



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda Item #4

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 17, 2021

MOTION

Made By: Dr. Smoot, **Seconded By:** Ms. Hynes
Action: Motion Carried, Unanimously

Title: Approval of State of Good Repair Prioritization Process Methodology and FY 2022 State of Good Repair Percentage Fund Distribution

WHEREAS, § 33.2-369 of the Code of Virginia prescribes that the Commonwealth Transportation Board (the Board) shall use funds allocated in § 33.2-358 and § 58.1-1741 for state of good repair purposes for reconstruction and replacement of structurally deficient state and locally-owned bridges and reconstruction and rehabilitation of deteriorated pavement on the Interstate System and Primary State Highway System, including municipality-maintained primary extensions; and

WHEREAS, § 33.2-369 (B) also requires that the State of Good Repair funds be allocated by the Board to projects in all nine construction districts based on a priority ranking system that takes into consideration (i) the number, condition, and costs of structurally deficient bridges and (ii) the mileage, condition, and costs to replace deteriorated pavements, and further provides that the Board shall ensure an equitable needs-based distribution of funding among the highway construction districts, with no district receiving more than 17.5 percent or less than 5.5 percent of the total funding allocated in any given year; and

WHEREAS, Enactment Clause 2 of Chapter 684 of the 2015 Virginia Acts of Assembly required the Board to develop the priority ranking system pursuant to § 33.2-369 of the Code by July 1, 2016; and

WHEREAS, the Board developed and last approved, on June 14, 2016, a prioritization process methodology for the allocation of funds and selection of projects for structurally deficient bridges and deteriorated pavements that meets the requirements set forth in 33.2-369 (B); and

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WHEREAS, the Board developed and last approved, on October 17, 2019, a Primary Extension Improvement Policy governing selection of municipality-maintained primary extension paving projects for funding; and

WHEREAS, the Board last approved the State of Good Repair Percentage Fund Distribution Chart on May 16, 2018, based on the needs identified in the VDOT 2017 Annual Report of the Commissioner of Highways pursuant to § 33.2-232 of the Code of Virginia as the State of Good Repair Program Needs and directed that the FY 2019 State of Good Repair Percentage Fund Distribution be used by VDOT in applying the State of Good Repair Prioritization Process Methodology for identifying and recommending to the Board projects for State of Good Repair funding for FY 2019 through FY 2024; and

WHEREAS, VDOT has revised the FY 2019 State of Good Repair Percentage Fund Distribution Chart based on the needs identified in the 2020 Biennial Report of the Commissioner of Highways pursuant to § 33.2-232 of the Code of Virginia as the State of Good Repair Program Needs, so that the resulting FY 2022 State of Good Repair Percentage Fund Distribution could be used by VDOT in applying the State of Good Repair Prioritization Process Methodology for identifying and recommending to the Board projects for State of Good Repair funding for FY 2022 through FY 2027;

WHEREAS, Chapter 56 enacted in the 2020 Special Session of the General Assembly included provisions intended to address issues stemming from the COVID-19 pandemic, including but not limited to provisions that afford certain flexibility in development of the Six-Year Improvement Program (SYIP); and

WHEREAS, based on the provisions in Chapter 56, the Board elected to defer certain processes associated with the FY2021-2026 Six-Year Improvement Program adopted by the Board December 9, 2020, including but not limited to updates to the State of Good Repair Percentage Fund Distribution factors for FY2021 through FY2026 until the FY2022 through FY2027 SYIP update.

NOW THEREFORE BE IT RESOLVED, the Board hereby updates the State of Good Repair Prioritization Process Methodology for the allocation of funds and selection of projects, previously adopted on June 14, 2016, which governs the selection of projects for funding pursuant to § 33.2-369, as follows:

1. Identification of State of Good Repair Needs

- a. Condition and inventory data on the Commonwealth's bridges is derived from regular inspections performed in accordance with the National Bridge Inspection Standards. Data is collected and recorded in VDOT's Bridge Management System, which is used to determine the type of work recommended, and provides a list of bridge needs. Bridge needs for structurally deficient bridges in VDOT's Bridge Management System are used to determine State of Good Repair Bridge Needs.
- b. Pavement needs are assessed and identified annually using automated data collection technology and asset management principles. Pavements are rated based on visible distresses and the data is incorporated into the Pavement Management System, which is used to assess maintenance needs using the elements of pavement distresses, traffic level, and structural condition to determine mileage, recommended treatment, and estimated costs to perform the necessary work. Deteriorated pavement needs on the Commonwealth's Interstate, Primary, and Primary Extension facilities are used to determine State of Good Repair Paving Needs.

