



Locally Administered Federal-Aid Projects



Local Agency Certification Peer Exchange

Hosted by the Oregon Department of Transportation
Statewide Programs Unit

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16TH Street Pedestrian Bridge over I-25

**ODOT - CDOT - FHWA
LPA CERTIFICATION PEER EXCHANGE
JULY 2014**

Poster presented by the Peer Exchange participants from Colorado to their Oregon hosts.

Introduction

The Oregon and Colorado Local Agency Certification Peer Exchange provided a forum to discuss the Oregon Department of Transportation's (ODOT's) certification program processes, challenges, and successes. This report highlights key information and documents the questions and answers from the meeting.



Peer Exchange attendees outside the Oregon State Capitol building in Salem, Oregon.

Representatives from ODOT, Oregon localities, the Colorado Department of Transportation (CDOT) and the Federal Highway Administration (FHWA) compared the two states' local agency programs and collaborated on methods by which resource-constrained state agencies can implement certification. Attendees from the Headquarters, Regions and Local Public Agencies (LPAs) provided their perspective.

CDOT's primary reason for considering implementation of a certification program is to manage local agency program non-compliance risk. Both ODOT and CDOT are determining how to best apply their available resources toward the most critical local agency program efforts.

CDOT Local Programs: Organization and Background

Conversation Leader: Cathy Cole, CDOT

Cathy Cole provided a comparison of local agency programs in Colorado and Oregon. Colorado and Oregon dedicate similar resources to their local agency programs. Like ODOT, Colorado DOT is divided into five engineering regions. They have 15 transportation planning regions, five urban and

10 rural, and five Metropolitan Planning Organizations (MPOs), three of which are Transportation Management Areas (TMAs).

Colorado did have a Certification Acceptance program in the early 1990s, but only two local agencies became certified. From the mid-1990s to the mid-2000s, local agencies were given additional administrative control over projects. Some of this control is similar to what local agencies would have under a certification program. For example, where Oregon certifies LPAs for consultant selection, Colorado's LPAs can use their own consultant selection process once CDOT approves it and after they provide a letter from their attorney stating that it complies with state and federal regulations.

In 2008, an expanded Quality Assurance Review (QAR) was performed to evaluate five areas: Plans, Specifications and Estimates (PS&E), Title IV/Americans with Disabilities Act, Environmental Tracking, Change Orders/Materials, and Work Zone Traffic Control. As a result of the QAR recommendations, a task force of LPA, CDOT and FHWA representatives looked at different options for program improvement, including Certification Acceptance. The preference at that time was to stay with a project-by-project approach where CDOT's regions administer local agency projects and adopt a risk-based assessment method for project development and construction monitoring.

CDOT has recently developed a risk assessment worksheet that can be used on each individual project and a web-based guidance and tracking tool called Navigate.

Q: Is the risk assessment applicable to all projects? Whose office took the lead on that?

A: It was originally developed specifically for local agency projects, but the risk assessment methodology has been adopted for use on other CDOT projects. Development was a group effort by the Local Agency Coordinators (LACs) at a LEAN process improvement event. It has proven to be very useful.

Q: How does CDOT's risk assignment methodology line up with requirements for stewardship and oversight on federal projects?

A: It was developed in direct response to it, as a way to assure that the level of project risk corresponded with the appropriate level of project oversight. From FHWA's perspective, CDOT had not been providing the level of project oversight needed. Due to limited resources, adding staff was not an option, so the alternative was to use a risk-based approach for managing projects. Other DOTs, Virginia in particular, had developed risk assessment processes, and CDOT was able to borrow from those concepts. An added benefit of Navigate is that it creates a good way to enter into a dialog with the local agency—what is the project about, what are the critical features—so by extension it becomes a way to scope, manage and monitor the project.

ODOT Local Programs Unit: Organization and Background

Local Program Structure and Federal Funds Distribution

Conversation Leaders: Mac Lynde, ODOT; Jeff Flowers, ODOT; and Steve Markovetz, CDOT

Local Program Structure

ODOT provided a map of their five regions. Regions 1 and 2 are urban, and this is generally where most of the certified agencies, and those interested in certification, are. The other three have more rural, smaller localities with less expertise and staffing and are largely non-certified agencies.

ODOT's local agency program structure includes a region manager, project delivery staff, and technical center staff for design and development, planning, and access management. There are two people at headquarters dedicated to the local agency program and 20 in the regions. CDOT has 10 region staff. ODOT currently has 12 LPAs certified or working toward it.

ODOT used to have 10 or more headquarters staff (in the local government section) dedicated to local programs until rightsizing over the past three years due to less federal revenues, fuel-efficient vehicles/less gas taxes, and rising personnel cost. ODOT is also under a recently legislated requirement for an 11 to 1 employee-to-manager ratio.

Where ODOT used to have staff at headquarters and in the regions doing project delivery, the right-sizing pushed some oversight and compliance functions to the regions and some technical staff moved to the technical services branch. This narrowed the local agency program focus at the headquarters level to the program, and put a project-specific focus at the regions. In addition, performance measures were added for the local agency programs.

The key point of contact at all times for local agencies is the Local Agency Liaison (LAL), who is at the regions. Questions about the local agency program itself, such as on certification, go to headquarters. This has helped streamline processes and nail down scope.

Joanna Robert/ODOT: The clarity of keeping all project staff at the region level was a benefit that came out of the changes because it improved communication, partnerships and relationships.

Q: How did the locals react to ODOT's desire to speed up project delivery?

A: ODOT interacted with the locals a lot and explained the benefits, as well as that ODOT now has performance goals and would strive to meet them. The lesson learned was to keep the message positive. Having an FHWA representative there with the LALs was also key.

Q: What is the position description for ODOT's LAL?

A: Liaisons need to have an engineering background but do not have to have a PE. One LAL position was converted to Project Manager, which is someone who can take a project from cradle to grave, and they have a PE license. They play a leadership role.

Q: Does ODOT have issues with turnover with region staff?

A: One area in particular does, but generally turnover is due to promotions, or if they go to work for consulting firms. ODOT is facing a “Silver Tsunami.” The workforce is aging, especially in the LAL rank. ODOT may not currently see a lot of turnover, but will in the near future.

Q: How many local agency projects does ODOT do per year?

A: At any given time there are 120 active projects. Percentage-wise, it is 25-30% of the total budget.

Federal Funds Distribution

ODOT funding structure impacts local project decisions. The state gas tax is 30 cents per gallon, of which 50 percent goes to ODOT, 30 percent to counties, and 20 percent to cities. That is all state money, with some alternative funding from DMV and motor carrier fees. On the federal side, ODOT has the local STIP, which is based on population. It is currently based on the 10-year census, but they are working toward having a consultant do a population analysis every year.

The majority of the cities (outside of the TMAs) with local STIP money participate in a fund exchange with ODOT. ODOT keeps the federal dollars and gives them state dollars instead—94 cents on the dollar. It helps LPAs that do not have the size or capacity to handle Federal-aid projects. One benefit is it reduces workload for the LALs. The TMAs handle their STIP funds through their own process.

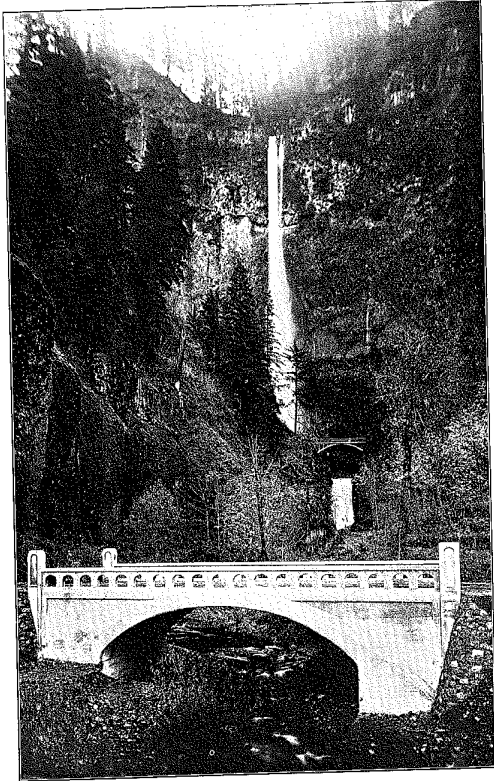
LPAs approach ODOT and request a fund exchange on an agency basis. Cities and counties give ODOT the STIP money back in exchange for state dollars, and are willing to forego the 6 cents. ODOT provides the option, and 98 percent of the LPAs choose to use it. They may choose not to fund exchange when they have another Federal-aid project into which they can roll the federal dollars. Also, earmarked money cannot be fund exchanged.

ODOT also has a new category of funding they are working with called the enhanced application based program. A group of stakeholders makes decisions on which projects should be funded for their region. The benefit is rather than selecting projects based on the color of the money, they can select based on needs. Then they go back and add the color to the money.



Participants during a working lunch on Day 2 of the Peer Exchange.

