



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

JAMES H. TROGDON, III  
SECRETARY

March 2, 2018

Mr. John F. Sullivan, III, PE  
Division Administrator  
Federal Highway Administration – NC Division  
310 New Bern Avenue, Suite 410  
Raleigh, NC 27601-1418

Dear Mr. Sullivan,

Please find attached the final report for the STIC funded NCDOT project to explore developing a Local Public Agencies (LPAs) certification program.

The North Carolina Department of Transportation (NCDOT) Local Programs Management Office (LPMO) successfully submitted an application for a STIC grant in 2014 to explore this topic in order to allow LPAs to assume more responsibilities to deliver locally administered projects. The project began in mid-2016 and was completed in September 2017. The attached report summarizes the project, its accomplishments and lessons learned.

The Department appreciates the opportunity to work with our Federal partners to improve the transportation delivery process for our citizen in North Carolina.

Please contact Mr. Steven Hulsey, PE should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
*Jimmy Travis*  
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Jimmy L. Travis, PE  
Director, Transportation Program Management

cc:

Mr. Steven Hulsey, PE, w/atta.

Ms. Marta T. Matthews, w/atta.

# Development of an NCDOT LPA Certification Program

## *STIC Incentive Project - North Carolina Department of Transportation*

*Final Report  
February 28, 2018*

### **Description of Project**

The Local Programs Management Office (“LPMO”) within the North Carolina Department of Transportation (“the Department”) was interested in exploring development of a certification program that would allow Local Public Agencies (LPAs) to assume some of the responsibilities for locally administered projects currently assigned to the Department. The certification program would help the Department and LPAs determine if the LPAs meet requirements to administer federal-aid projects and ensure they have the expertise and process necessary to meet these requirements. The Department would benefit from the reduced oversight of LPAs that would be certified to administer projects.

The technical approach to the project was broken into three tasks with subtasks:

1. **Program Development** - *Development of prequalification standards, application, procedures, and Guidance; Program Implementation Plan and Program Evaluation Plan for LPAs that administer NCDOT funded project for Phase 1 – Prequalification*

- Conduct a national search and create a synthesis of existing precertification programs conducted by other state DOTs
- Identify minimum base prequalification requirements
- Develop Prequalification Program Implementation Plan
- Develop Program Evaluation Plan

**DELIVERABLES:** Prequalification Requirements, Application, and Procedures; General Prequalification Guidance Documents; Prequalification Web Page; Program Implementation Plan; and Program Evaluation Plan

2. **Training Development** - *Identify and development of required training for LPAs that administer NCDOT funded projects for Phase 1 – Prequalification*

- Create a training curriculum for LPAs for Prequalification including training materials and program administration recommendations

**DELIVERABLES:** Training Curriculum, Required Training Courses, Prequalification Web Page, Training Web Page

3. **Implementation** - *Assist in the implementation of Phase 1 – Prequalification for LPAs that administer NCDOT funded projects for Phase 1 – Prequalification*

- Assist the Department in determining what is required to implement and how implementation should occur for Phase I Prequalification

**DELIVERABLES:** Prequalification Web Page Launch, Prequalification Training Web Page Launch, Communications Plan, Training Schedules (as permitted).

**Budget**

The budget for this project was \$125,000.00 and the project stayed within budget. The Project received authorization for \$100,000.00 in National STIC Incentives Program funding and the Department providing \$25,000.00.

The budget considered the efforts of LPMO and its consultants working within the proposed timeframe. The actual budget included the following:

	CONTRACT VALUE	PERCENT COMPLETE	AMOUNT PAID
Task 1: Program Development	\$ 37,145.48	100%	\$ 37,145.48
Task 2: Training Development	\$ 53,948.43	100%	\$ 53,948.43
Task 3: Implementation	\$ 33,272.63	100%	\$ 33,272.63
<b>Grand Total</b>	<b>\$ 124,366.54</b>	<b>100%</b>	<b>\$ 124,366.54</b>

A Purchase Order Contract for this work was issued at a lump sum and the final costs were \$124,366.54, as bid. A total of \$99,493.23 in Federal STIC funds were utilized along with the 20% State match of \$24,873.31.

