



**Washington State
Department of Transportation**

Project Control and Reporting Manual

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Engineering and Regional Operations Division

Project Control and Reporting Office

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Delivery and accountability for the resources that taxpayers and the legislature entrust to us is the top priority of the Washington State Department of Transportation's Project Control and Reporting!

With passage of the 2003 Transportation Funding Package (Nickel) and the 2005 Transportation Funding Package (Transportation Partnership Account), the Washington State Department of Transportation (WSDOT) has entered a new era of line-item appropriations and project level provisos. Given this high visibility of projects, it is the goal of the department to meet its commitment of delivering each of its projects on time, on budget, with no surprises.

To help us meet that goal, WSDOT has restructured its project control and reporting policies and procedures. The purpose of this manual is to document the policies and procedures WSDOT has adopted to comply with legislative reporting mandates and to provide an overview of how they are implemented.

This manual has been developed with extensive input from across the department. Individuals representing the various capital programs from the modes, regions, and headquarters divisions have contributed their time, knowledge, and expertise to fully capture the details of the policies, procedures, and systems used in the delivery process. This manual truly represents WSDOT's commitment for delivering the Transportation Capital Programs at the project level. It also reflects the One DOT approach that provides consistency between programs while recognizing the uniqueness of each capital program.

Keith A. Metcalf
Director
Project Control and Reporting Office

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The Washington State Department of Transportation's (WSDOT) business is the operation, maintenance, preservation, and improvement of the state's multimodal transportation network which includes highways, rail, and the nation's largest ferry system. One of the department's core responsibilities is the delivery of projects that preserve and improve the transportation network. Project delivery begins with the programming of a given project that is included in the state's Capital Improvement and Preservation Program. It extends through design, right of way, and construction activities and terminates once the project is "operationally complete" or ready to serve its purpose.

WSDOT is dedicated to a long standing commitment to deliver its projects within approved scopes, schedules, and budgets. Performance in delivering projects is an important indicator of how well the department is doing its job.

The department's integrated systems of project control, reporting, and management is a key activity supporting its project delivery objectives. These systems are the subject of this manual.

Legislative Direction for Project Control and Reporting

WSDOT has received direction from the legislature regarding project management, control, and reporting procedures. This direction has the effect of increasing the level of legislative and public access to information on WSDOT's management performance. The legislature provides opportunities for the department to build upon its continuous project delivery improvements. Recent examples of the department's improvements in project delivery include:

- Development of a statistically rigorous Cost Estimation Validation Process, which is being emulated nationally.
- Creation of the Ferries Division Terminal and Vessel Life Cycle Cost Model.
- Utilization of alternative project delivery models, such as design-build (as opposed to the traditional design-bid-build standard), which can reduce overall project delivery time and allocate risk between the department and its contractors.
- Implementation of numerous business process and technology improvements, such as automation of the work order authorization process. Work order authorization is one of the primary methods of financial control at WSDOT. It involves a complex system of checks and approvals. The paper-based system, in which forms were routed

sequentially, has been replaced by a system that automates concurrent routing, eliminates paper, and allows instant identification of a work order's status and location.

In 2006 and 2007, the legislature provided funding via proviso for formation of the Statewide Program Management Group (SPMG). SPMG is a team of consulting firms in the transportation industry that was selected by WSDOT to assist the agency in delivering its \$16 billion Capital Construction Program. This team developed a strategic plan for program delivery in June of 2006. WSDOT is now implementing recommendations from that plan with support from the SPMG team.

SPMG activities include:

- Supporting region/modes in management of project scopes, schedules, and budgets.
- Transferring knowledge of best management practices (BMPs).
- Implementing a Project Management Training Program.
- Developing the Project Management and Reporting System (PMRS), a state-of-the-art computer system that supports project management and reporting for capital construction projects.