For noncertified agencies, the local match is required up front for every phase. For certified agencies, it varies according to what areas they are certified in. For example, if the LPA is certified in all areas and they only want federal reimbursement on the construction phase, ODOT would not technically need a match. However, ODOT charges the cost of direct work to the project, this is in the intergovernmental agreements, so certified or not, ODOT needs a deposit to cover that portion. A lot of LPAs use ODOT's consultant flex service contracts, which ODOT owns, so they would need a deposit for that, too.



A View on the Columbia Highway in Oregon
MULTNOMAH FALLS

Preface

There is much satisfaction in writing the first annual report of a State Highway Department. The contrast is so apparent during the first year, and so much depends upon the character of the work and the results accomplished during that period. I do not know of another instance, during the first year of its existence, where a State Highway Commission has had placed in its hands, voluntarily by the county authorities, a sum as great as \$1,735,000.00 to be expended for them. The confidence that has existed has made it a pleasure to have executive charge of the work of the Highway Commission. Its activities have at all times been heartily supported by the press of the State. Without this support, the result would be different.

Naturally, there has been and is opposition to the existence of a State Highway Department. This opposition is, I believe, felt by two classes: Those who are ignorant of its purpose and its true function in the road scheme of a state, and by those who feel that they have lost something because of its existence.

The first great financial benefit to be felt by the people of Oregon will be in having turned the light of publicity on the customary bridge methods, and in having a solution offered that will save many thousands of dollars annually to the taxpayers.

The work that has been accomplished has been possible because of cooperation. Cooperation from the Commission, from the employes of the Department, from the county officers with whom we have had dealings (with one exception), from the large taxpayers of the State, and last, but not least, from the press of the State.

The year's work has developed a valuable corps of assistants. Their efficiency should be noted in the highway work of the State, increasing from year to year.

Mark Foster shared the above page from the 1914 (First) State Highway Engineer Report, which describes the effort to create a State Highway Department in Oregon. The second paragraph notes the opposition to its creation.

ODOT Certification Program Overview

Three-Tiered Process, Benefits and DOT Resources

Conversation Leader: Mark Foster, ODOT

ODOT's Tiered Certification Process

ODOT has three main areas for certification: 1) design, 2) construction, meaning that they own the contract and can do their own change orders, which includes ad, bid and award and procurement, and 3) consultant selection and procurement. Oregon's certification program is described as "tiered" because it is done in phases.

The first tier is an interview with the LPA to see if they meet the minimum qualifications. If they are a good candidate, then in second tier, ODOT pilots some projects with them and monitors them. The final tier is review and evaluation.

Mark Foster presented a graph of the level of effort involved at each tier through time. In the pilot test or training phase, ODOT spends more effort with the LPA, especially with ad, bid and award and procurement. Extra work includes helping develop templates for invitation to bid, for bid analysis, and making sure civil rights language matches federal requirements.

ODOT has developed a policy for bid analysis with FHWA, the State Department of Justice, and ODOT's bid analysis experts at the Technical Center. They made bid analysis a requirement and put it in the Local Agency Guidelines (LAG) manual.

When the evaluation or review is complete and the LPA is fully certified, a master agreement is signed and, since ODOT is no longer micromanaging, their effort goes down. It does not completely go away, because ODOT still has to do quality assurance checks, training, answer questions, and address new federal acts or new rules.

ODOT Quality assurance and LPA quality control: ODOT requires certified LPAs to have a quality control plan that says how the LPA is going to meet all their responsibilities in the master agreement. ODOT has checklists, guidance, and minimum requirements for the LPAs quality control of their FHWA projects. Quality assurance, which is done by ODOT, means checking two things—their projects and their QC processes—to make sure they are federally compliant. That will be ODOT's primary role moving forward.

In addition, if the LPA loses staff, they have to notify ODOT. They should have a succession plan, or they risk losing their certification status.

Mike Morrow/Oregon FHWA: Another fundamental difference as to why the peak effort is so high is, in addition to the tiered approach, in Oregon the model is "show us how your existing process meets all of the federal requirements." This is more effort compared to, for example, Washington State's

model and approach, which has been around for so long that they have an established process which, if the LPA does it that way, then they become certified. Oregon's agencies did not want to do a certification process unless they were allowed to use their own processes and manuals. This meant a lot of extra work for ODOT in looking into each agency's manuals and forms to see if they met baseline requirements. But this is what drew the larger agencies in.

Mac Lynde/ODOT: We have been really successful certifying in design and construction. Consultant selection, less successful. We have had agencies stuck at the peak level of effort for as long as eight years. Part of this is because the regulations and mindset make it challenging to dive into another agency's manuals and determine they have met all the requirements of the federal system. Procurement staff felt like the risk was too high. We are changing our approach on that.

Mark Foster/ODOT: We are coming up with consultant selection templates for all certified agencies to use, because there was too much ODOT staff time involved in reviewing each agency's processes, manuals and documents in this area.

We are also working closely with the locals in developing LPA General Conditions, standard specifications for construction, because they have great engineers and specifications writers too. And we are borrowing their talents and combining them with our staff's talents to come up with an LPA standard. It is currently in Department of Justice review.

Q: For the other certification areas, do you allow them to use all their own manuals and forms, or do they use ODOT manuals and forms, or something in between?

A: Portland has its own manuals and forms, but a lot of agencies have chosen to follow ODOT's construction manual. Corvallis and Linn Counties are good examples. They are fairly small agencies; Corvallis probably has 4-6 projects in the STIP per year. They have chosen to follow ODOT's guidance, manuals, and documentation.

Q: How many of ODOT's LPAs have all three certifications?

A: None do, because no one has certification in consultant selection. Five have fully executed, full certification agreements for design and construction: the Cities of Portland, Eugene, and Corvallis, and Clackamas and Linn Counties. (The two counties were pending signature at time of peer exchange and they are now fully certified.)

Key point: Start small, use one or two agencies and work all the bugs out with them before trying to cover the entire state. The timeline to get Portland through certification was eight years (2003-2011), because they were the first ones. Linn County and Clackamas County took six years. Marion County is at 1.5 years and is moving to the final phase.

Mac Lynde/ODOT: As we have moved down the line, we now have processes and protocols in place that allow us to put them through quicker and evaluate them quicker.

Possible roadblock: Having too many projects in pilot/test status can slow the process down as you wait for the results from those projects to come through. Part of it is strategy – stick to a minimum number of projects, but do not go overboard. Make sure you have the capacity to match the work required.

Q: At what point in the process does ODOT do on-site reviews?

A: If we have time, we go out during test projects, or we have the agency send the documents in, and then we go out for the audits.

Q: Since ODOT requires LPAs to have a minimum of three projects in the STIP to be considered for certification, are there a maximum number of agencies that could possibly be certified?

A: Under those criteria, there are probably another dozen LPAs that could seek certification. So, the program could double unless we change the criteria. Early on, the direction or metric was geared toward quantity, but we have changed that and are looking at growing the program based on the number of qualified agencies that want it.

Megan Hall/Washington FHWA: Having a certification program does not mean you have to certify all your agencies. In our state, we have about 285 agencies, and about 104 agencies have their certification.

Q: Megan, does Washington have a dollar amount or number of projects threshold to come into the program?

A: If the agency does not do projects very often, they are not going to meet the expertise criteria. They have to have projects frequently enough to be able to demonstrate, every three years when that agency is visited, that they still meet the requirements.

Key point: (*Mark Foster/ODOT*) LPAs and ODOT both need to have qualified staff running the program, and they need to have all the procedures and policies in place. If you have a small town that has never or rarely does federal projects, it is easier for us to do it for them, or do a fund exchange.

Joanna Robert/ODOT: It is also easier for them. They need to understand up front what sort of resources are needed to become certified and what sort of capacity they will need to maintain it.

Both Washington State and Oregon have policies in place to allow a non-certified agency to ask a certified agency to be the Certified Acceptance (CA) agency on their behalf.

Q: What if Portland lost its certification, what resources would ODOT need to compensate for that?

A: It would affect resources significantly across the board. More work would fall to the regions and Technical Center, and a lot more projects would go through ODOT's pre-letting and procurement

offices. Construction staff would see more change orders. It takes a lot less time and effort to run a change order through a certified local public agency (LPA) than it does to go through ODOT and the LPA and then back to contractor—probably 24 hours versus 24 days. ODOT would probably need to procure consultant services devoted to that work.

Mac Lynde/ODOT: One question we are asked often is, “What services are certified agencies taking away from the consultant community?” If ODOT was doing the work on behalf of the certified agencies, we would likely have to outsource a large portion of that. However, large agencies already use consultants—they were using them before certification and they use them after—so there is really no change in what is consulted out, but it is a perception.

Mark Foster/ODOT: The Technical Center would have more work because they would have to review every single project instead of spot-checking a few. Certified agencies still occasionally come to ODOT for help, and we are here to help, but we are not micromanaging and telling them how to do everything. It is important to maintain a relationship through quality assurance and through the regions.

