



Local Assistance Division Newsletter

Providing guidance for localities and serving as a liaison to local governments throughout the state

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Late Fall 2017

LOCAL PROGRAMS WORKSHOP

The sixth annual Local Programs Workshop was held at the Founder's Inn in Virginia Beach on September 12 - 14. There were twenty breakout sessions in four concurrent tracks - "Boot Camp" for those new to locally administered projects, a track on "Funding and Applications" providing information on various funding programs, the proper use of funds and application processes, a track on "Project Development" providing guidance specifically related to preliminary engineering and right of way phases and finally a track on "Project Delivery" focusing on the construction phase including discussion on lessons learned.



All presentations and workshop materials are posted on our website making them available for those who may not have been able to attend the workshop or missed a session.

Many thanks to our speakers and presenters for sharing their expertise and to our sponsors and host committee for making this workshop possible.

The 2018 Local Programs Workshop will be held September 18 - 20 at the Hotel Roanoke.

IMPORTANT CHANGES ON THE HORIZON

Professional Services DBE Goals and Construction Contract Retainage

As you may already be aware, there are two important policy/process changes that will likely impact your processes related to professional services and construction contracting on locally administered projects. The Local Assistance Division Director, Julie Brown notified localities by e-mail dated November 1, 2017 of these important changes currently being addressed in our Locally Administered Projects (LAP) Manual.

DBE Goal Setting on Professional Services contracts

VDOT initiated a pilot program in 2015 to set DBE goals on project specific consultant contracts for VDOT administered projects and will begin setting goals on locally administered projects in the near future. While similar to DBE goal setting for construction contracts, there are some different requirements specific to professional services contracts. The Local Assistance Division is currently working with the Civil Rights Division to finalize the details for these changes to publish updates in the LAP Manual. After the LAP Manual updates are published, the Civil Rights Division will communicate the new requirements and process through a formal announcement that will direct to information in the updated LAP Manual for more details. This communication will also include an effective date for implementing the goal setting on professional services contracts which will follow a brief transitional period. There are a couple of other changes being implemented including new reporting requirements and requirements to reinforce current requirements. The Civil Rights Division will also offer training opportunities to local governments on the new reporting requirements prior to the effective date of these changes.

Retainage on Construction Contracts

After seeking input from FHWA and reviewing the implications associated with retainage with VDOT's Construction Division and leadership, VDOT is planning to have the LAP Manual updated to clarify that retainage will not be allowed on any construction projects receiving funds (federal and/or state) except in limited circumstances that will also be outlined. Key factors in this decision are ensuring compliance with federal regulations and ensuring our limited construction funds are being used as effectively as possible.

The updated LAP Manual will also highlight other protections available and tools that should be utilized to promote timely completion or address issues such as liquidated damages, incentive and disincentive clauses, utilizing the performance bond and working with VDOT on the disqualification process for contractors that are not performing satisfactorily. These changes are proposed to go into effect on March 1, 2018 and will impact any contract associated with a project advertised on or after that date.

ENVIRONMENTAL UPDATE

New VDOT - FHWA Programmatic Agreement

On October 16, 2017, VDOT and FHWA's Virginia Division executed a Programmatic Agreement (PA) regarding the Processing of Actions Classified as Categorical Exclusions (CEs) for Federal-Aid Highway projects. Important changes to note include: First, Blanket Categorical Exclusions (BCEs) are no longer recognized, and projects that may have qualified for a BCE in the past, must now be processed as Programmatic Categorical Exclusions (PCEs). Second, the new PA outlines a robust program for QA/QC that requires PCEs to be reviewed by VDOT NEPA Programs Staff prior to the District Environmental Manager's signature. Third, there are some changes to the PCE form. We recommend that you reach out to your District Project Coordinators and Environmental Staff for information/guidance regarding the completion of the new form.

The new VDOT-FHWA Programmatic Agreement can be found online at:

http://www.virginiadot.org/projects/resources/VA_Model_Programmatic_Agreement_for_CEs_SIGNED20171016.pdf

SMART SCALE DASHBOARD

VDOT implemented a new SMART Scale Dashboard this past year. The SMART Scale Dashboard is intended to provide a quick way for anyone to monitor the status of SMART Scale projects as they advance through the project development process.

The new feature of including a yellow status which allows advance notice a project is at risk of missing a milestone allows recovery time for that activity. Localities with SMART Scale projects are encouraged to monitor the Dashboard regularly and provide the assigned Project Coordinator the information for key milestones in a timely manner to ensure the SMART Scale Dashboard reflects the current status.