Key components of PMRS include:

- Commercial off-the-shelf software that supports project scheduling, cost control, and earned value and cost estimating.
- Enterprise content management to facilitate and streamline daily workflows and business processes.
- Integration of data from existing legacy computer systems and data marts.
- An operational data store.
- A Web portal for access and reporting

The legislature's drive to strengthen WSDOT project control and reporting started with passage of the 2003 Transportation Funding Package, and continued with passage of the 2005 Transportation Funding Package. Although legislative direction has focused mainly on projects that were funded with the new revenue packages, it should not be construed that transparency and accountability would not apply to all projects. One objective of this document is to describe how the legislature's direction, as expressed in law from the 2003 through 2007 sessions, is being implemented by WSDOT. Its broader purpose is to describe WSDOT's project control and reporting system as the framework that structures the department's delivery of projects funded by the legislature.

2003 Transportation Funding Package: “Nickel Program” Development, Control, and Reporting

In 2003 the Washington State Legislature approved the first state gas tax increase since 1991. The package included a five-cent per gallon increase on gasoline along with a number of other transportation-related taxes and fees. Revenues from the gas tax increase and the added gross weight fees for trucks are deposited into a new account: the 2003 Transportation Funding Package (Nickel) Account. Increases to the sales tax on vehicles and the license plate retention fee are deposited into the existing Multimodal Transportation Account.

At the same time that the legislature approved the gas tax package, it drew up a list of specific projects on which the increased revenues must be spent. This list, the centerpiece of the 2003 Transportation Funding Package, contained over 150 separate roadway, rail, and ferry projects. The revenues from the increased taxes and fees will be leveraged with bonding over a 10-year period. They represent an investment of over \$4.1 billion. Revenue estimates are updated regularly to ensure that planned Nickel Package expenditures are balanced with revenues.

In addition to specifying the “Nickel Projects” on which the new revenues must be spent, the legislature also wrote into law new control and reporting requirements for these projects. The Nickel projects are subject to greater legislative oversight and control than previously funded projects. Unlike previous program-level budgets, the new gas tax revenues are budgeted on a line-item basis for specific projects, with little latitude for change without legislative approval. Shifts in schedule and budget among Nickel projects are subject to higher levels of legislative control than projects that are funded out of preexisting funds—commonly referred to as Preexisting Funds (PEF) projects.

2004 Supplemental Budget Package: Control Requirements for All WSDOT Projects

The legislature’s bolstering of project control and reporting requirements expressed in the 2003 Nickel Funding Package was furthered in the 2004 supplemental budget legislation. This legislation requires WSDOT to implement new management tools to demonstrate that the department monitors scope, schedule, and budget for all its projects regardless of funding source. This language is contained in Sections 302, 303, and 304 of ESHB 2474:

The department shall work with the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope,

schedule and costs. The department shall also provide the information required under this subsection via the Transportation Executive Information System.

This language is notable because it is the first time that the legislature has issued such specific requirements for WSDOT project management and reporting. The new project management requirements set by the legislature are not the only changes in project delivery. The Chief Executive Officer, Secretary of Transportation, restructured the department to emphasize project accountability and delivery.

A key change at the Headquarters level was the separation of the Program Management Office into two separate offices in 2003 (Figure 1). The Systems Analysis and Program Development (SAPD) Office was created first to align program development with transportation system planning and streamline the development of the Washington Transportation Plan (WTP) update. The second office, the Project Control and Reporting Office (PCRO), is responsible for measuring performance, controlling change, and reporting on the department's project and program delivery performance to the Governor, legislature, and the public. The result of the legislature's direction and the department's reorganization is that many of the programming, control, and reporting procedures documented in the *Programming and Operations Manual M 12-51*, last updated in 2001, have changed.

The purpose of this manual is to document WSDOT's evolving project control and reporting system. Detailed instructions regarding project control and reporting requirements, including process flows and data input requirements, are provided in this manual. It also serves as a desk reference for day-to-day WSDOT business.

