



Innovative Program Delivery: An Introduction



INNOVATIVE PROGRAM DELIVERY

Quick Facts

- Includes experts on tolling, public-private partnerships, project finance, and project delivery
- Provides one-stop shopping for Innovative Program Delivery techniques
- Coordinates research and provides policy for Innovative Program Delivery program areas

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IN THIS time of declining revenues and increasing fiscal requirements, it is imperative that the transportation industry be equipped with the knowledge and tools needed to evaluate project finance, revenue, and project delivery options at the right time in the program delivery process. By being knowledgeable about a wide range of options, both traditional and non-traditional, State and local highway agencies can better ensure that critical projects are adequately funded, delivered on schedule, and that continuing needs for the preservation and efficient operation of the system are taken into account.

The traditional process used to deliver highway projects typically does not include early consideration of alternative finance, revenue, and procurement approaches. Often, the right questions are not asked at the right time. Given limited experience in the United States with innovative strategies, such as congestion pricing and public-private partnerships, State and local governments may be reluctant to experiment with new ways of doing business. In some cases, governments may lack the necessary legal authorities to implement certain strategies, thus requiring that enabling legislation be enacted.

The Office of Innovative Program Delivery (IPD) offers a comprehensive suite of resources to assist the transportation community in considering innovative program delivery strategies.

IPD Resources

- **Technical Expertise** to help address the business, financial, administrative, public acceptance, political, and institutional issues associated with the program delivery process and innovative project finance,



Transbay Terminal in San Francisco, CA

tolling, and public-private partnership strategies.

- **Research** to help the industry better understand and apply innovative strategies such as public-private partnerships.

- **Capacity Building** programs, such as the IPD Academy, to provide the skill set and tools needed to effectively evaluate and apply alternative project delivery options.

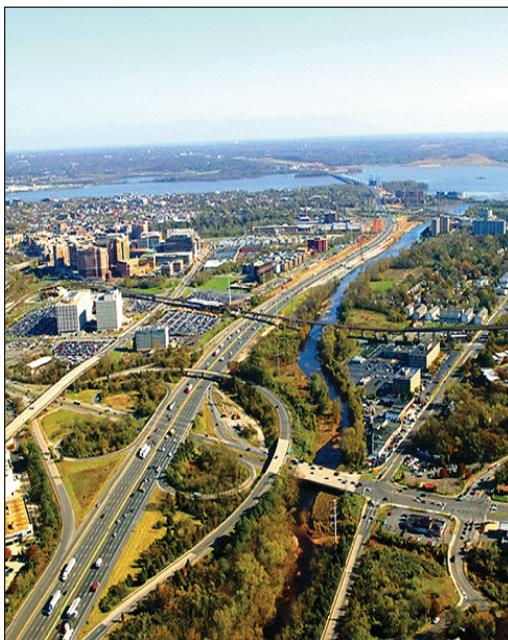
- **Awareness** programs to include partnership building with a wide variety of stakeholder communities to establish interest in innovative program delivery practices.

- **TIFIA Credit Assistance** to help innovative projects clear funding hurdles by providing low-cost, flexible, and long-term financing.

- **Project Delivery Resources**, providing expertise, research, and technical assistance and best practices for project cost estimates, financing, and management plans, as well

as assistance for FHWA Divisions in carrying out their statutory oversight and stewardship responsibilities.

In delivering the program, IPD partners with FHWA's Division Offices to serve as a resource for innovative project delivery processes and practices to our State and local partners. The Office also plays a coordinating and convening role in bringing together related activities underway in other FHWA offices. For example, IPD works closely with other FHWA offices to implement the Federal tolling and pricing programs. Additionally, IPD has the lead agency role in assisting our partners in implementing Grant Anticipation Revenue Vehicles (GARVEEs) and State Infrastructure Bank (SIB) programs, coordinating with the Chief Financial Officers and Division Staff to provide technical assistance and assist Divisions with carrying out their stewardship responsibilities for those programs.



An aerial view of Capital Beltway in Northern VA

Project and Program Delivery: A Systems Approach

IPD assists States in developing a more holistic view of project development, bringing in revenue and financial considerations at an early stage, and considering long-term needs. IPD also conducts the Criti-



An aerial view of Cooper River Bridge, Charleston, SC

cal Project Review process, helping projects overcome hurdles encountered during the project development and delivery process. Finally, IPD helps States consider their overall program in terms of project delivery strategies as well as funding and financing alternatives. ■

IPD offers professional capacity building through the IPD Academy in the following areas:

- ▶ Innovative Program Delivery Strategies
- ▶ Public-Private Partnerships
- ▶ Tolling and Other Revenue Generation Strategies
- ▶ Grant Anticipation Revenue Vehicles (GARVEEs)
- ▶ State Infrastructure Banks (SIBs)
- ▶ Transportation Infrastructure Finance and Innovation Act (TIFIA)
- ▶ Major Projects, Cost Estimate Reviews, and Financial and Project Management Plans



The FHWA Office of Innovative Program Delivery helps State and local transportation officials consider innovation in revenue sources, financial tools, and procurement.

For more information, see the Web site:

www.fhwa.dot.gov/ipd



PROGRAM AREAS OF THE OFFICE OF INNOVATIVE PROGRAM DELIVERY

IPD provides a one-stop source for expertise, guidance, research, decision tools, and publications on program delivery innovations. Our Web page, workshops, and other resources help build the capacity of transportation professionals to deliver innovation.

PROJECT DELIVERY

IPD's project delivery team covers cost estimate reviews, financial planning, and project management and assists FHWA Divisions with statutory requirements for major projects (e.g., cost estimate reviews, financial plans, and project management plans).

PROJECT FINANCE

IPD's project finance program focuses on alternative financing, including State Infrastructure Banks (SIBs), Grant Anticipation Revenue Vehicles (GARVEEs), and Build America Bonds (BABs).

PUBLIC-PRIVATE PARTNERSHIPS

IPD's P3 program covers alternative procurement and payment models (e.g., toll and availability payments), which can reduce cost, improve project quality, and provide additional financing options.

REVENUE

IPD's revenue program focuses on how governments can use innovation to generate revenue from transportation projects (e.g., value capture, developer mitigation fees, air rights, and road pricing).

TIFIA

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for significant projects. Many surface transportation projects—highway, transit, railroad, intermodal freight, and port access—are eligible to apply for assistance.



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