Certification Program Benefits

The number one benefit of certification for ODOT is the reduction in resources needed for the local program. It has also increased quality while lowering risk.

It takes fewer resources to run the certification program than it does to deliver LPA projects for them. ODOT used to deliver the LPA projects. Their percentages for preliminary engineering and construction engineering were pretty much the same as for state projects, but there was additional time and risk involved. In the late 90s, ODOT began moving toward locals delivering more projects. ODOT was rightsizing and needed to take on more of a technical advisory, training, and oversight role rather than doing the work. That was part of their motivation.

The benefit of the certification program from FHWA’s point of view: they are ultimately responsible, so it helps to have qualified agencies delivering the federal projects. They are qualified because ODOT has interviewed them, evaluated them, and gone through test projects with them.

Administering the certification program is a cooperative effort within ODOT, and there are benefits to internal technical groups in helping train LPAs, as certification reduces their workload eventually.

Local agency benefits: time and cost savings – they can turn change orders around much faster – and flexibility – they have different days they can let projects to bid on and ODOT has restricted bid dates.

Mark Foster/ODOT: I asked the certified agencies how this has benefited them. Corvallis said, “We have more control. We can adjust our schedule quicker. We can do projects for other agencies.” Linn County reported a 30 percent cost savings on their projects.

Mac Lynde/ODOT: From a project delivery standpoint, from the perspective of the region offices managing the funding, one benefit was when ARRA hit, and we had to deliver those projects so quickly, certification was key in being able to deliver all of the local agency projects efficiently and meet the timeline. Certified agencies picked up work from noncertified agencies, combined projects, and provided leverage for using funding from multiple agencies to deliver one contract.

Herman Stockinger/CDOT: ODOT's starting point was that they used to deliver much of the local agency program. Local agencies were doing their own design, and ODOT was administering consultant selection and most of the construction. CDOT's starting point is that the local agency delivers their own program under their own contract. ODOT's motivation was to move into more of an oversight role and do less managing of projects in order to bring their level of effort down, and I would think that with local agency delivery their risk goes up a little, although it may be an acceptable amount of risk for the reduction in level of effort.

From the local government perspective, ODOT was limiting their ability to do things quickly or make changes on the fly, so they are able to see certification as a positive. However, CDOT lets local agencies deliver the project. Our concern is adequate oversight. We added a risk-based program to try to improve oversight, and now we are looking at a certification program as perhaps reducing our level of risk. Because we are not managing these projects now, our level of effort would increase by providing the certification program, although the risk may go down, because of the process.

ODOT: We had the same questions from the local agencies, regarding why they should want to participate. ODOT went to the local agencies and gave them a date by which, if they wanted to administer projects themselves, they needed to become certified. The alternative was to not administer projects anymore. However, there were some agencies that had worked closely with the Technical Center for years and had experience with construction that were able to keep doing those projects on their own, although ODOT ultimately owns the contract. ODOT did have that advantage that every construction contract formerly went through their central procurement ad, bid and award system.

Q: What are the roles of CDOT and the TMAs in delivering federally funded local projects?

A: They work together. The CDOT Office of Financial Management and Budget (OFMB) notifies the TMAs of program funding amounts. The TMAs then issue Calls for Applications by funding program, review/score and rank projects. As funds become available, projects are moved off the planning lists and into project development. CDOT's LACs in the region meet with the locals to scope the projects and assemble documents for CDOT's Contracts Department staff, who prepare the intergovernmental agreement. There is a kickoff meeting and then there are check-in points during project development. Some TMAs monitor project status.

Q: In Colorado, who owns the consultant contract and the construction bid and award contract?

A: The local agency owns the consultant contract, and for the most part, the construction bid and award contract.

Q: How does CDOT verify whether Federal-aid requirements are being met?

A: That is what we are trying to do through our risk assessment process – determine the amount of oversight resources we will assign each individual project based on level of project risk. If a local is experienced (and the project is considered low risk), we focus time and effort only on key project elements. By the same token, if the agency has little to no federal experience, even with a small sidewalk project, for example, there is significant risk for us and we require additional oversight.

CDOT essentially has a certification program without the systematic evaluation of the locals. The locals do not see the need for a certification program, but they assume the risk of meeting federal and state requirements. CDOT occasionally finds issues with noncompliance, so we need to look for opportunities to improve.

Mac Lynde/ODOT: From a business case perspective, ODOT is starting to see some resource savings. Some LPAs are interested in certification because they see the value. Some LPAs are not interested in the program because they are getting what they need from ODOT already.

CDOT: The business case perspective for us is easy to define. It would lower our risk. The piece of the business case where we struggle is getting the local agency to take us up on our offer and go through the certification process with us.

One issue with CDOT's current system is Contract Modification Orders (CMOs, or change orders). Even though the locals own the contract, CMOs have to come through CDOT for approval. When the locals initiate a change order, they coordinate with the LAC, who reviews and then forwards to headquarters for a cost and justification review. The process can be very time consuming.

Mark Foster/ODOT: This is one area where your effort would go down, and your risk would go down. We do have a couple of safety nets on change orders, which results in us looking at probably less than 10 percent. It is for the major ones that will impact the environmental commitment or scope of work items that ODOT does not allow certified agencies to do. There is a list from FHWA of things that they keep, such as Buy America waiver requests that have to go to Washington DC to the Federal Register, also Right of Way (ROW) and NEPA. Even if they are certified, ODOT still runs the civil rights programs: DBE, EEO, and OJT.

ODOT has an approval matrix for the different phases of design and construction that shows who the authorities are. We used to say all design exceptions had to come through ODOT. Then we changed that to say, if it is on your facility, you are engineering it and maintaining it, you are taking the risk, then we let the LPAs do the design exception. They can still come to ODOT for technical

expertise. Most engineers know where their limits are. We are not trying to replace our engineering licensing board.

Bridge and roadway design are a little different. Certification in design capabilities are split by roadway and bridge. Most LPAs are only certified in roadway, two are certified in bridge.

DOT Resources Required

A common misperception about certification: If local agencies are certified, then ODOT is not doing anything. ODOT still has quality assurance checks, guidelines to maintain, training to provide, and LPA questions to answer. Even locals that do a lot of federal work do not understand all of the complexities of delivering Federal-aid projects. ODOT must still maintain that expertise on staff.

Key point: For a successful certification program, an agency needs to have qualified staff on-hand and good procedures, guidelines and policies in place.

Mark Foster presented a chart illustrating ODOT's concept of what it takes to implement a program or to get an agency certified. This was from the ODOT perspective and did not address level of effort for the local agency.

With non-certified locally administered projects, ODOT puts a lot of effort into it with the LAL, managing the contract, delivering the work. There is also a lot of local agency involvement there as well. As an agency becomes interested in certification, we go through the evaluation and we get into conditional certification and a test project. My perception is that ODOT spends a little more time at that point working with the local agency, whether it is a region staff person or from a program perspective. After reaching full certification, ODOT's effort is minimized to oversight and compliance. I think that is the vision of the program.

The local representatives agreed that ODOT's year-round, continual training offerings are helpful. It has helped them get more self-sufficient. ODOT said that they often survey representatives at city and county meetings to determine what kind of workshops would be helpful.

Q: Who administers the training programs? Where is training held?

A: The technical discipline areas, such as construction and civil rights, within ODOT provide that training if there is certification that needs to be done. Certified agency staff and consultant staff get the same opportunity as ODOT staff does to participate in training programs and certification classes. The location can vary, since it is typically not held just for local agency staff. It can be held regionally or in Salem. Everyone signs up through the same system and pays to attend.

Q: Is training required?

A: Inspector training is required, it is tested and recorded and tracked. This is in the LAG Manual. We want to do the same thing for consultant selection. ODOT is currently looking at how much of the

training that is offered should be required verses how much is just suggested. At this point, it is something that is highly encouraged.

Certification Program Implementation

Conversation Leader: Mark Foster, ODOT

Getting Started

How can a resource-constrained agency implement a certification program? Start small and use a good model. Look at the models and find something that will fit well with your state. Partner with an experienced LPA. Have qualified staff and good procedures in place.

When considering the benefits of certification, it is important to determine the different types of certification programs that can be implemented, what program or method will be used, and where the agency staff is at in terms of accepting and understanding what certification will mean.

A barrier to implementing certification for ODOT was the ODOT staff's understanding of what the program would mean for the agency and their positions. They wanted to know what the change would mean for them, and whether they would need to work on both certified projects and noncertified.

A **key point** in getting started: Terminology needs to be squared away at the beginning, for example, "certified" versus "conditionally certified" versus "fully certified." Once established, it should be re-emphasized to make sure meanings are clear in conversation.

Partnering with an experienced LPA allows the DOT to go through the entire process with them. Have certain agreements in place to cover mistakes as you move along. Create a partnership. ODOT had a partnering relationship and understanding with their first certified LPA, the City of Portland. A partnering atmosphere will provide the conditions for developing the program in a positive, constructive way. This is important, as it allows you to work the bugs out together.