2005 Transportation Funding Package: Transportation Partnership Account (TPA)

In 2005 the Washington State legislature approved the second state gas tax increase since 1991. The centerpiece of the package was a 9.5-cent tax increase per gallon of gasoline implemented over four years. Other fee increases enacted included: a car weight fee, a motor home license fee, increases to the truck weight fees (8,000 lbs. and less), various drivers license fees and vehicle license fees. As with the Nickel package, the gas tax, additional truck weight fees and vehicle license fees are deposited into a new account—the Transportation Partnership Account (TPA). The car weight fees and motor home fees are deposited into the existing Multimodal Transportation Account. The driver license fees are deposited into the Highway Safety Account.

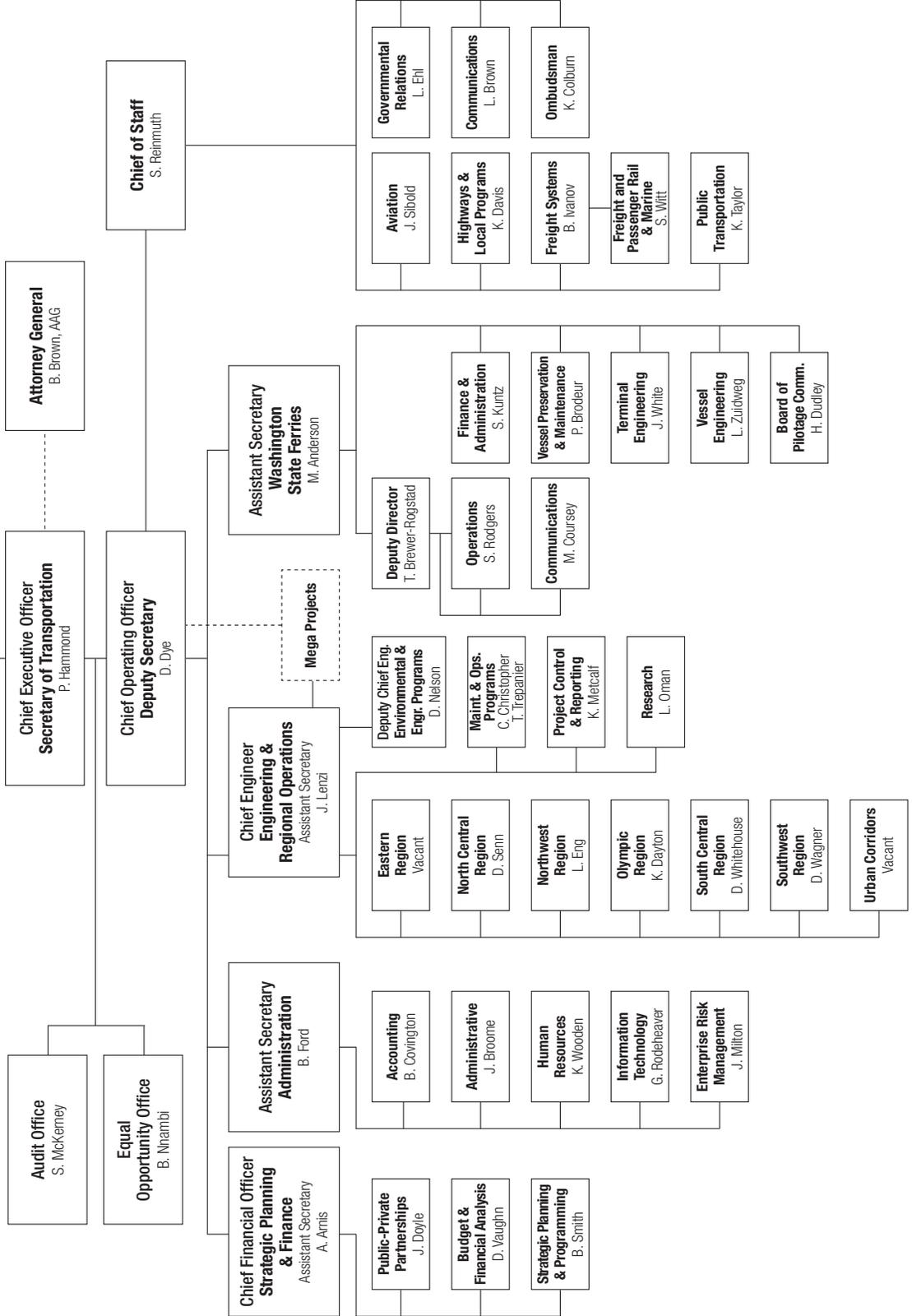
Like the Nickel funding package, the legislature identified specific projects and activities on which the new revenues could be spent. The TPA package funds 274 roadway, ferry, and rail projects across the state over the 16-year