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- c. State of Good Repair Needs are the total cost of the structurally deficient bridge needs for VDOT-Owned and Locality-Owned bridges in VDOT’s Bridge Management System and the total cost of the deteriorated pavement needs on Interstate, Primary, and Primary Extension facilities.
- d. Prioritized State of Good Repair needs are reported in the Biennial Report of the Commissioner of Highways required by § 33.2-232.
- e. A recommended list of projects, from the Prioritized State of Good Repair needs, eligible for funds under the State of Good Repair Program, is made public annually at least 150 days prior to the Board’s vote to adopt a Six-Year Improvement Program (SYIP) as required by §33.2-214.2.

2. Allocation of State of Good Repair Funds

- a. Needs are compiled and used to determine the Percentage Fund Distribution for each highway construction district.
 - i. As provided for in § 33.2-369, each construction district receives no less than 5.5% and no more than 17.5% of total funding allocated in a given year.
 - ii. Individual district percentages are determined by dividing district needs by the statewide needs.
 - iii. If any district’s needs are less than 5.5% then the amount provided to other districts is reduced on a pro-rata basis to ensure such district receives 5.5% of available funding.
 - iv. If any district’s needs percentage would require more than 17.5% of the funding, the district’s percentage of funding is reduced to 17.5% and the delta between the district’s need percentage and 17.5% is distributed to the remaining districts based on their needs percentage.
 - v. The Board may waive the 17.5 percent allocation cap for one fiscal year, when it determines that, due to extraordinary circumstances or needs, the cap inhibits the ability of the Department to address a key pavement or bridge need. If the Board does waive the allocation cap, then an explanation must be provided in the allocation methodology submitted by the Commissioner of Highways pursuant to §33.2-232.
- b. The State of Good Repair Needs are used to break down the percentage at the highway construction district level into four separate funding distributions – VDOT-Owned Bridges, Locality-Owned Bridges, VDOT Pavement, and municipality-maintained Primary Extensions (Pavement).

3. Prioritization of State of Good Repair Bridge Needs

- a. The priority ranking system examines all bridges in the Commonwealth eligible for State of Good Repair funding to develop a final priority list of bridges. The final priority list will be developed from the recommended list of projects, which is published at least 150 days prior to the adoption of the Six-Year Improvement Program in accordance with §33.2-214.2, and will use finalized project estimates to calculate prioritization using a formula that is based on the following criteria:

Measure	Description
Condition	Measures overall condition of the bridge using detailed condition data compiled from the safety inspection report

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Cost Effectiveness	Ratio of actual project cost to the cost for full replacement
Highway Traffic Impacts	Traffic volume, truck traffic, detour route, future traffic volume, and key route designations
Design Redundancy and Safety	Fracture-critical bridges, fatigue prone details, and scour and seismic vulnerability
Structure Capacity	Consideration of whether the bridge will be posted or has issues with clearances or waterway adequacy

- b. Recommended bridge projects for State of Good Repair funding in each district are recommended from the district’s final prioritized list of needs in order.
 - c. VDOT-owned bridges
 - i. Recommended bridge projects are created based on the final priority ranking.
 - ii. Exceptions for funding bridges out of priority order may be granted based on a request from the District Engineer submitted to the State Structure and Bridge Engineer and approved by the Chief Engineer.
 - iii. Acceptable justifications for exceptions include instances where practicality, conflicting construction, or coordination with other highway work necessitate deviating from the established priority ranking.
 - d. Locality-owned bridges
 - i. Localities submit Work Notification Forms in the SMART Portal for recommended bridge projects.
 - ii. Recommended bridge projects are created based on the final priority ranking.
 - iii. If a locality does not want to pursue corrective action to a priority bridge recommended for funding, the locality must provide a written justification and the next locality-owned bridge within the highway construction district on the priority list is recommended to receive the State of Good Repair funding.
 - iv. Acceptable justifications for exceptions include instances where practicality, conflicting construction, or coordination with other highway work necessitate deviating from the established priority ranking.
 - v. Costs associated with additional scope elements beyond the recommended repair are the responsibility of the locality.
 - vi. The locality must submit a Work Notification Form for all of the bridges eligible for State of Good Repair funding. If a locality fails to submit a Work Notification Form by the published deadline, the next locality-owned bridge within the highway construction district on the priority list is recommended to receive the State of Good Repair funding.
- 4. Prioritization of State of Good Repair Pavement Needs**
- a. The Pavement Management System takes the pavement condition data and applies an optimization process that considers factors such as available funds, performance targets, and benefit cost ratio of treatments to prepare a section by section priority list and appropriate maintenance treatment that takes into account pavement distresses, structural and subgrade strength, traffic volume, and maintenance history.