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BUY AMERICA

As a reminder, the Buy America provisions ([23 USC 313](#), [23 CFR 635.410](#)) require the use of domestic steel and iron in Title 23 funded highway contracts. **The use of foreign steel or iron materials or products in a Federal-aid project is prohibited with few exceptions.** Additionally, Section 1518 of MAP-21 modified [23 USC 313](#) to require Buy America on the basis of a contract's associated NEPA document. Buy America adherence is closely monitored by FHWA and non-compliance may result in loss of federal fund reimbursement and possible repayment of previous reimbursements.

For a refresher on Buy America requirements, please review the following useful and informative references: [FHWA Construction Administration Core Curriculum](#), [FHWA Construction Buy America Q&A page](#), [FHWA MAP-21 Buy America Q&A page](#)

ALWAYS REMEMBER—BUY AMERICA



PROJECT DELIVERY PLAN

A new tool is now available for LPA's that will assist with early stage planning and development of locally administered projects. The Project Delivery Plan was developed through the combined efforts of the Local Government Stakeholder and District Advisory groups, and was designed to aid local partners with an improved understanding of the steps involved in project delivery and to help set realistic schedules and goals for projects. The Project Delivery Plan may be used independently and/or submitted with funding applications or Requests to Administer (RtA). The Project Delivery Plan is optional, but recommended as a useful tool for localities. The [Project Delivery Plan](#) is available on LAD's external forms site.

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PROJECT ESTIMATING - VDOT PROJECT COST ESTIMATING SYSTEM (PCES)

Project estimates are required to be entered into the VDOT PCES application. LPA Project Managers (PM's), using their VDOT external access account, have the capability to generate and upload estimates, then their respective VDOT Project Coordinator reviews and “Recommends” the estimate, making the estimate current in PCES. An issue in PCES recently prohibited LPA PM's from uploading estimates, and we are happy to report that this issue has now been corrected and LPA PM's may resume uploading estimates.



PCES TRAINING FOR LOCALITIES

For those LPA Project Managers that need to begin using PCES, a VDOT external user account is required and can be obtained by submitting electronically the following two forms:

[ITD-35E](#) and [ITD-36E](#).

PCES training is available to show users in the localities how to fill out the PCES workbook and how to manage projects using the PCES web suite. If you are interested in obtaining training for your locality contact VDOT's Corey Bourne at (804) 786-2538 or email Corey.Bourne@VDOT.Virginia.gov.

URBAN FORMULA FUNDING

Accounts Receivable Reconciliation for Projects with Urban Formula Funds

Local Assistance Division's accounts receivable reconciliation originally began in FY15. With the approval of the 2016 Virginia Appropriations Act - Item 436 C.2 - Consolidation of Formula Funds, Local Assistance Division revamped efforts to reconcile active and inactive urban projects that were funded fully or partially with urban formula funds. Our review identified over \$49.8 million in accounts receivable funds that could be placed on urban projects. Review of active projects helped determine formula funds available to transfer to other active projects where needed within a district or locality. Review of inactive projects helped determine urban formula funds available to move to active projects; to cover deficits on active or inactive projects and to facilitate project closeout. Working with VDOT District offices and localities, these funds have been transferred per the efforts identified above.

Consolidation of Formula Funds

In September 2016, John Lawson, VDOT's Chief Financial Officer, issued a letter to localities regarding the 2016 Virginia Appropriations Act - Item 436 C.2 - Consolidation of Formula Funds. In the letter, Mr. Lawson explained that the 40-30-30 formula that once provided 30% formula funding to the Secondary and Urban System has been eliminated and there are projects with unspent or uncommitted formula funds remaining. Over the past year, VDOT and localities have been working together to identify projects to transfer surplus funds as well as fund existing deficits. The consolidation effort is coming to an end and funding identified will be incorporated into the FY18 update of the Six Year Improvement Plan. Any formula funds remaining on inactive or completed projects as of January 1, 2018 may be transferred to the new State of Good Repair program.

Mr. Lawson's letter to localities can be found at the link below under Recent Communications with Local Governments <http://www.virginiadot.org/business/local-assistance.asp>.

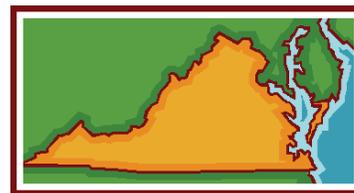
The 2016 Appropriations Act language is available at: <https://budget.lis.virginia.gov/item/2016/1/HB30/Chapter/1/436/>.

FUNDING PROGRAMS

REVENUE SHARING PROGRAM

Revisions to the Revenue Sharing Policy and Guidelines were approved by the Commonwealth Transportation Board (CTB) at its July meeting. Changes in the administration of the program were made based on recommendations by a study committee that had been established by the Secretary of Transportation to review the effectiveness of the program. Major changes include the reduction of the maximum amount a locality can apply for per fiscal year and the reduction of the maximum allocation of state matching funds per project. The revised guidelines also include additional explanation and clarification of procedures.