"Gung Ho!" in Mandarin Chinese means work together. It took on a new meaning in the western world: enthusiastic go-getter. I like to use both east and west definitions. Be enthusiastic, be a go-getter, and work together.

Also, have a vision statement. ODOT's is "The most cost effective, timely delivery of FHWA projects by local public agencies." Test new program ideas against it to determine if an idea is going to help you get there.

Q: Did LPAs have a role in developing the vision statement?

A: Not directly. We know they need more funding and to be more efficient with the funds they have. It is very important to listen to them, but it is a program we own.

Key Elements

Change management process. Define the problem or opportunity well.

Build understanding. Work with partners, locals and FHWA to assure them. Partner with locals and FHWA in your plan.

Improve the program. One of the problems for the state DOT is how to be responsible for the Federal-aid Highway Program and responsive to the LPAs. How do you do both? This is where the listening comes in. When you make a change there will always be fear of loss of control, known to unknown, issues to deal with. You want them to vet these things so they can be addressed. They may like or not like it, but if they do not like it, it will not be because you did not listen to them. This is why ODOT is focused on developing a quality program rather than quantity, and started small.

Mac Lynde/ODOT: We are spending a lot of time improving the program: defining the processes, documenting them, creating a process map, roles and responsibilities and guidance documents. The LAG Manual is a good framework, but we need to get down to more specific detail for internal staff roles and procedures and for external agencies.

Very good quality control by the LPA. This is in addition to getting our roles and responsibilities nailed down in our IGA between state and local agencies. Also, making sure they have a good documented quality control plan.

Q: Do ODOT's regions use different processes or are they all the same? How does ODOT account for variations between the regions in the procedures?

A: We have some standard statewide processes, but between the regions there are processes that vary, and even between the LALs. We have flow charts with procedures, but the procedures allow for flexibility for different risks and abilities and the different way regions are staffed and structured. It is a framework for them to work within.

Mac Lynde/ODOT: That is the difference between programmatic and project, and the transition we are still in from having a local project section. Some of the regions still ask us to get in the middle on specific issues, but we push project-specific issues back to them.

Pitfalls

Thinking that the LPA will be independent from the state DOT. They are not independent. I have described our tiered approach to certification as hiring a new employee on our staff. When you hire a new employee, you have to put energy into getting them trained, once they are trained and in the operational phase, then they are productive.

If the LPA or the state does not know the requirements of the stewardship and oversight agreements. The cities and counties going through certification should know them well.

Internal staff may not understand the need for a certification program. Sometimes our own internal staff does not necessarily know our oversight requirements and responsibilities.

Too much oversight by the state DOT after the local is qualified.

ODOT Challenges

Some agencies have trouble reaching certification status because their test projects have problems. Rather than letting them remain in the test phase for several years, ODOT needs to set firm guidelines for assessment to keep the timeframe from six months to two years.

Some locals are not interested in being certified in the full consultant selection process. ODOT is breaking the process into smaller pieces for their benefit.

Mac Lynde/ODOT: One thing we struggled with is how much training and education to do with local agencies to bring them through the certification program. It is a balancing act. If they are truly a qualified agency, we should not need to teach them every step along the way. For consultant selection, if they have qualified procurement staff, ODOT should not need to walk them through the federal requirements. ODOT can provide a checklist to help with documentation, but we should not train in how to do procurement.

Our procurement staff is in a constant cycle of reviewing local agency manuals and giving comments and feedback, and one of the challenges we have as an agency is dividing what is required from what is a national best practice, or an ODOT best practice, or a personal opinion.

Consultant Selection Certification

Background: Work Order Contracts and Price Agreements

Conversation Leader: Melissa Canfield, ODOT

Mark Foster/ODOT: Local agencies own the A&E contracts for consultant work in Colorado. They do not go through the DOT to get those. That is an interesting difference between the two states. For ODOT, that has been a major pinch point and complaint from local agency partners and the consultant community, and that is part of the reason we have so many agencies interested in certification in consultant selection, because of how long that process takes when going through the state. Consultant selection by LPAs is the next area we are investing a lot of time in.

Melissa Canfield/ODOT: ODOT uses a two-tier process for A&E work where we solicit firms and apply a QBS (qualifications based selection) process to award price agreements to our suppliers. We usually do 15 to 16 price agreements. We then issue work order contracts off those price agreements. So the terms and conditions are negotiated up front. We have three different processes: the direct appoint process, informal and formal.

For a formal solicitation, our process is to issue a work order. Price agreements are set up for local agencies to use, but they have to process them through ODOT, and because Oregon mandates a Department of Justice legal sufficiency review, this adds up to 20 days to our process, if it is not a complicated review. If it is a complicated review, the legal sufficiency process can take a lot longer. Then there are negotiations and handoffs back and forth, sometimes between city attorneys and county attorneys. There are a lot of factors that affect time.

CDOT: From a procurement perspective, CDOT has a similar process. We use what we call non-project specific (NPS) contracts, and we issue a task order against those for a specific scope of work. CDOT is looking at procuring NPS-type contracts and allowing local agencies to contract against them as well.

Q: In Oregon, there are certain tasks that the locals cannot be certified to do, such as ROW and environmental clearance. In Colorado, if the local agency owns the A&E contract, do they still have to go for review to the DOT?

A: Colorado has similar requirements. ROW clearance is issued by CDOT staff and environmental clearance is either a Programmatic Categorical Exclusion or FHWA action. CDOT is heavily involved in those processes from a review perspective. We also review the request for proposals (RFP). We do not review the statement of work (SOW) with the consultant. Our goal is to be involved with scoping of the project to identify any issues up front and to continue to work with the locals to make sure issues are addressed as part of project development.

Q: In Colorado, with local agencies having control over the contracts, has CDOT had any issues with their hiring consultants?

A: There are problems. It goes back to the experience of the local. A larger entity that engages in a lot of Federal-aid work can usually get a consultant under contract quickly and correctly. The local agencies with less experience struggle. If you have a very inexperienced local agency, it can take a long time to get a consultant on board and there can be issues with Brooks Act non-compliance.

Q: ODOT does the legwork for LPAs in price negotiations with consultants, and local agencies negotiate hours. In Colorado, since the local agency owns the contract, do you see different rates from different consultants across the state?

A: Local agencies negotiate their own rates and are responsible for making sure they comply with fair and reasonable industry-wide market rates. Region staff then compare rates in consultant contracts to make sure rates are relatively similar. For CDOT-managed NPS contracts (for CDOT work), we go through the same process and establish a master pricing agreement, issue task orders based on a specific scope, and negotiate the hours in the scope. In master pricing agreements with our prequalified consultants, we do see some significant differences in rates but the consultant contract is analyzed individually to ensure it is fair and reasonable.

ODOT: Local agencies are required to use ODOT rates when they are using ODOT price agreements. If they are under the certification program, they are not required to use our rates, but we make our reviewed and approved rates available to them. ODOT rates have already been audited, so it saves local agencies time and resources to use them as a starting point.

Riad Alharithi/Marion County: It is helpful to have that work done already, but on the other side, sometimes the consultants give the DOT higher rates in order to meet DOT requirements, versus the local agency requirements. Sometimes the rates could be lower, but once the consultant has negotiated rates with ODOT, it is hard for the LPAs to go back and negotiate lower ones.

Q: Does Colorado provide the local agencies with A&E contracts or templates to help get them started?

A: CDOT will provide samples upon request. We review the local's RFP and the evaluation criteria. The locals select the consultant, and we get a copy of the final contract. No templates are used.

Q: Is CDOT's process recorded in a procedure manual? Since there are no templates mandated, is it a resource issue to review all of the LPA boilerplate contracts?

A: The procedures are explained in a local agency manual, which is online. Yes, it is a resource issue to review all the different boilerplates. In most cases, CDOT relies on the expertise of the local's professional staff to make certain all federal/state requirements are met.

ODOT: We have found in our reviews that the solicitations often do not have all the federal requirements, and then we spend a lot of time going back and forth to get those added.

Consultant Certification Program Changes

Conversation Leader: Melissa Canfield, ODOT

ODOT is changing consultant procurement certification to require that, at least with the direct appoint process, LPAs use ODOT templates, because we do not have the resources to maintain all the reviews and it slows down the process. LPAs with special city or county ordinances can let us know what those are at the time of the application, and we will look at them and make sure there are no direct conflicts, and they can be added as supplemental terms. Basically, they can still have the things they need in the contract, and ODOT's review is shortened.

For consultant services, we are trying to find a win-win: How do we let local agencies do their own work, and how do we get the resources to get them certified quicker? We are piloting a process with Marion County that, if successful, will be a more streamlined process and allow LPAs to get certified at different thresholds.

A lot of cities and counties do not want to do the formal procurement process certification because they do not have those types of projects, but they do want certification for the smaller-dollar

projects. That is why we are breaking it up. Those who want to do small dollar contracts can do that, and they will need to demonstrate a certain level of expertise and make some agreements. For those who want the formal certification, we can spend our time with them and maximize our resources to help them become certified.