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b. VDOT Pavements

- i. Recommended paving projects are created based on the number of lane miles of deficient pavement that qualify for State of Good Repair funding and prioritized using the following criteria:

Criteria	Description
Road System	Interstate Systems has the higher priority over the Primary System
Use or Traffic Count	Amount of traffic the lane miles carry; also considers the number of heavy trucks and buses
Condition	Severity of distress of the pavement based on the standard pavement rating system
Potential for Immediate or Near-term Further Degradation	Impact caused if the lanes miles are not repaired or treated immediately

- ii. Recommended VDOT paving projects for State of Good Repair funding in each district are recommended from the district's prioritized list in order.
- iii. Exceptions for funding paving projects out of priority order may be granted based on a request from the District Engineer submitted to the State Maintenance Engineer and approved by the Chief Engineer in coordination with the Chief of Maintenance and Operations.
- iv. Acceptable justifications for exceptions include instances where practicality, conflicting construction, or coordination with other highway work necessitate deviating from the established prioritization.

c. Locality Pavements

- i. Localities submit applications in the SMART Portal for recommended pavement overlay, rehabilitation or construction projects.
- ii. Projects are prioritized for funding based on a technical score that considers the following criteria:

Criteria	Description
Pavement Condition	Critical Condition Index (CCI) < 60
Traffic Volume	AADT
NHS Designation	Yes/No
Past Expenditures on Pavement by the Locality	Current level of pavement maintenance expenditures in the locality

- iii. Recommended municipality-maintained primary extension projects for State of Good Repair funding in each district are taken from the district's prioritized list in order.
- iv. The maximum request under the program is \$1,500,000 per locality, per fiscal year, regardless of the number of eligible routes in the locality.

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- v. Exceptions may be granted if the project is the next highest scoring project within the district and the request does not exceed the \$1,500,000 limit for the locality for the fiscal year.
- vi. All projects funded under this program must be advertised within 12 months of allocation. Projects that receive funding and do not meet this criterion may be subject to deallocation by the CTB.
- vii. As part of the application process, localities must provide certification that the funding allocated will supplement, not replace, the current level of effort on the part of the locality.

BE IT FURTHER RESOLVED, neither the scope nor the budget of a project may be substantially modified in such a manner that the proposed improvements do not accomplish the same benefits as the original scope. Efforts must be made to review a project scope for opportunities to modify or reduce scope to bring the cost back in line with the original budget while maintaining similar life-cycle cost benefits.

BE IT FURTHER RESOLVED, in cases where programmed funds are no longer needed for delivery of a project due to estimate decreases, contract award savings, schedule changes, etc., the unexpended surplus funds are State of Good Repair funds unless superseded by the terms of a signed project agreement.

- a. Surplus State of Good Repair funds no longer needed for delivery of a project will remain within the applicable Construction District and may not be used in other districts.
- b. Surplus State of Good Repair funds no longer needed for delivery of a project will remain within the applicable asset type (i.e., Bridge or Paving).
- c. Such surplus funds will be reserved to address budget adjustments on existing State of Good Repair projects or reserved for allocation in the next solicitation cycle for State of Good Repair.

BE IT FURTHER RESOLVED, pursuant to § 33.2-214 (E), any project added to the SYIP funded wholly or in part with funding from the State of Good Repair Program shall be fully funded within the six-year horizon of the SYIP.

BE IT FURTHER RESOLVED, the development and management of the State of Good Repair portion of the SYIP shall be conducted in accordance with the Board's then current Six-Year Improvement Program Development Policy.

BE IT FURTHER RESOLVED, that the proposed State of Good Repair needs, allocation and prioritization process methodologies as updated herein are approved for the purpose of selecting projects for funding through the State of Good Repair Program.

BE IT FURTHER RESOLVED, that the FY 2022 State of Good Repair Percentage Fund Distribution set forth in Attachment A, as attached hereto, is approved for the purpose of identifying and recommending to the Board projects for State of Good Repair funding for FY 2022 through FY 2027.

BE IT FURTHER RESOLVED, that VDOT is hereby directed to update the State of Good Repair Percentage Fund Distribution set forth in Attachment A for purposes of identifying and recommending to the Board projects for State of Good Repair funding for FY 2023 through FY 2028 in a manner that takes into consideration (i) the number, condition, and costs of structurally deficient bridges and (ii) the mileage, condition, and costs to replace deteriorated pavements and that ensures an equitable needs-based

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distribution of funding among the highway construction districts as required by § 33.2-369 prior to adoption of the FY 2023 through FY 2028 SYIP.

BE IT FURTHER RESOLVED, by the Board, that nothing herein is intended to modify the Board's action on March 21, 2019 granting a waiver of the district cap for the Hampton Roads District pursuant to subsection B of § 33.2-369 for Fiscal Years 2025 and 2026 so that replacement of the HRBT South Island Trestle Bridge is fully funded. The actual increase of the Hampton Roads District share shall be limited to the share of State of Good Repair allocations required to provide the amount needed to fund the actual final cost of the HRBT South Island Trestle Bridge.

