

Projects of Division Interest (PoDI) Projects of Corporate Interest (PoCI) Guidance

Background

The goal of risk-based project stewardship and oversight is to optimize the successful delivery of programs and projects and help ensure compliance with federal requirements. FHWA Risk-Based Project Stewardship and Oversight involves three main avenues of project involvement: 1) project approval actions, 2) data-driven compliance assurance, i.e., the Compliance Assessment Program (CAP), and 3) risk-based stewardship and oversight involvement in Projects of Division Interest (PoDI), including Projects of Corporate Interest (PoCI) which are a subset of PoDIs (See Figure 1.)

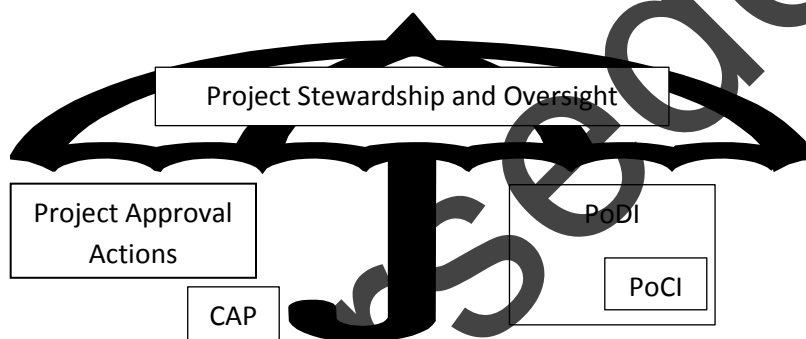


Figure 1.

Projects of Division Interest (PoDI)

Projects of Division Interest (PoDIs) are those projects that have an elevated risk, contain elements of higher risk, or present a meaningful opportunity for FHWA involvement to enhance meeting program or project objectives. Each Division Office (Division) should identify those projects, within its limited resources, where FHWA should assert a positive leadership influence to help assure a high level of public confidence that projects and programs are administered with integrity, are in compliance with applicable requirements, and yield maximum value for the public. Project selection will be risk-based and stewardship and oversight activities will be directed toward addressing identified risks. This may include retaining certain project approvals or directing stewardship or oversight activities to a specific phase or element of the project.

PoDI Types

Section 106 of Title 23, United States Code provides certain statutory requirements for project approval actions and oversight of the Federal-aid Highway Program. Within the context of these requirements, and in consideration of other priorities established by Congress, PoDIs can be generally categorized into one or more of the six (6) types described below:

1. Major Projects (>\$500M); 23 USC 106(h)

Major Projects (>\$500M) will always be identified as PoDIs since Congress has directed an increased involvement by FHWA in these projects.

2. Appalachian Development Highway Projects; 23 USC 106 (a)(5)(B)

Appalachian Development Highway Projects will always be identified as PoDIs since Congress has directed an increased involvement by FHWA to retain project approval actions (design, plans, specifications, estimates, contract awards, inspections) listed in Section 106(c) for these projects.

3. TIGER Discretionary Grant Projects

TIGER Projects will always be identified as PoDIs since Congress has directed an increased involvement in these projects and the administration of these projects has been delegated to FHWA by the Secretary of Transportation.

4. NHS Projects with Retained FHWA Project Approval; 23 USC 106(c)(1)

NHS projects where FHWA has retained responsibility for one or more of the project approval actions (design, plans, specifications, estimates, contract awards, inspections) listed in Section 106(c) will always be identified as a PoDI. The identification of these types of PoDIs will be consistent with the FHWA/SDOT Stewardship and Oversight Agreement and reflect the risk-based need for FHWA to retain responsibilities for certain project approval actions, either on a programmatic basis or project-level basis.

5. Non-NHS Projects with Retained FHWA Project Approval; 23 USC 106(c)(2)

Non-NHS projects where, as determined by the State DOT, FHWA has retained responsibility for one or more of the project approval actions listed in Section 106(c) will always be identified as a PoDI. The identification of these types of PoDIs will be consistent with the FHWA/SDOT Stewardship and Oversight Agreement.

6. Projects Selected for Risk-based Stewardship & Oversight; 23 USC 106(g)

Regardless of retained project approval actions, any Federal-aid Highway Project either on or off the NHS that the Division identifies as having an elevated level of risk can be selected for risk-based stewardship and oversight and would then be identified as a PoDI. Identification of these Section 106(g) PoDIs will be done using a risk-based process that considers consistent risk criteria.

Projects of Corporate Interest (PoCI)

Projects of Corporate Interest (PoCIs) are a subset of PoDIs. These are projects deemed to be so significant that FHWA is willing to commit additional resources beyond those available at the individual Division level to help ensure successful delivery of the project. Project selection should be risk-based and the stewardship and oversight activities should be directed toward addressing the identified risks. This may require retaining certain project approval actions or directing stewardship and oversight activities to a specific phase or element of the project.

PoDI Identification Process

The identification of PoDI projects will be risk-based. This will be a two-step process including a “pre-screening” to identify a short-list of potential PoDI projects and a risk-based assessment to identify projects risks.

Pre-screening

Divisions will pre-screen Federal-aid projects and develop a short-list of projects that will require a risk-based assessment to identify their possible areas of risk and to determine if they should be selected as a final PoDI. Divisions should develop and document their own pre-screening criteria driven by “areas for concern and/or opportunity” to identify these potential PoDIs. Examples of pre-screening criteria include project cost thresholds on the Interstate/NHS; regional significance; political or community interest; innovative financing or contracting; and geographic coverage.