Mac Lynde/ODOT: We are approaching consultant certification from a level of risk management that is a parachute. We are talking about very small contracts, about very specific requirements that need to be in there, and the level of risk not only for ODOT, because we are the stewards of the funds, but also the level of risk for FHWA.

Key Point (*Mark Foster/ODOT*): You don't need a parachute to skydive. You only need a parachute to skydive **twice**. Sustainability in the program is the issue for consultant procurement.

Construction Program Certification

Conversation Leader: Marie Wright, ODOT

Marie Wright presented a list of best practices from the construction certification program: what works well and a few things that need improvement. All the items on the “what works well” list are the result of collaboration between the construction and certification programs. They work together to come up with practices to make it easier for everyone involved.

Best Practices: What Works Well

- Local agencies using state standard specifications. If local agencies adopt ODOT standards, it saves ODOT time because about half of their requirements are in those specifications.
- Checklists. These are continuously reviewed and improved.
- Local agencies submitting template documents for approval. This helps keep some concerns, particularly residency and licensing requirements, from resurfacing each time the agency turns in documents.
- Chapter and checklist should include federal requirements. Avoid dictating state “style “ to local agency. Checklists help with processing a lot of documents in a short amount of time; however, specialists tend to get locked in to the checklist, so we keep the content narrowed down to federal requirements, not state best practices.
- Require at least one person in the local agency process to obtain state certification in procurement (for states that offer this) so that they are familiar with state laws. Oregon has a state certification program, and local governments may participate in that training.
- Have a centralized location on the internet where local agencies can obtain updated documents such as DBE and EEO provisions, FHWA 1273, all of the required documents. It helps in keeping the most recent versions in circulation. The checklist includes the website link.
- Good communication between Certification Programs and Procurement Office.
- Master certification agreement. ODOT updates as improvements are identified.
- Local agency adopts state templates for their certification projects. This makes reviews faster and easier.

- Bring the following to on-site reviews:
 - Oregon Standard Specifications for Construction, if they are using ODOT's.
 - ODOT project special provisions, bid booklet and advertisement samples. Local agencies often request to see how ODOT handles certain topics; the samples include suggested language they can adopt.
 - Ad, bid and award checklist for ODOT's use as a guide in reviewing. This is the same checklist that local agencies are given up front.
 - Local agency helpful links and document list. Embedded examples, samples, links to FHWA Core Curriculum and prevailing wages, key provisions, tribal employment rights, etc.
 - Local Agency Master Certification Agreement.
 - Project Specific Agreement for the project under review.
 - Binder of state laws and agency rules. It is also available online.
 - FHWA Contract Administration and Core Curriculum.
- Obtain list of upcoming test projects.
- Moved list of items required in solicitation documents to PS&E chapter as that is where documents are assembled, so it makes more sense chronologically.

Q: Have you gotten a lot of resistance from your local agencies about using the state standards?

A: No, we have not. Our larger cities and counties have their own, but the smaller LPAs tend to use ours.

Q: For certified agencies, does ODOT review their PS&E package?

A: Yes, the certified agencies have an on-site Federal-aid specialist who is their quality control coordinator and they, along with the project manager and staff and consultants, use a checklist to assemble the package and sign it. ODOT then only needs to do a single, final, completeness review for fully certified agencies. This saves ODOT time and reduces their risk. The specialist is required for them to be certified.

Non-certified agencies doing federal projects have to go through the Office of Pre-Letting and the LAL will have to do quite a bit of review and work. This can add a month or two to the project schedule and increase administrative costs. Not only will it have to meet federal requirements, it is now an ODOT project so it has to meet drafting specs, etc., if it goes through our system.

What Needs Improvement

- Some local agencies continue repeating the same errors after ODOT has commented on them.
- Need to decide how many times ODOT will continue to review if they are finding the same problem, i.e., how long should a local agency be allowed to remain in the certification test phase if they are not making progress? This becomes a staff resource issue.

- Corrective action process needs to be more formalized. ODOT is working to come up with reasonable expectations that will be communicated to local agencies when they begin the process.
- Differing styles, approaches to certification program by liaisons in field offices.
 - Some LALS are more efficient than others: working on clarifying timeframes and expectations.
- Clarifying roles and responsibilities and timeframes. ODOT created a flow chart that is a great roadmap, but put this bullet under “What Needs Improvement” because they are still working on timeframes.
- Resources. ODOT is working on finding the appropriate amount of time for the program.
- Corrective action process. Need a more formal process to address errors, including what the expectations should be and how they should be communicated.
- Notification/tracking of test and certified projects. Every two years ODOT visits the local agency to ensure they are still meeting federal requirements.

ODOT also presented a chart that included process improvements for the noncertified portion of awarding highway and bridge projects, noting that time saved there can be redirected to work on the certification program. They estimated that the improvements are saving ODOT 511 hours of work time, \$15 thousand in costs, and reducing award processing time by one-third.

Key points: The key thing ODOT has learned as they have looked at the procurement area of the certification program is that it is important to structure their processes so that everyone involved can be successful.

--So that ODOT can be successful in certifying agencies, and it is not so resource-intensive that agencies get stuck in the process for a long time and do not get out of it.

--So that local agencies that choose to participate can have clear expectations and know what the parameters of success are, and they can be successful as they move through the program and become certified.

Basically, when it comes to procurement and A&E consultant selection, ODOT is building a better parachute that they can use to sustain the program.

Intergovernmental Agreements

Master Agreement/Supplemental Project Agreements

Conversation Leaders: Mark Foster, ODOT; Julie Redden, ODOT

When ODOT began the transition to having locals do more project management, changes were needed in the intergovernmental agreement (IGA). The master certification agreement was created using the Federal Standard Provisions as a base. Once the master certification agreement is signed, LPA's enter into a supplemental project agreement that defines the project and funding.

Julie Redden/ODOT: Federal Standard Provisions cover federal and state laws and federal regulations. Federal Standard Provisions include specifications, inspections, right-of-way, civil rights, and finance. Those are attached to a regular project agreement. Special provisions can be modified. For non-certified agencies, this is a large document. With certified agencies, they use a mutual agreement for the area in which they are seeking certification: ad, bid and award; design; contract administration; bridge design; and consultant selection.

These are modified as regulations change. ODOT indicates in the master agreement that they will be required to enter into a project agreement for particular projects. The master certification agreement also allows certified agencies to enter into agreements with non-certified agencies to perform their Federal-aid projects, just as ODOT does.

If a non-certified local agency wants to enter into an agreement with the certified agency, they still must have an agreement with ODOT regarding the federal funds. The supplemental project agreements are currently being updated with performance criteria including milestones and reporting dates, and requirements for project change requests or changes to scope, schedule, and budget if a project falls behind.

Mark Foster/ODOT: A normal, non-certified agency agreement has a timeline of six to 12 months, depending on the scope, funding, etc., and it is quite a thick document once all the federal and supplemental provisions are added. For the master certification agreement, ODOT worked with the DOJ and FHWA to get a program-level agreement between ODOT and the local agency. It took a lot of time and effort to get that through because it set the framework for the relationship. The supplemental project agreements are short and to the point. ODOT worked with the state's larger cities first and incorporated their suggestions into the format of the supplemental agreements, and some of their changes were applied to the Federal-aid standard provisions as a whole.

CDOT: Colorado has been dealing with contracting and IGA process improvements over the last couple years at a broad level, not just at the local agency level, although local IGAs are the majority. Initially CDOT thought they would have several standardized templates, not just for IGAs. The generalized template concept has been a difficult sell to the locals, but it is something we would like to implement.

Key point: A master contract helps level the playing field. It is not project specific, but this is the minimum expectation of what is needed. It is a base that everyone can agree to.

Q: For each project, do you have a different right-of-way IGA, or do you have one IGA that covers all the phases of the project? CDOT has one IGA for all.

A: ODOT used to have it all in one document, but the ROW IGA has a lot of information in it, and it was made a separate document. From a workload standpoint, it would be nice to combine them again so that LALs would not have to manage two IGAs.

Q: How does Colorado ensure that locals follow the correct ROW format?

A: On local agency jobs, the ROW process is closely watched and monitored by Region ROW staff because of the implications of the Uniform Act. The consequences of failure on the part of the local agency or on the part of the state are significant. The environmental process is similarly scrutinized. Following the correct process comes down to the individuals involved, and they take their role seriously. On a regular basis, Region ROW Managers go out and effectively advocate for ROW.

Q: If CDOT writes one IGA that combines ROW and other items, at what point do you go back and authorize spending for ROW?

A: It is IGA-specific. Some phases need a separate authorization. We would exercise an option letter.

Q: How does Washington State DOT do their certification agreement? Do they use a master certification agreement or something different?

A: (*Megan Hall/FHWA*) They have an interagency agreement they enter into with WSDOT Local Programs when they become a Certified Acceptance agency. It does not have the same level of detail as ODOT's master agreement with milestones, etc.

