects delivered in whole or in part with State or federal resources; and

WHEREAS, VDOT provides oversight, guidance, and training as necessary, to support locally administered projects, recognizing that local governments are responsible for successfully

delivering projects on time, on budget, with quality workmanship and in accordance with applicable federal and state requirements; and

WHEREAS, recognizing that when localities administering multiple projects fail to meet minimum expectations for reasonable progress toward project completion, there is a negative impact on the performance of the entire locally-administered projects program, the Board desires to facilitate acceptable performance in the delivery of locally-administered projects; and

WHEREAS, VDOT has established the Locality Sustained Performance Program, collaborating with local governments to identify the following as appropriate performance measures that reflect the oversight and stewardship of VDOT as well as the flexibility necessary for localities in the administration of projects: 1) On-time performance for past and currently active projects, 2) Reasonable progress meeting project authorization schedules, and 3) Fiscal accountability measuring reasonable expenditure of available allocations.

NOW THEREFORE, BE IT RESOLVED, that the Board, as a matter of policy, hereby directs VDOT as follows:

Annually conduct performance reviews for localities administering Program projects, in accordance with VDOT's Locality Sustained Performance Program, and report to the Board the result of such reviews.

For any locality identified as having not met performance measures established in the Locality Sustained Performance Program, VDOT shall collaborate with the locality to identify the causes and establish actions to be taken to improve performance across their portfolio of projects, and document such in a Project Development Improvement Plan (Plan). The results of any Plan shall be included in the annual report to the Board.

Plans shall include appropriate measures and administrative actions to ensure that reasonable progress and/or fiscally judicious use of allocations is made on identified projects. Such actions may include but are not limited to: deallocation of state-controlled funds, cancellation of projects, VDOT assumption of project administration, and/or denial of future requests for the locality to administer new projects.

Provide, as part of the annual assessment as warranted, recommendations to the Board based on locality performance, regarding locality access to future Board appropriations from any program administered by the Board, where such actions are in the best interest of the Commonwealth.

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CTB Decision Brief

Performance Policy for Locally Administered Projects

Issue: When localities administering multiple projects fail to meet minimum expectations for reasonable progress toward project completion, there is a negative impact on the performance of the entire locally-administered projects program, which comprises a large percentage of the Six Year Improvement Program (SYIP). In recognition of the foregoing, the Commonwealth Transportation Board (CTB) desires to facilitate acceptable performance in the delivery of locally-administered projects by directing the Virginia Department of Transportation (VDOT) to (i) annually conduct performance reviews for localities administering projects in the Six Year Improvement Program, in accordance with VDOT's Locality Sustained Performance Program, and report to the CTB the result of such reviews and (ii) take other actions to ensure that reasonable progress and/or fiscally judicious use of allocations is made on identified projects in the locally-administered projects program.

Facts: There are over 1,300 projects, with a total value of \$2.7B being administered by 125 localities in the current Six Year Improvement Program (SYIP). Forty-nine localities, each administering more than five projects in the SYIP, account for 88% of the number and 95% of the total value of those projects. Poor performance by such localities administering multiple projects has a negative impact on the entire locally administered projects program.

Since late 2021 VDOT has engaged with local and VDOT stakeholders to identify quantitative performance metrics that measure the key indicia of performance that reflect the oversight and stewardship of VDOT as well as the flexibility necessary for localities in the administration of projects. Those stakeholders identified on-time performance, reasonable project progress, and fiscal management as the three primary measures of success.

Using those measures, VDOT has developed a Local Sustained Performance Program (LSPP) that will (i) identify those localities which fail to meet specific performance metrics; (ii) identify the root causes of the deficient performance; (iii) provide for appropriate remedial actions, including the collaborative development of Project Development Improvement Plans (Plans); and (iv) in those cases when such Plans do not yield improved performance, provide for actions that include but are not limited to deallocation of state-controlled funding, VDOT assumption of project administration, cancellation of projects, and/or denial of future requests for the locality administration of new projects.

VDOT will provide annual updates to the Board on the progress of the LSPP and will publish a report card identifying those localities exhibiting deficient performance along with the metrics those localities are failing to meet. Based on the progress or failure of these localities to improve performance, VDOT will provide recommendations to the Board regarding the need for future action to address project performance.

Recommendation: VDOT recommends the approval of the attached resolution entitled, *Performance Policy for Locally Administered Projects*.

Action Required by the CTB: Consideration of and approval, as appropriate, of the proposed resolution.

Result, if Approved: VDOT will begin implementation of the LSPP as described.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None