Risk-based Assessment

Divisions will conduct a risk-based assessment of the short-list of PoDI projects. Major Projects, Appalachian projects, and TIGER projects are by definition final PoDI projects, but each must still receive a risk-based assessment to identify project risk areas and appropriate stewardship and oversight activities. As a minimum, each Division will develop and document a process that considers the following ten risk areas¹ when identifying the final PoDI projects. Divisions may add other risk considerations at their discretion.

1. Complexity
2. Cost
3. Schedule
4. Urgency
5. Environmental Considerations/Stakeholders
6. Funding
7. Project Administration
8. National/Regional Significance
9. Corporate Actions
10. Local Considerations

The Resource Deployment Tool (RDT)

(<http://our.dot.gov/office/fhwa.hq/ipd/ResourceDeploymentTool/SitePages/Home.aspx>) has been developed using these ten risk areas and it provides a structured way to evaluate project risks. Divisions are encouraged to use this tool for assessing the short-list of potential PoDIs. Divisions may utilize an alternative mechanism, but they must address the minimum criteria identified above and there must be a documented risk analysis. Major Projects have a high potential to be a PoCI project and therefore will receive a risk-based assessment using the RDT as discussed below under PoCI Identification Process.

¹ More detailed criteria regarding the 10 risk areas can be found in the Resource Deployment Tool.

Final PoDI Selection

Divisions will make the final selection of PoDIs from the short-list taking into consideration the results of the risk-based assessment, available resources, State-specific considerations, and how each project fits into the Division's overall oversight objective. As noted above, Major Projects, Appalachian projects, and TIGER projects are by definition final PoDI projects. There is no firm number or percentage of projects that should be designated as a PoDI by each Division; however, the number of projects shall reflect the level of stewardship and oversight needed to mitigate the elevated risks identified on each PoDI. Each DFS will discuss the range of PoDI projects and the selection process with the Division as necessary. Divisions are encouraged to collaborate with their respective State DOT in the PoDI identification process. However, the final PoDI selection decision and the level of involvement remains the responsibility of the Division.

PoCI Identification Process

Pre-screening

It is anticipated that a short-list of projects that have the potential to be a PoCI will be identified early in the PoDI pre-screening process. All Major projects will be included in the short-list of potential PoCIs.

Risk-based Assessment

Major Projects and all other pre-screened projects that have the potential to be a PoCI will be entered into the SharePoint-based Resource Deployment Tool (RDT) (<http://our.dot.gov/office/fhwa.hq/ipd/ResourceDeploymentTool/SitePages/Home.aspx>). This tool will be used to conduct a risk-based assessment to identify areas of elevated risk for each project, identify the level of Division office capacity to manage the risk, and determine if the project is recommended by the Division Office for selection as a final PoCI. The RDT contains specific instructions for completion.

Final PoCI Selection

For each project entered into the RDT, the Division Office will indicate if the project is selected as a final PoDI and if it is recommended as a final PoCI. The DFSs will concur in the final selection of PoCIs after consultation with key Headquarters offices. If a Division recommends a Major Project as a PoCI, the DFSs will consult with the Office of Innovative Program Delivery (HIPD) prior to concurring in the selection of the project as a final PoCI. Concurrence for each project will be documented in the RDT. If the DFSs and/or Headquarters office have any concerns with whether the project is a good candidate for a final PoCI they will consult with the Division Administrator.

Scope of Involvement in PoDI & PoCI Projects

Project selection will be risk-based and stewardship and oversight activities will be directed toward addressing the identified risks. This may include retaining certain project approvals or directing stewardship or oversight activities to a specific phase or element of the project. For PoDIs, the scope of a Division's stewardship and oversight activities, beyond any project approval actions retained by FHWA,

will be tailored to the level of risk ascertained by the Division. For PoCIs, the scope of involvement will include the dedication of corporate resources to ensure the successful delivery of the project.

PoDI & PoCI Stewardship & Oversight Plans

The Division will prepare a specific PoDI Stewardship & Oversight (S&O) Plan for each PoDI, or group of PoDIs. The PoDI S&O Plan is meant to be concise and will include the following elements:

1. Project information – including project name, description, location, FMIS#, and State ID#
2. FHWA contact
3. Primary PoDI type
4. Indication if the project is also a PoCI
5. Risk areas associate with the project (from risk-based assessment)
6. Project elements that will be reviewed in response to the risks
7. Activities that will be conducted on the project (retained approval action, inspections, etc.)
8. If a PoCI, the specific corporate resources committed to the project
9. The results of the Division involvement in the project

Divisions will enter each plan into the PoDI S&O Plan SharePoint Site (<http://our/office/fhwa.dfs/RBSO/Lists/PoDI/AllItems.aspx>). Areas of elevated risk must be reported in the plan, along with the project specific actions to be taken by Division staff to address the risk(s). The Divisions are also expected to document the results of the Division involvement in the project. A single plan may be developed for a group of projects in cases where the risks and stewardship and oversight strategies are similar. For example, if a projects approval action has been retained on a programmatic basis for a group of projects, a single PoDI S&O Plan may be developed that references the programmatic risk and the affected projects. Since PoCIs are a subset of PoDIs, a plan will be prepared in the SharePoint site for all PoCIs as well. Divisions will indicate within the plan what additional corporate resources have been committed to the PoCI project.

A Word version of the standard PoDI S&O Plan has been provided. This may be used for preparation of the plan prior to entering the information into the PoDI S&O Plan SharePoint Site (<http://our/office/fhwa.dfs/RBSO/Lists/PoDI/AllItems.aspx>) and for sharing with the State DOT.

PoDI S&O Plan Template (Word version)



Final PoDI S&O Plan
Template (Word) 3-28