ODOT: Regarding milestones, ODOT is doing continued work with their local partners to determine the expected delivery and how are we working toward that so that we all meet our obligations. As we move into certification with those milestones, we do not want to be directing them, because that is why they are certified, but we do want to be informed and have a sense of when will they be delivering and what their plan is.

Q: What are some of the performance criteria being added to the supplemental project agreements?

A: Phases of work including utility, ROW and construction, the expected date to obligate those funds, and the project closeout date. Authorized project change requests trigger an IGA amendment to revise the milestone dates.

Q: If they have already spent federal funds but then are unable to deliver, how do you reimburse those funds?

A: The local agencies are held accountable, and have to repay the funds. Although there have been cases where the delay was for reasons beyond their control, and we did not require them to pay it back.

ODOT requires local agencies, both certified and non-certified, with projects with certain types of funds, especially federal, to submit monthly status reports. Those regular reports help keep major milestones from being missed by catching issues when there is still time to correct the course of the project. These are submitted electronically. It is an administrative function that ODOT has taken on not just for Federal-aid projects but also for a lottery-funded multi-modal program called Connect Oregon.

For non-certified agencies, where ODOT is doing the project, the reporting is completed by the LALs with the local agency. This helps keep the agency engaged with the project. When a certified agency delivers a project for a non-certified local agency, they write the report for them and submit it to ODOT. This contributes to risk management and helps with documentation.

Q: Does ODOT ask more of the local agencies than they do of themselves?

A: We ask more of them from an administrative standpoint. For a normal state-administered project, the Regions handle that workload, which varies among them. In lieu of having a monthly face-to-face meeting with our agency partners, we are turning more toward a procedural document.

Q: Do you do a statewide rollup of all the local projects to see how you are doing?

At a Region level, some do. On a statewide level, no. From a resources standpoint, we are not there yet. Region 2 uses a dashboard tracking tool that shows the phase and details of each project. It has been very helpful for managers who need to see the big picture. The recent, more heightened awareness of local programs has resulted in liaisons reporting to statewide management teams.

Q: Do ODOT regions have issues with receiving timely invoices?

A: There is lag at the end of the year, at the end of the biennium. Generally, the LPAs invoice quickly because they need the money.

CDOT: That is probably one of the biggest cultural differences between Oregon and Colorado. Lack of billing seems to be becoming more of an issue. The floods have been a contributor. Colorado had 86 local ER-funded projects.

ODOT inserted language in the supplemental project agreements regarding timelines for invoices for different phases of work and final invoices. ODOT finance staff asked for a cutoff on final invoices.

Language was added to the agreement stating that invoices submitted after three months will not be eligible for reimbursement. The agreement language is incorporated into ODOT's training. This helps answer their finance questions, because it is not enough to just have them sign the agreements; they need to learn how they work.

In addition to a stewardship agreement with FHWA, ODOT also has an Association of Oregon Counties—League of Oregon Cities (AOC –LOC) agreement that defines how we share our federal allocation of Surface Transportation Program (STP) funds with cities and counties. It also touches on certification as a component of delivery and how the program is structured. This sets the stage for the master certification agreement and project specific agreements.

Q: When ODOT developed AOC-LOC agreement, was it a major partnering effort?

A: There were negotiations, and these took place some time ago. This is an older agreement, and there was also a precursor shared funding element in place prior to it. It is a long-standing partnership, and it allows us to be successful in delivery of local program projects.

Q: Has ODOT had a lot of pressure to change the terms of that agreement?

A: There has not been pressure, just efforts for clarification and understanding, especially when staff changes at local agencies.

Local Public Agency Perspective

Conversation Leaders: Riad Alharithi, Marion County; Brian Martin, City of Salem; Lisa Nell, ODOT; Sam Hunaidi, ODOT; Scott Adams, ODOT

For this portion of the peer exchange, local agency representatives and ODOT region staff were invited to share their perspectives of how the certification program works within the local agency program.

Brian Martin/City of Salem: We are currently going through the certification process and everything is going well. From our perspective, the long duration of the consultant selection process is what pushed us to want more control and to get certified. ODOT staff did a great job, but we wanted to be the owner of the contract to improve our ability to work with contractors.

Mark Foster/ODOT: The City of Salem also has an excellent Title VI plan in place, and ODOT was able to use some of it as well, so certification is also a benefit to the state in learning from other agencies.

Riad Alharithi/Marion County: The way we pitched the certification program to our elected officials was that we would have control over projects and could deliver them faster. Our elected officials want to deliver to their constituents in a timely manner, and also a little cheaper, although ODOT still charges to the project when they touch it. We can use our own AASHTO design standards and

be a little more flexible and be in control of design exceptions and of procurement for the A&E contract, which saves us time. We had to develop a Title VI plan and a quality control plan, so the certification process also helped us structure our processes for our local projects.

Q: Did you have to staff up or add resources to be certified?

Riad Alharithi/Marion County: For certification purposes, no, we did not add additional staff but we needed to be more cognizant of the processes since we own the contract and the risk associated with it, so additional training needed to be done and we hired a consultant. This results in costs before and after certification being similar due to the way Marion County allocates matching funds.

Brian Martin/City of Salem: We are in the process of hiring someone to take care of our contracts because we have found there are areas where we need to add expertise.

Q: Did you find that going through the certification program highlighted what you maybe already needed for some of your own local projects in terms of resources or staff qualifications, or is it merely a workload issue?

Brian Martin/City of Salem: It is extra work, but we also do not have some of the qualifications or the people with the expertise for the Federal projects because it is more involved and they need more training.

Riad Alharithi/Marion County: In comparing federally funded projects, certified versus non-certified, we are not as fast with our certified federally funded projects as we are with our local projects, but we are halfway between that and where we used to be.

Q: When you go through the certification process and the test projects, what would you say is the proportion of it that is the local agency showing the DOT that they know how to do and can be trusted to do the projects, and how much of it is the local agency going through the projects to learn the gaps that they have so they can do it themselves?

Brian Martin/City of Salem: Probably a little of both. We are learning as we go, but we are not certified yet either, in fact we are embarking on our first test project.

Riad Alharithi/Marion County: ODOT looks at the certification program statewide and tries to be consistent in applying their requirements across the state. That makes it difficult for our agency because we have to jump through some hoops that probably are not otherwise needed because we have proven ourselves. There is some flexibility, but then there are bumps from other agencies, so I would say it is both.

ODOT: One of the things we did with Marion County and the City of Salem, since they were both going through growing pains at the same time, is have several combined training sessions. We had City of Salem, Marion County, Region, LAL and other staff in the room at the same time with staff

from civil rights, or Title VI or construction (quality control compliance specialist) and we went through these items. By combining them into user groups and doing the training at the same time, they could share information and network with each other as these localities are in close proximity.

CDOT: It is interesting that some other certification programs around the country require the local agency to come in and prove that they can do the work up front as part of their interview process.

Mark Foster/ODOT: We do have prerequisites. One example is the work that we do around Title VI. We have confidence in, for example, these two agencies to deliver the work. But for something specific like Title VI that is very unique to Federal-aid project delivery, we are at the table with them helping them work through their plan. To me that is the partnership role we can offer. I think that is where the balance is. Consultant selection is a probably the prime example of where this happens. How much are we going to do this iterative process before we say, are you really qualified to be doing this work? And, do we have a process we can sustain? Does ODOT have the resources to get them certified and is the local agency willing to expend the resources to continue working on this, are we just going to say you need to come to us with your ticket for certification and we will approve or deny you?

ODOT: We have had agencies that did not have the composition or the expertise seek the certification option. But most generally know up front whether or not they can handle that. Those who mostly come forward and are interested are those that have the staff and the depth and breadth of knowledge and expertise.

Steve Markovetz/CDOT: One of the things that is dawning on me is this is not just a certification program, it is almost a mentoring program. The reality of it is you take the ones who are willing and able and work with them to get them to a point where they can work relatively independently.

ODOT: It is a mentoring program that works both ways. A lot of people have the impression that we are helping and fostering them along, but at the same time, we are gaining a much better understanding of how they do their business. Where ODOT may have some preconceived notions going in about the way things need to be done, they have shown us where that is not necessarily the true picture. So it helps in finding a balance and in really learning from each other.

Steve Markovetz/CDOT: This has to be a big part of the selling of the certification program.

Riad Alharithi/Marion County: From a business standpoint, for example, if you want to do business for Microsoft, you have to have certain certifications from them. You have to do their training and pass a test for that certification. Then you do continuing education so that you can continue to deliver projects under them. Federal funds come with certain strings attached. If I'm an expert on knowing those strings, how to do projects with less risk to FHWA, and I can do it in a faster way, then that is the best thing to do. When I go to the Board, I tell them I am developing expertise to deliver this project and to get federal funds, not only for them but for our county and cities within

the county. I am being a good steward for our county funds and for smaller cities within the county. That works well for us.