**How the Work Specifically Meets the Program Criteria**

If implemented, the following Goals and Objectives would help meet the Criteria for the Program:

1. Improve the delivery and compliance of locally administered projects by:
  - **Reducing the delivery time** for locally administered projects
    - ✓ Better estimates
    - ✓ Better schedules
    - ✓ Effective project management
  - **Produce high quality deliverables from LPAs and Consultants** to ensure compliance with standards, timely delivery, and on budget project completion:
    - ✓ Preconstruction (environmental documents, right of way documents, plans and proposals)
    - ✓ Construction (record keeping, materials certification, etc.)
  - **Improve Scoping** for Projects
    - ✓ Identify potential pitfalls and problems up front (related to environment, right of way, utilities, schedule, budget)
  
2. Reduce NCDOT's administration efforts for locally administered projects:
  - Make **process easy and understandable**
  - Ensure **consistency by Staff**
  - Develop mechanism for **regular feedback from LPAs**

**Results of the Project**

The project resulted in the development of a draft LPA Certification Program that included a proposed application to assess LPAs ability and knowledge of federal-aid project delivery requirements; recommended options for developing a program; a training plan based on FHWA's existing Federal-aid project Delivery Course ("Federal-aid 101"); and a cost and implementation plan.

The project initially included implementation of certain training materials and a web page. However, as development of the plan occurred, additional considerations for training became apparent and the firm was directed to focus on helping determine what training was needed through

the development of a pilot training session. The pilot training utilized the Federal-aid 101 course materials and a long-time FHWA trainer (Dane Ismart) to deliver the training. The audience consisted of approximately 30 representatives from a variety of LPAs (size, geographic location, previous experience) and other Departmental staff who work with LPA projects.

The pilot session identified changes that needed to be made to the training materials in order to make them more effective for LPAs in North Carolina. Emphasis on detailed Federal requirements that are applicable to typically large-scale transportation projects was seen as excessive, as most LPA projects tend to be smaller scale and lower costs and not located on the National Highway System. On the other hand, detail on the Department's standards and requirements for LPA projects needed to be enhanced and explained in a "plain English" manner. The training also identified another opportunity for education through the development of a high-level but accessible overview of Federal-aid project delivery. The audience for this training would be elected officials and higher level managers of LPAs who often only hear the benefits of the funding, without fully comprehending the requirements involved with Federal-aid funds.

## **Challenges**

The Department faced challenges in the procurement of services as the work was not a typical engineering or construction contract work and therefore needed to go through a state-mandated procurement process. As a result, there were multiple delays in order to advertise the solicitation. The Department only received two proposals for the project and, after reviewing the submissions and selecting one of the firms, there was a further delay in giving a notice to proceed. Thus, the team proposed by the firm initially was modified due to other commitments the firm had.

From a customer perspective, the Department faces many challenges implementing an LPA certification program. While the local public agencies may see the advantages of a program, the challenge will be how to mitigate the turnover at the LPA level and varying levels of interest, commitment and ability. In the past, federal funding has been made available to any Municipality in North Carolina who is an eligible recipient, without regard to size, staffing, or knowledge of federal-aid funding requirements. Implementing a training program may result in limiting access to funding, which would be perceived negatively from the affected LPAs. The Department also faces the challenge of developing more useful training; hosting it on a regular basis; and tracking LPA participation to ensure the LPA can actually deliver the project in accordance with the requirements.

The Department also faces internal challenge when staff does not comprehend the different oversight needed for a locally-administered project versus a Department-let project. Finally, some responsibilities delegated to the Department by FHWA cannot be further delegated to the LPAs.

## **Lessons Learned**

The effort has highlighted some of the challenges that the Department faces in moving forward on a certification process for LPAs resulting in the following lessons learned from this Project:

1. Development of a pre-qualification piece of this program will require LPAs to access training, but would not necessarily restrict an LPA from accessing funding; however, the Department would require the training to be undertaken prior to requesting funding.
2. LPAs across the state represent a wide range of experience; therefore, one solution may not meet all needs. Options to tailor solutions based on the experience and qualifications of the LPA will need to be developed.

3. Similarly, project types vary across the state from one LPA to another. There may need to be an option to develop a program based on project type, for example developing a program for “low-risk” projects such as sidewalk – those with no state maintenance responsibilities and a lower dollar amount where the Department could test some options to simplify requirements.

### **Conclusion**

The Department is considering implementation of a certification program for local governments. A key factor is that NC’s administration of local projects is somewhat different than most other states. It includes more than 500 agencies requiring a structured phased implementation approach for this new process.

The Department has already begun looking for ways to implement some of the concepts of an LPA certification process in phases. At the request of the NCDOT Board of Transportation Board Chair, the LPMO is working with other groups within the Department, and FHWA, to reduce the oversight and paperwork for “low-risk” projects, starting with sidewalk projects. The Department will identify pilot projects among medium to larger size LPAs. The Department would identify areas that could simplify the oversight and reduce paperwork, but add “checkpoints” where the Department could verify that the projects are being properly constructed and ensure that the project would be successful and the LPA would be reimbursed. If successful, the program could be expanded to other LPAs, as well as other project types, such as greenways and/or multi-use paths. These type processes can help prepare LPAs for the responsibility of certification program.

The information learned from the project will enable the Department to explore other methods of developing training, providing resources, and assisting LPAs with effective local project delivery.