

VIRGINIA DEPARTMENT OF TRANSPORTATION

# ALTERNATIVE PROJECT DELIVERY DIVISION

## INSTRUCTIONAL AND INFORMATIONAL MEMORANDUM

GENERAL SUBJECT: Federal Project Authorization for Design-Build Projects		NUMBER: IIM-APD-4
SPECIFIC SUBJECT: Process to Obtain Federal Project Authorization from FHWA for Design-Build Projects		DATE: December 6, 2017
		SUPERSEDES:
Alternative Project Delivery Division Approval: /original signed/ Shailendra G. Patel, P.E., DBIA December 6, 2017	Federal Programs Management Division Approval: /original signed/ Wendy E. Thomas December 6, 2017	

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### EFFECTIVE DATE AND PURPOSE

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- This memorandum is effective upon receipt. It identifies the process to obtain federal project authorization from FHWA for Design-Build projects in an effort to provide greater clarity and improved consistency between the Central Office Divisions and the Districts.
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### BACKGROUND

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- VDOT is required to obtain federal project authorization from FWHA Virginia Division in the Fiscal Management Information System (FMIS) for preliminary engineering (PE), right of way (RW), and construction (CN) for any federally eligible project regardless if the project has FHWA oversight (PoDI or non-PoDI). It is VDOT's practice to obtain project authorization prior to release of the Request for Proposal (RFP). FHWA concurrence to release the RFP represents PS&E approval in accordance with the Code of Federal Regulations (CFR) at 23 CFR 635.112 and the Stewardship and Oversight Agreement on Project Assumption and Program Oversight By and Between FHWA and VDOT. A completed/approved NEPA document is required for project authorization for RW and CN.
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**The Design-Build Project Authorization Process Flow Chart (FIGURE 1)** highlights the steps needed to obtain FHWA project authorization for Design-Build projects. The District Project Manager (PM-D), Alternative Project Delivery Division Project Manager (PM-APD), Central Office Construction Division (CO-CN), Central Office Infrastructure Investment Division (IID), and the Central Office Federal Programs Management Division (FPMD) are all involved in the process to ensure that necessary project and funding information is secured and verified for submission to FHWA.

- **STEP 1: Development of the CFS/TRNS\*PRT/S&B Spreadsheet by PM-D**

The Cost Finance Summary (CFS) shall be developed utilizing Form DB-015. Typically, for a project with multiple UPC's and/or options, a separate CFS shall be developed for each individual UPC and/or option. A TRNS\*PRT/detailed estimate is required to be developed to support the CFS. Any project costs that have been previously authorized in FMIS for any phase of the project shall be accounted for on the CFS Form. In addition, each project element such as bridges, pedestrian tunnels, and large culverts that is assigned a structure number identified in the Project POOL shall be included on the Structures & Bridge Information Spreadsheet (Form DB-023) for each UPC and/or option.

Once a preliminary cost estimate and schedule is known and a draft CFS is developed, the PM-D, PM-APD, and FPMD staff should meet (typically by teleconference) to layout required actions to obtain federal authorization and identify any potential considerations that may be needed. This is especially true for projects with alternative funding sources (such as localities, regionally controlled funding, etc.), multiple UPC's, and/or options.

- **STEP 2: Verification of TIP/STIP by PM-D**

The PM-D should coordinate with the District Planner to ensure that the Design-Build project phases are demonstrated in the TIP/STIP as required and that no other changes to project information identified in the TIP/STIP are required (e.g., project cost, description/scope, project limits, schedule etc.). The District Planner will coordinate with FPMD as needed. If TIP/STIP action is required, the District Planner must coordinate with FPMD. For projects in Metropolitan Planning Organization (MPO) areas, any necessary actions may require several months depending on MPO policies/requirements and meeting schedules. Therefore, early identification of potential TIP/STIP issues is important; it is a best practice that any TIP/STIP coordination be initiated as soon as preliminary cost estimates and schedule are known. In addition, since FPMD uses the schedules in Project POOL to conduct proactive reviews for potential TIP/STIP actions, project data in the Project POOL must be accurate and up to date at all times.

If a bid option or options are to be included in the RFP, coordination with the District Planner must occur to determine whether any bid option(s) are properly demonstrated in the TIP/STIP (e.g., cost, description, termini, etc.). The District Planner will

coordinate with FPMD as needed. Any and all bid options must be demonstrated in the TIP/STIP either as part of the existing project UPC(s) or by creation of a separate UPC that may require TIP/STIP action prior to release of the RFP or federal authorization and award of the Design-Build project. If the bid options are not included in the base project's cost, description, and project limits, then TIP/STIP action is required. PM-D must coordinate with FHWA to ensure concurrence that any bid option(s) are included in the base project cost, description, and project limits prior to coordination with the District Planner as to whether the bid option(s) are properly demonstrated in the TIP/STIP.

- **STEP 3: Fund Verification by PM-D**

The PM-D shall coordinate with the District Planning & Investment Manager (ADA-PIM) or District Programming and Investment Management Director (PID) to process fund verification in accordance with IIM-IID-1 Fund Verification for Construction Program Projects. Request shall be sent to Central Office IID for approval. IID will verify with FPMD that the TIP/STIP considerations have been accounted for. If there are any changes in project cost and/or information identified after the TIP and/or the STIP had been verified in Step 2, the PM-D should coordinate with the District Planner to determine if any TIP/STIP action is required.