The application cycle for the Revenue Sharing Program funding has been changed from an annual application cycle to a biennial application cycle. All applications and supporting documentation for the FY19 and FY20 Revenue Sharing Program were required to be submitted electronically by November 1st via the SMART Portal <https://smartportal.virginiahb2.org/>.



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285 applications requesting a total of \$258,644,967 were submitted by 87 localities. Local Assistance Division is currently reviewing applications for eligibility. A project’s priority selection, based on the criteria established within [Section 33.2-357](#) of the Code of Virginia, is determined by information provided with the application. The next application period will be in August 2019.

Local Assistance Division is finalizing its review of another round of inactive projects subject to deallocation by the CTB in January 2018. These funds are anticipated to be included with the program allocation for FY19 and FY20 applications.

STATE OF GOOD REPAIR (SGR) PROGRAM FUNDING FOR LOCAL PAVEMENT AND DEFICIENT BRIDGES

With the State of Good Repair (SGR) Program approved under HBI887, VDOT was able to accelerate the availability of funding for paving and bridge projects well before the original planned program date of FY21. The Commonwealth Transportation Board (CTB) approved the prioritization process and methodology for selecting SGR Pavement and Bridge projects at the June 2016 CTB meeting. This year, we have added the State of Good Repair and Primary Extension Programs in the Smart Portal. All paving applications and bridge notification forms must be submitted through the portal at the following link: <https://smartportal.virginiahb2.org/>.

Deadline for the FY19 SGR Local Paving and Bridge projects is January 31, 2018 at 5:00 PM.

The prioritization list by district as well as presentations and other pertinent information can be found at the following website: http://www.virginiadot.org/business/local_assistance_division_funding_programs.asp

TRANSPORTATION ALTERNATIVES PROGRAM

The Smart Portal closed for Transportation Alternative (TA) applications at midnight November 1, 2017. This year’s call for applications will allocate funds for FY19 and FY20. The next application deadline will be in 2019.

When the Portal closed we had received 134 applications, from 77 entities, requesting over \$66M in federal funds. Based on the tentative budget numbers, there is a total of approximately \$40.1M in federal TA funds available. Central Office Local Assistance Division staff has begun checking eligibility and completeness of the applications. We hope to begin scoring in December along with our District partners. The plan is to have scores ready for the Commonwealth Transportation Board (CTB) and MPOs to review in February 2018 with the first tentative selections announced in March. Once all selections are in, we plan to finalize both years awards (FY19 and FY20 selections) in June. Note that even with both year’s awards announced, only the FY19 funds will be allocated in October 2018; the FY20 funds will not be allocated until October 2019.

LAP MANUAL UPDATES

We know.... these have been promised for sooooo long now 😞

The advent of recent policy adjustments (see newsletter item regarding DBE and Retainage on page 1) have extended the release date to ensure the manual includes the latest and greatest information on these, and all, important topics.

The Local Assistance Division continues developing the updated language and expects to publish early next year. Significant chapter updates include:

Consultant Procurement (CH 11), Project Development (CH 12), Construction (CH 13), Environmental (CH 15), Right of Way (CH 16), and Civil Rights (CH 17), and Financial Management and Reimbursement (CH19). Additionally, there are minor updates to several other chapters which include incorporation of the UCI and TA requirements and differences. ALWAYS consult the latest [LAP Manual](#) version available on LAD’s external website.

TRAINING OPPORTUNITIES

VA TRANSPORTATION TRAINING ACADEMY / VA LTAP WORKSHOPS

UVA TTA offers a wide range of training workshops throughout Virginia that would be beneficial to our local government partners. Registration for November - January classes are now being accepted. For general class registration information go to <http://uva-tta.net/workshops/>.

ON-TIME ADVERTISEMENT OF LAP’S

On-time project delivery is a key performance measure for both VDOT and locally administered projects. We periodically report on-time advertisement of locally administered projects as a measure of program success. This information is tracked in two ways — real time via VDOT’s Dashboard and also by tracking advertisements planned by calendar year on what we call our “commitment list.” Our statistics utilizing both tracking methods as of September 30, 2017 are shown below and CY2017 Commitment List is posted on our [website](#). We have additional performance data available by locality on our “Outside VDOT” team site. If you would like access to the team site, please contact John Simmers at (804)786-2571.

CY17 - Projects and \$ Value of Projects Committed for Advertisement

Planned	189	Planned	\$244M
Actual	138	Actual	\$238M

We continue to report quarterly on the size and scope of the local program relative to VDOT administered project. Those statistics as of September 30, 2017 are shown below.

