

LOCATION AND DESIGN DIVISION

INSTRUCTIONAL AND INFORMATIONAL MEMORANDUM

GENERAL SUBJECT: 2-TIERED APPROACH TO PROJECT OVERSIGHT	NUMBER: IIM-LD-249.3
SPECIFIC SUBJECT: TIER 1 / TIER 2 APPROVAL PROCESS	DATE: OCTOBER 25, 2013
	SUPERSEDES: IIM-LD-249.2
APPROVED:	B. A. Thrasher, P.E. State Location and Design Engineer Approved October 17, 2013

Changes are shaded.

CURRENT REVISION

- The note on sheet 2 under "Tier 2 = Central Office Reviews and Approvals Required" was revised to read **"All Routine Maintenance and Operations Projects defined under Tier 1 which are FO shall use the Tier 1 Title Sheet, but shall be submitted in accordance with the Tier 2 Advertisement Cut-Off Schedule and Submittal."**

EFFECTIVE DATE

- This memorandum is effective upon receipt.

Risk, Process and Controls of the 2-Tiered Approach to Project Oversight in VDOT

- Appropriate FHWA oversight authority and Tier 1 or Tier 2 project oversight will be determined at Project Scoping.

Using the 2-tiered approach, where:

1. Tier 1 = No Central Office Reviews or Approvals Required.
 - a. Non-Federal Oversight (NFO) *Routine Maintenance and Operations Projects (regardless of dollar amount);
 - b. All SAAP projects;
 - c. All NFO Construction Projects < \$5M Construction Cost, and
 - d. All NFO Preventative Maintenance Projects < \$5M.*Routine Maintenance and Operations projects include:

A. PM – Preventive Maintenance

- Latex Overlay, Slurry Seal, Surface Treatment, Crack Seal

B. CM1 – Corrective Maintenance with no elevation change

- Plant Mix, < 2” mill and fill, partial depth patching
- No change in elevation, no shoulder widening

C. CM2 - Corrective Maintenance with elevation change

- Plant Mix, < 2” mill & fill, partial depth patching
- Change in elevation or shoulder widening

D. RM - Restorative Maintenance

- Full depth patching
- < 4” overlay

E. Bridge Maintenance

- see IIM-S&B-19, which can be accessed at <http://www.virginia-dot.org/business/bridge-ii-memoranda-index.asp>.

F. Traffic Engineering Division Regional On-Call Projects

- Maintenance
- Operations

2. Tier 2 = Central Office Reviews and Approvals Required.

- a. All Federal Oversight (FO) Construction, Routine Maintenance and Operations Projects;
- b. All NFO Construction Projects > \$5M Construction Cost, and
- c. All Projects procured as Design Build

Note: All Routine Maintenance and Operations Projects defined under Tier 1 which are FO shall use the Tier 1 Title Sheet, but shall be submitted in accordance with the Tier 2 Advertisement Cut-Off Schedule and Submittal.

Tier 1 (No Central Office Reviews or Approvals Required) – These projects are considered to be the smaller, less complicated projects that have fewer risks, fewer right of way impacts and fewer construction impacts than the tier 2 projects. No VE would be required, nor will the Design Approval be accomplished in the Central Office. They would typically mirror the Category M (Maintenance), I and II and some Category III projects, and also including, but not limited to:

- Very low to medium complexity and schedule risk
- Short duration, straightforward operations, typical single season and schedule type work
- Simple repairs, multiple locations, flexible schedule
- Familiar work, favorable conditions
- Limited number of concurrent operations
- Simple low risk rehab projects
- Drainage improvements
- Trench Widening projects
- Maintenance project schedule work (Pavement, Bridge and Guardrail)
- Intersection improvements, including signals
- Signal improvements or installation
- Minor reconstruction projects
- Turning lane addition
- Bridge/Culvert projects
- Pavement Markings and Markers

Risks –

- Potential for inconsistencies in Statewide application of policies, procedures and standards –
 - On-time and accurate project Scope
 - Types of Public Involvement
 - Omission of Design Waivers and Design Exceptions requests and approvals
 - e request and approval of Complete and accurate advertisement packages
- Potential for inconsistent contract clauses and/or SPCN's, including contradictions between bid items, provisions and plan notes, creating claims and/or work order situations.