- **STEP 4: iPM Verification by PM-D**

The costs for PE, RW, and CN included on the CFS must match the values included in iPM. Otherwise, the PM-D must adjust iPM so the dollar amounts for PE, RW, CN match the CFS before submitting to PM-APD.

- **STEP 5: CFS & Fund Verification Submission to PM-APD**

The PM-D shall submit the final CFS, TRNS\*PRT/Detail Estimate, Structure and Bridge Information Spreadsheet, and Fund Verification form to the PM-APD **at least 30 days** in advance of the RFP release date.

- **STEP 6: CFS and Federal Criteria Sheet Submission to CO-CN**

The PM-APD will develop the Federal Criteria Sheet in coordination with the PM-D. PM-APD shall submit the final CFS, Structures & Bridge Information Spreadsheet and Federal Criteria Sheet to CO-CN for review and approval. A copy of these documents along with the TRNS\*PRT/detail estimate shall be submitted to the FHWA Area Engineer by PM-APD.

- **STEP 7: Project Authorization Request Submitted to FPMD**

Once CO-CN has completed their review and approval, the request for federal authorization for Design-Build PE, RW, and/or CN is submitted to FPMD.

- **STEP 8: Project Authorization in FMIS**

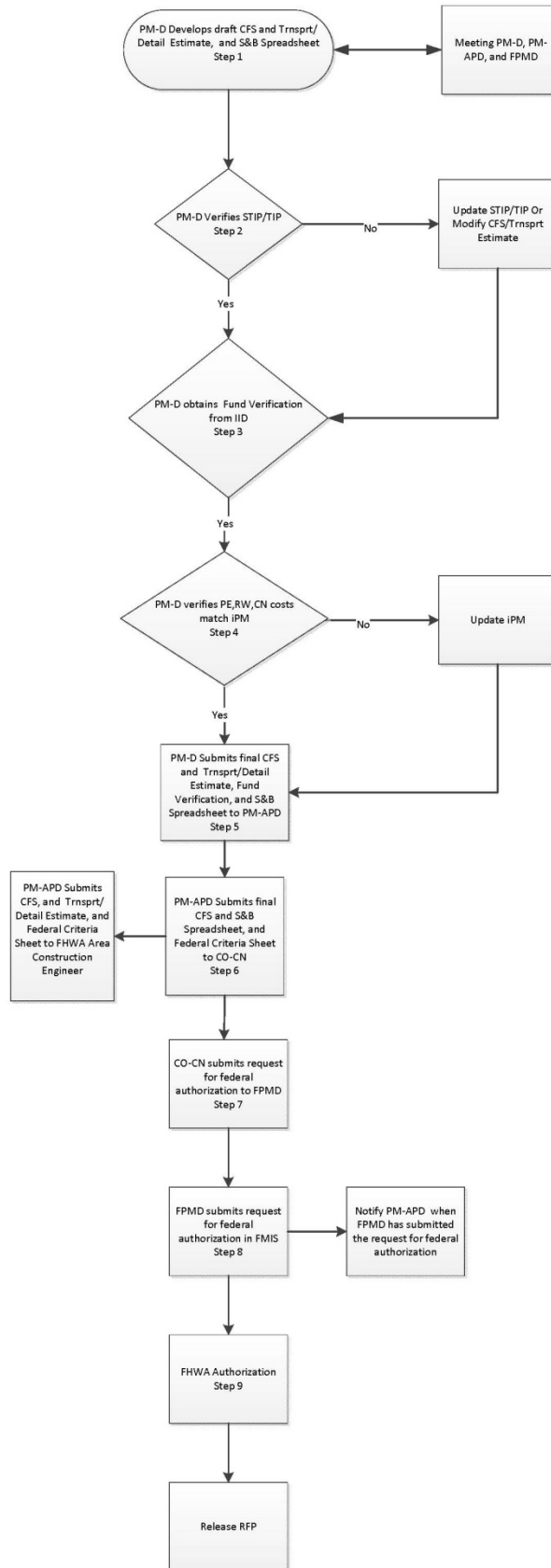
FPMD reviews the Design-Build project Detailed Estimate Summary provided by CO-CN and submits the request for federal authorization for Design-Build PE, RW, and/or CN through FMIS. FPMD should notify PM-APD when this has taken place.

- **STEP 9: FHWA Project Authorization**

The FHWA VA Division Financial Manager and applicable Area Engineer will review and approve the federal authorization request in FMIS.

### Design-Build Project Authorization Process

PM-D (PM District)  
 PM-APD (PM Alternative Project Delivery Div.)  
 CO-CN (CO Construction Div.)  
 FPMD (CO Federal Programs Management Div.)  
 IID (CO Infrastructure Investment Div.)



## FORMS

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- Design-Build Cost Finance Summary (DB-015)
  - Structure and Bridge Information Spreadsheet (DB-023)
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## REFERENCES

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- Design-Build Manual