



Innovative Delivery of Major Projects

WASHTO 2009 Annual Meeting

Mega Projects Updates:
Best Practices from Around the West
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U.S. Department of
Transportation

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OIPD - Current Focus Areas

- Revenue generation (e.g, tolling and pricing)
- Project and program financing (e.g., GARVEEs and SIBs)
- Procurement (e.g., public-private partnerships)



Why OIPD?

- The challenges facing the transportation industry are enormous -- it can't be business as usual
 - **Increasing investment requirements**
 - **Mounting budget pressures**
 - **Efficient operation of system more important, but difficult to financially sustain**
 - **Traditional ways of paying for and procuring projects aren't fully up to the challenge**

Leadership from the Western States

- **T-Rex - One of the most successful transportation projects in the U.S.**
 - GARVEEs
 - First Design/Build contract with transit and highways
 - Use of Design/Build best value contract selection

Leadership from the Western States

- **South Bay Expressway**
 - Opened in Nov 2007
 - Public-Private Partnership
 - \$140 million TIFIA loan - first ever provided to a private toll road development

Leadership from the Western States

Seattle Urban Partner

- Variable pricing on the State Route 520 floating bridge
 - King County crossing that currently carries about 160,000 people per day between Seattle and its Eastside suburbs.
 - Tolls on the existing bridge are intended to help pay for the new bridge.
- \$138.7 million
- Now working on implementation of variable tolling



Why OIPD?

- FHWA must exercise National leadership to ensure that
 - **ALL the tools are in ALL the toolboxes** (e.g., policy and operational issues have been worked out)
 - **The right people know about the tools** (e.g., the people that influence the process are aware of the tools)
 - **The right people understand when and how to use the tools** (e.g., evaluation applications are available)
 - **The right people think about using the tools at the right time** (e.g., the tools are considered when the project/program can be scoped accordingly)
 - **The tools can actually be used** (e.g., enabling legislation is in place)

Why OIPD?

- OIPD provides a bridge between “Concept” and “Deployment Ready”
 - E.g., Innovative concept shaped in Policy
 - E.g., Program office takes innovative, deployment ready concept to routine application
- Oftentimes, requirement for cross-agency integration
- Some tools & business practices don’t have a clear home



How We Do It

- **Awareness** – Creating a “buzz”
- Professional **Capacity Building** (internal) – [*IPD Academy*](#)
- Professional **Capacity Building** (external)
- **Website** for awareness and capacity building
- **Guidebooks & Decision-Support Capabilities** to help evaluate the appropriateness of the tools for a given project
- Capture and Disseminate **Lessons Learned**
- **Technical Assistance**
 - For projects just getting started (Opportunity Projects)
 - To support application of innovative tools
- **Major Projects** Stewardship Requirements (such as project cost reviews)
- **Trouble-Shooting** at all points in project delivery process – Critical Project Review
- Helping to **Clear Implementation Hurdles** with strategies such as TIFIA
- Influencing the National agenda through **Research** and **Policy/Legislative Development**

Office of Innovative Program Delivery

Program Development Team	Strategic Delivery Team	TIFIA JPO	Project Delivery
Establishing Foundation	Culture Changing	Credit Assistance	Project Expertise
Strategic Planning Outreach Policy/Legislation Research Capacity Building	Tolling, Pricing and P3 Programs Innovative Finance Project Delivery Process Change	Loans Lines of Credit Loan Guarantees PAB Advice	Cost estimate reviews Financial Plans Project Management Plans Critical Project Reviews

For More Information

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