Sam Hunaidi/ODOT: I agree with Riad. In Region 1, I have both certified and other local agencies going through the pilot program. A lot of times the way they interpret the program and their way of thinking causes problems in delivering those projects because some only think of it in terms of getting money. Some local agencies are the opposite, they like the money, but at the same time they want to deliver a program that will achieve their goal for that project.

Q: In maintaining the program, if there are changes in laws and regulations, how is that information shared and communicated and formally implemented?

Joanna Robert/ODOT: We have done a lot of work on communication and communication structure for things that affect local programs. We are connected with a lot of various groups whom we meet with often. We email our LALs and ask them to connect with the agencies they are working with on projects as another means of reaching out to them. I think there is still work we can do there to formalize some of the communication structure and make sure we are reaching everyone we need to reach. Occasionally I get feedback from locals that there are gaps.

Sam Hunaidi/ODOT: For information that needs to be shared, we have a mailbox slot for all the local agencies. We use that to send it them to keep a record that we have informed them. If they are interested they are responsible for asking for more details.

Mark Foster/ODOT: In terms of communication, different examples, for ADA we really relied on our local program committee to distribute information and provide feedback and guidance. We rely on our Region staff, on our LALs. They are a central point of contact and help to funnel all of this information. They should be the person to go to for the local agency. We also use Govdelivery to push website updates etc. and people can subscribe for updates.

Joanna Robert/ODOT: Also, email is information but it is not always communication. Sometimes you need a call or a face-to-face meeting. We are making it part of our culture to communicate openly and early.

Q: Does Colorado use their LTAP Center to help communicate with the locals?

A: We attempted to use that avenue early on as a way to do some outreach. But Colorado's LTAP is so small (2 people) compared to other states, that it has not proven to be an effective venue. We are considering also using Colorado Municipal League and the Colorado Association of Counties as good avenues to talk about some of the things we are doing.

Q: For the LPAs, from your experience in receiving communication, what seems to be working well and what remains challenging or where are the gaps?

Brian Martin/City of Salem: The emails seem to work best, because when they go out they reach more people verses going through local groups.

Riad Alharithi/Marion County: It works well. We received multiples emails from multiple people. Communication is not an issue.

Scott Adams/ODOT: From an LAL perspective, it has gotten better over the years. It used to be tough. LALs get emails often, and we turn around and send it to the appropriate people at the local agencies as well as to consultant staff. They may get the information from other sources too, or they may not. We are using a little bit of a snowball effect, but it is a lot better than it was.

Q: When we own the contract on the construction end, we pay a large amount up front and wait for reimbursement. We would like to see an integrated, electronic system between the fed, DOT, and local agencies so reimbursements and cash flow will go faster and there will be less overhead. Do you have similar challenges?

A: *Cathy Cole/CDOT:* If the Request for Reimbursement is submitted correctly and with all supporting documentation, the processing of the Request takes a minimal amount of time. One feature of the new tracking tool incorporates online submittal of reimbursement requests. The local completes the online reimbursement request form, uploads all supporting documentation, and submits to CDOT. CDOT reviews online. Communication occurs back and forth if there are changes needed, and then the submittal is forwarded to the business office. Some offices still require a hard signature approval from the LACs or project managers, but our goal is to move toward all electronic signatures and ultimately, integration with CDOT's financial program, SAP. After payment, the submittal will be stored permanently in our department-wide online storage system.

Joanna Robert/ODOT: ODOT has a lot of legacy systems, and there are security issues with their age and the language they are coded in, those two things together make IT challenging.

Mark Foster/ODOT: A lot of energy is being put into the process of moving paper. I think there is opportunity. As we look at the vision of Local Programs and partnerships we are building, I think the potential for improvement is clearly there, it will depend on resources available.

Q: Are there any differences in Environmental Permitting as a whole between certified or non-certified agencies?

A: The basic NEPA process still has to come through ODOT. There is no certification process for NEPA. If it is a non-certified agency, it is an ODOT project. For the certified agency, their name is on the permit. There is no certification process for NEPA. The permits are in their name but the NEPA signatures are under an ODOT programmatic CE or FHWA action.

Q: Who is responsible if the permit is violated?

A: If it is a NEPA mitigation, ODOT would be in the mix, but the local permits such as noise variance are all in their name. The same is true for Civil Rights; they still have to check in with ODOT, as to whether there will be a goal. So ROW, Civil Rights and NEPA are the three areas where, regardless of certification, LPAs still have to check in with the DOT.

Q: There is no difference in certified and non-certified?

A: The difference is who is administering the project. A certified agency would have their own staff inspecting it and they would be the ones finding out if there is a permit violation. For noncertified, we would typically have a consultant doing the administration of the construction project on behalf of ODOT, or at times there are some ODOT project managers who will take care of that, too.

CDOT's Risk Assessment Tool

Conversation Leaders: Steve Markovetz, CDOT; Cathy Cole, CDOT

CDOT recently developed a new risk assessment tool as a result of the governor's "LEAN" initiative to improve processes in all state agencies. The Virginia DOT has a risk assessment methodology for local agency projects in place, which CDOT borrowed from and customized. It was eventually adopted for wider use in the organization.

In addition, CDOT's Local Agency Coordinators (LACs), which are analogous to ODOT's Local Agency Liaisons (LALs), wanted a project-tracking tool that would allow them and CDOT to see major milestones and progress. Headquarters funded the effort to hire a consultant who developed a Chrome-based web app built on a platform called Salesforce. An LAC working group listed big picture functional requirements for the developer, who only took about six months to roll out the first edition. Application developers move faster than software developers do, so choosing to develop an app rather than software helped make it successful thanks to the shorter timeline.

CDOT presented the internal and external sides of their app, the **Navigate: Project Tracking and Implementation Guidance Portal**, and walked through a project as an example for ODOT. ODOT is heading in this direction in terms of managing data and what they would like to have available to their local agency partners.

Navigate is available on the web but a license is needed to access it. The tool has an internal facing side and external facing side. LACs can input their project information internally, and then activate the project in the portal. External users then have access to modify their own projects.

CDOT headquarters never required its use. The Regions liked and adopted it on projects going forward. It is being used on all local agency flood projects and is gaining acceptance and inquiries for use by other CDOT projects.

Lesson learned: Good ideas come out of local agency programs that may have broader use within your organization.

Q: What was the cost to develop?

A: For the initial effort, CDOT paid the developer \$200K. Including licensing and modifications, it was \$300K.

Q: Who enters the status updates and where does the data come from to populate this? Can data be populated from MS Project or Excel?

Right now, this App does not talk to our financial program, SAP. It is largely an institutional barrier. We actually found out about tracking tools like this from the Aeronautics Division of CDOT. They used the same developer and Salesforce platform for tracking airport grants. Aeronautics is now going through the process of integrating with SAP, so while we let them go out in front for a few months, we are doing manual entry. Eventually, we will have SAP integration.

The current manual entry has help screens, and the more knowledge we build in, it almost becomes a way to help walk someone through how to do a local agency job. Once primary contacts are populated, the tool sends them an email to notify them when there is new information.

By populating certain basic information, such as budget, type of job, team experience and proficiency, it helps develop the risk score. It is very automated, but not meant to replace human conversation. It is a way to evaluate, but does not take away judgment.

Navigate includes electronic signatures and certifications and requests for reimbursement. One of the benefits is there is no need to install software on computers, the database is in the cloud and users just need a license to access.

It includes extensive reporting capabilities and nice graphic representation of data, and data sorting. The notification feature is powerful. Summary reports can be downloaded to Excel.

Q: Does anyone check to make sure the information is entered correctly?

A: As always, you have to do a little of your own QC. When we get to SAP integration, it will probably be subaccount based and do some self-populating, which will help.

Q: Are there certain places with no modification allowed?

A: Yes, there is some of that, but there is still a lot of interactivity. In the future, we may add links to support ongoing training or staff turnover.

Q: How much is license per seat?

A: The portal license is \$200 at the government rate. The administrator license is \$425, and CDOT buys a certain number for the regions. State and local agencies can buy licenses at the government rate.

Q: How long does it keep data? Do local agencies have access to the data after a project is closed out?

A: There is an archival system built in. As long as you have an active license, you can access the data. Once a job is finished, if you do not have another project, CDOT deactivates the license. However, at any given time, CDOT has spare licenses for use. At project close, a person can also download all the project level information from the tool.

Q: Was it a hard sell?

A: No, it came directly out of the LEAN initiative and had high-level support on the executive committee. The developer, Vertiba, was already on board with Salesforce in the Aeronautics Division.

ODOT: This is the value of peer exchanges. This is the value of sharing these types of experiences. It keeps us from having to recreate the wheel. Kansas is using an app developed by Vanguard that helps forecast revenue. ODOT adopted it as well and is about to see resources savings.



Meeting attendees inside the Oregon State Capitol building at the close of the Peer Exchange.

Concluding Remarks

Joanna Robert thanked everyone for a fantastic two days and remarked that she had learned a lot. She documented the meeting with photos and provided them for this report. Mark Foster thanked the participants for traveling to Oregon to exchange ideas and experiences. He expressed appreciation to the Colorado participants for the posters they gave the Oregon DOT and for presenting information on their risk-based approach to oversight on locally administered Federal-aid projects. He and Cathy Cole plan on exchanging more information in the near future.