Process –

- Preliminary Engineering Approval
 - Project will be developed in the district following **all** established VDOT policies, procedures and standards to ensure consistency throughout the state.
 - The districts will have full approval authority for these projects, with the oversight authority being fixed at the project scoping, except that federal authorizations and funding verifications must be obtained from Central Office Programming Division by the District Planning and Investment Manager (PIM).
 - There will be no CO involvement in the project approval process except for deviations from AASHTO minimum standards, environmental issues, R/W authorization and submissions to the Commonwealth Transportation Board or Commissioner for award.
 - A change in the project oversight responsibility (Tier 1 to Tier 2) from the District to the C.O. will be discussed when:
 - There is a significant change in scope during project development and/or
 - The construction cost of the project increases during development to exceed \$5M and/or
 - Both the District and the appropriate Assistant State Location & Design Engineer agree that there is a reason to change oversight. After the

change in oversight has been agreed upon, the District Project Development Engineer shall formally request approval of this change via email from the appropriate Assistant State Location & Design Engineer.

- Right of Way and Utility Approval
 - District obtains the Environmental Re-evaluation and completion of RW-301 process
 - District PIM obtains Federal Authorization if not already obtained at NEPA Complete, Funding Verification PD-4 from Central Office Programming Division prior to signing the Title Sheet for Funding Confirmation (PCES Estimate & iPM Schedule Data will be utilized).
 - District Project Development Engineer signs the Title Sheet for Engineering Compliance
 - District Administrator signs Title Sheet & LD-96 for R/W approval (Commissioner's delegation). CO L&D gets signed Title Sheet for archiving.
 - R/W plans and plats posted to FALCON
 - Assembly (LD-96, LD-406, LD-368 and PD-4) to CO R/W&U for R/W assignment and issuance of Notice to Proceed with R/W acquisitions and Utility relocations.

- Construction Approval
 - District PIM obtains funding verifications for advertisement from Central Office Programming Division prior to signing Title Sheet for Funding Confirmation
 - District Project Development Engineer signs the Title Sheet for Engineering Compliance
 - District Administrator signs Title Sheet and Project Certification Checklist and recommends for Advertisement

- The districts will submit complete plans and estimates to Scheduling and Contract Division for contract assembly to ensure compliance with Virginia Public Procurement Process. No CO L&D involvement is required.
 - Construction contingencies on Tier 1 projects will be 5% maximum.
 - Federal Authorization for both advertisement and award will be obtained following existing procedures in Scheduling and Contract and Programming Divisions.
 - Scheduling and Contract Division will obtain funding verifications for award from Central Office Programming Division.
 - At a future date, the process may include the districts submitting the completed contract assembly directly to Scheduling and Contract Division.

Controls –

- Quality Assurance (QA) will be performed on 10% of the projects after advertisement
- QA will be performed by L&D and/or S&B for the plans and policy compliance and Scheduling & Contracts for the Specifications, estimates and contractual components
- Develop reporting system to monitor work orders (type, severity, reason, cost, etc.)
- Re-visit format and reporting of DQI (Design Quality Index) process to coincide with new controls

- Establish parameters for scoring of “non-compliance” and the consequences by which to measure (budget, schedule, safety)
 - Determine what level of schedule and budget variance is acceptable
 - Suspension of ability to use the de-centralized process

Tier 2 (Central Office Reviews and Approvals Required) – Follow all existing policies, procedures and processes, which include CO reviews and approvals in several stages of the project development process. These projects typically have more complicated MOT plans and more complex construction issues. There are typically more right of way impacts. They typically mirror the Category III, IV and V projects. Typical Tier 2 projects would include, but are not limited to, the following:

- All projects identified at Scoping as Design Build
- Medium to high complexity & schedule risk
- Special Provisions for special time-related conditions, such as I/D Contract interim milestones, A+B bidding, etc.
- Multi-season projects w/multiple concurrent operations and work paths
- Challenging work and conditions
- Several major subcontractors, multiple crews
- Major reconstruction/realignment
- New roadway/bridge construction not meeting the criteria for Tier 1
- Major intersection improvements
- Large, very complex single-contract projects
- Multiple roadways, bridges, and ramps
- Multiple-contracts program-level projects (Mega-projects)
- Multiple major phases
- Typically combinations of multiple Category II, III, & IV projects
- Multiple General Contractors
- Major traffic impacts (e.g. Springfield Interchange, Woodrow Wilson Bridge)

Risks –

- Potential for inconsistent contract clauses and/or SPCN's, including contradictions between bid items, provisions and plan notes, creating claims and/or work order situations.
- Loss of “track ability” of project once submitted.

Controls –

- A simple system for measuring turnaround time for Central Office reviews.
- A simple system for measuring turnaround time for Contract development.
- A simple system for measuring accuracy for Contract development.
- A simple system for tracking project submissions.

DISTRICT PROJECT CERTIFICATION CHECKLIST FOR TIER 1 PROJECTS ONLY

District Project Certification Checklist has been combined with the District Work Sheet and is now Form C-402A, which can be accessed at:

<http://vdotforms.vdot.virginia.gov/SearchResults.aspx?strFormNumber=C-402A>

2-TIERED APPROACH TO PROJECT OVERSIGHT FLOW CHART