BE IT FURTHER RESOLVED, given that its provisions have been incorporated into and adopted pursuant to this action, the Primary Extension Improvement Program Policy adopted by the Board on October 17, 2019, is hereby rescinded; and

BE IT FURTHER RESOLVED, the Board hereby directs VDOT to take all actions necessary to implement and administer this policy and process as adopted, including but not limited to update of technical and policy documents consistent with the State of Good Repair Policy adopted herein.

Attachment A

FY 2022 State of Good Repair Percentage Fund Distribution Chart

2022 Percentage Fund Distribution Updates*					
District	Proposed 2022 Update	VDOT		Locality	
		Pavement	Bridge	Pavement	Bridge
Bristol	12.76%	14%	63%	2%	21%
Salem	11.00%	19%	65%	4%	11%
Lynchburg	6.28%	18%	70%	4%	7%
Richmond	17.50%	10%	78%	3%	9%
Hampton Roads	17.50%	5%	40%	18%	37%
Fredericksburg	11.95%	8%	88%	1%	3%
Culpeper	6.28%	15%	47%	2%	36%
Staunton	10.45%	28%	66%	3%	3%
Northern Virginia	6.28%	23%	71%	4%	1%

*Numbers may not add to 100% due to rounding.

CTB Decision Brief

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Approval of State of Good Repair Prioritization Process Methodology and FY 2022 State of Good Repair Percentage Fund Distribution

Issue: Pursuant to § 33.2-369 of the *Code of Virginia*, the Commonwealth Transportation Board (the Board) shall allocate funds for state of good repair purposes (defined as “improvement of deficient pavement conditions and improvement of structurally deficient bridges”) (State of Good Repair Funds) for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of deteriorated pavement on the Interstate System and primary state highway system including municipality-maintained primary extensions. Section 33.2-369 requires the Board to allocate the state of good repair funds to projects in all nine construction districts based on a priority ranking system that takes into consideration (i) the number, condition, and costs of structurally deficient bridges and (ii) the mileage, condition, and costs to replace deteriorated pavements.

Further, Enactment Clause 2 of Chapter 684 of the 2015 Virginia Acts of Assembly required the Board to develop a priority ranking system considering requirements in § 33.2-369 by July 1, 2016. The Board developed and last approved on June 14, 2016 a priority ranking system methodology for structurally deficient bridges and deteriorated pavements (State of Good Repair Prioritization Process Methodology). The Board also developed and last approved on October 17, 2019, a Primary Extension Improvement Policy governing selection of municipality-maintained primary extension paving projects.

VDOT seeks the Board’s consideration and approval of minor modifications to the previously approved methodology in order to simplify, reorganize and create consistency with other Board policies (such as SMART SCALE and the SYIP Development Policy). Modifications do not make substantive changes to the current policy or process and including the following:

- Reorganize to make the policy more consistent with the SMART SCALE Policy in terms of format and to eliminate separate attachments,
- Add standard policy language referencing the Board’s SYIP Development Policy and other existing legislative requirements,
- Add language regarding scope changes and surplus funds, consistent with the Board’s SMART SCALE Policy and current practice,
- Incorporate and replace the Board’s separate Primary Extension Improvement Policy,
- Add language directing the Department to update the Percentage Fund Distribution provided that it is done in a manner that takes into consideration the factors outlined in the Code.

Further, the Board last approved the State of Good Repair Percentage Fund Distribution Chart on May 16, 2018 for FY 2019 through FY 2024 based on needs identified in the *Virginia Department of Transportation 2017 Annual Report Pursuant to Section 33.2-232 of the Code of Virginia* as State of Good Repair Program Needs. VDOT has revised the State of Good Repair district allocation percentages as set out in Attachment A (FY 2022 State of Good Repair Percentage Fund Distribution Chart) for use for FY 2022 through FY 2027.

Facts: VDOT modified the Board’s current State of Good Repair Prioritization Process Methodology in order to simplify, reorganize and create consistency with other Board policies.

VDOT revised the State of Good Repair Percentage Fund Distribution based on the most recent Biennial Report of the Commissioner of Highways pursuant to § 33.2-232 for use in allocating State of Good

Repair funds in FY 2022 through FY 2027.

Recommendation: VDOT recommends the Board approve the proposed modifications to the State of Good Repair Prioritization Process Methodology and the updated FY22 Percentage Fund Distribution for use in allocating State of Good Repair funds in FY 2022 through FY 2027.

Action Required by CTB: The Board will be presented with a resolution for a formal vote.