Appendix A: Peer Exchange Agenda

Peer Exchange Colorado DOT and Oregon DOT – Local Agency Program Day 1

7/23/2014

1:00pm – 5:00pm

FWHA Oregon Division Office – Salem, OR

Time	Topic	Presenter / Participants
1:00 – 1:15	Welcome and Opening Remarks Introductions	Phil Ditzler, DA FHWA OR Division Office All
1:15 – 1:30	CDOT Background & Expectations for Peer Exchange	<i>Conversation Leader:</i> Cathy Cole, CDOT
1:30– 2:30	ODOT & CDOT Organization, Local Program Structure & Federal Funds Distribution Organization Charts	<i>Conversation Leader:</i> Mac Lynde, ODOT Jeff Flowers, ODOT Steve Markovetz, CDOT
2:30 – 2:45	Break	All
2:45 – 3:45	Certification Program Overview Benefits DOT Resources Required How a resource constrained agency can implement a Certification Program?	<i>Conversation Leader:</i> Mark Foster, ODOT
3:45 – 5:00	Certification Program Implementation How was the program implemented? What worked? What didn't work? LAG Manual Decision to split into Certified and Non-certified Resources required keep it up to date Forms	<i>Conversation Leader:</i> Mark Foster, ODOT
-	Adjourn	-

Peer Exchange Colorado DOT and Oregon DOT – Local Agency Program Day 2

7/24/2014

8:00am – 2:00pm

FHWA Oregon Division Office – Salem, OR

Time	Topic	Presenter / Participants
8:00 – 8:15	Introductions	All
8:15 – 9:15	Procurement Price Agreements and Work Order Contracts LPA Certification in Procurement Methods A&E Construction	<i>Conversation Leaders:</i> Melissa Canfield, ODOT Mark Foster, ODOT
9:15 -9:45	Intergovernmental Agreements (IGAs) Master Agreement Supplemental Project Agreement	<i>Conversation Leaders:</i> Mark Foster, ODOT Julie Redden, ODOT
9:45 – 12:30	Local Public Agency (LPA) Project Delivery Certified LPAs LPAs in Certification Process Non-Certified project delivery *Working Lunch FHWA Oregon Division Office	<i>Conversation Leaders:</i> Dan Layden, City of Portland Brian Martin, City of Salem Riad Alharithi, Marion County Lisa Nell, ODOT Sam Hunaidi, ODOT Scott Adams, ODOT
12:30 – 1:15	Coordination with Others AOC, LOC, OLPC, ACEC, APWA EDC2: Stakeholder Partnering	<i>Conversation Leader:</i> Joanna Robert, ODOT
1:15 – 2:00	Learnings from Peer Exchange What could Colorado DOT apply from our discussions? What could Oregon DOT apply or benefit from Colorado's program?	All
Adjourn		

Appendix B: Peer Exchange Participant List

Colorado

- Cathy Cole, CDOT
- Shaun Cutting, FHWA
- Steve Markovetz, CDOT
- Herman Stockinger, CDOT
- Richard Zamora, CDOT

Oregon

- Scott Adams, ODOT
- Riad Alharithi, Marion County
- Melissa Canfield, ODOT
- Jeff Flowers, ODOT
- Mark Foster, ODOT
- Butch Hansen, ODOT
- Sam Hunaidi, ODOT
- Julie Infante, ODOT
- Mac Lynde, ODOT
- Brian Martin, City of Salem
- Mike Morrow, FHWA
- Lisa Nell, ODOT
- Julie Redden, ODOT
- Kim Rice, ODOT
- Joanna Robert, ODOT
- Marie Wright, ODOT

Washington State

- Megan Hall, FHWA

FHWA Resource Center, Atlanta

- Michael Smith, EDC Team Lead

Appendix C: Resources

ODOT and CDOT Local Agency Programs Website Links

ODOT Local Agency Guidelines Manual

<http://www.oregon.gov/ODOT/TD/AT/Pages/LAG.aspx#top>

ODOT Statewide Programs Unit Certification Program Web Page

<http://www.oregon.gov/ODOT/HWY/LGS/Pages/Certification.aspx>

CDOT Use of Risk Assessment in Oversight of Local Agency Projects

https://www.codot.gov/business/designsupport/bulletins_manuals/local-agency-bulletins/2013-1/view

CDOT's NAVIGATE Project Tracking and Implementation Guidance Portal

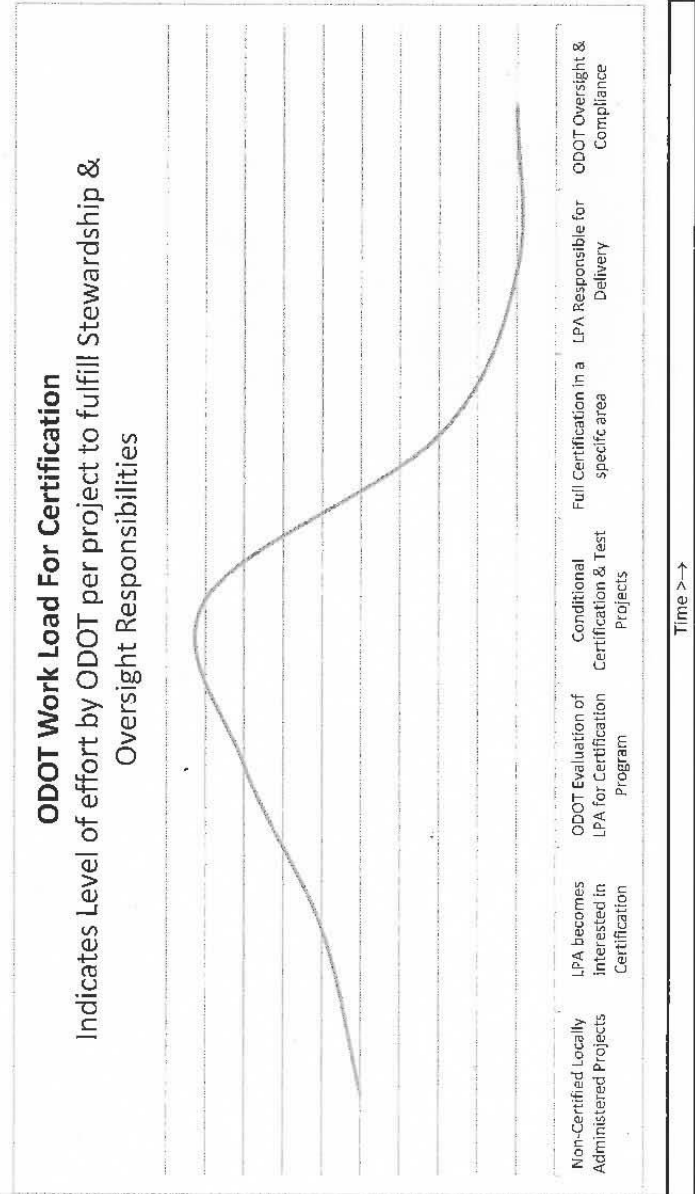
<https://www.codot.gov/business/localagency/navigate-project-tracking-and-implementation-guidance-portal>

CDOT Right-of-Way Supplemental Information: Qualified Appraisers

<http://www.coloradodot.info/business/manuals/right-of-way/Supplemental%20Information>

Meeting Handout: ODOT Work Load for Certification

For Illustrative Purposes Only



Meeting Handout: Best Practices for Local Agency Certification – Ad, Bid, and Award of Highway/Bridge Construction Projects



Department of Transportation
ODOT Procurement Office - Construction
455 Airport Rd. SE, Bldg. K
Salem, Oregon 97301-5348
Voice: (503) 986-2969
Fax: (503) 986-6910

Local Agency Certification Ad, Bid, and Award of Highway/ Bridge Construction Projects

Best Practices/ What Works Well:

- Local agency use of state standard specifications
- Use of checklists
- Local agency submits template documents for approval
 - Advertisement
 - Project special provisions
 - Bid booklet (often contained in the project special provisions)
- Chapter and checklist should include federal requirements, avoid dictating state “style” to local agency
- Require at least one person in local agency process obtain state certification in procurement if available
- Centralized location on internet where local agency can obtain updated documents such as DBE and EEO provisions
- Good communication between Certification Program and Procurement Office
- Master certification agreement
- Local agency adopts state templates for their certification projects
- Bring the following to on-site reviews:
 - Oregon Standard Specifications for Construction
 - ODOT project special provisions, bid booklet and advertisement samples
 - Ad, bid and award checklist
 - Local Agency Helpful Links and Documents list
 - Local Agency Master Certification Agreement
 - Project Specific Agreement for project under review
 - Binder of state laws/ agency rules
 - FHWA Core Curriculum
- Obtain list of upcoming test projects

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U.S. Department of Transportation
Federal Highway Administration