**Citizens of Washington State
Governor Christine Gregoire**

12-7-07
Date

Paula J. Hammond, P.E.



**WSDOT Organization
Figure 1**

planned construction program. Also funded were grant programs for transit operations and projects and bicycle and pedestrian projects. The entire package totaled almost \$7 billion.

TPA projects are subject to the same control and reporting requirements as the Nickel projects.

PEF Projects: A Key Subset of the WSDOT Program

While the projects funded from the 2003 and 2005 funding packages are a highly visible part of the WSDOT program, it is important to keep in mind that hundreds of projects are funded by sources of revenue that existed prior to the enactment of the funding packages (WSDOT's portion of the 23-cent gas tax, federal funds, vehicle license fees, etc.). These projects are also subject to WSDOT's system of project control and reporting, although the business processes and approval levels for line-item budgeted projects (Nickel/TPA) are more stringent.

Although the department has more flexibility in managing PEF projects compared to line-item budgeted projects (Nickel/TPA), it is the department's policy to maintain all projects within the budgeted cost, scope, and schedule, changing them only when new conditions require change or when it is in the state's best interest to incorporate a change. It is also the policy of the department to report routinely to the legislature major project changes and the status of the various transportation programs.

One DOT: Consistency in Project Control and Reporting

WSDOT is organized into six geographical regions, the Urban Corridors Office (UCO), and several modal divisions with statewide oversight through a central headquarters. The UCO manages major state highway corridors in the Central Puget Sound area. While the majority of WSDOT projects are devoted to roadway preservation and improvements, the department also delivers other non-highway capital projects, including those developed under the following WSDOT "modes."

WSDOT's Major Non-Highway Modes

Washington State Department of Transportation Ferries Division

WSDOT's Ferries Division plays an important role in the state transportation system. It is a vital link in east-west highways, carrying people and freight from one side of Puget Sound to the other. The Ferries Division serves the region's commuters in eight counties, providing island to mainland and inter-island transportation. In state Fiscal Year 2006 (July 1, 2005 to June 30, 2006), 24 million riders and 11 million vehicles used the system's terminals and vessels.

The Ferries Division's infrastructure includes terminals, vessels, and maintenance facilities. It operates 20 terminals that provide vessel reception; customer access to and clearance of terminal facilities; vehicle and passenger staging, holding, loading, and unloading facilities; and connections with other modes of transportation. The Ferries Division manages a fleet consisting of 28 vessels that accommodate vehicles and passengers and operates a major maintenance facility at Eagle Harbor.

The Ferries Division has the largest capital program after the Highway Preservation and Improvements Programs. The Ferries Division's construction program performs the same program/project development, control, and reporting functions as other highway programs and many of its methods and procedures are similar. The Ferries Division's capital program exists to support ferry service delivery. While the Ferries Division's capital program management occurs largely within the divisions's organizational structure rather than the highway organizational structure, the program is subject to the same policies and procedures as highway construction programs.

Washington State Department of Transportation Freight and Passenger Rail and Marine

WSDOT's Freight and Passenger Rail and Marine Office (Rail Office) operates in three primary areas: Freight Rail, Rail Safety Improvement, and Passenger Rail.

- Freight Rail provides loans and grants to rail districts, port districts, counties, economic development councils, cities, and private railroads to support light-density rail lines; to improve rail access to ports; and to preserve or restore rail corridors and infrastructure. It can do this through loans for essential projects on private property, and through grants and loans for essential projects on public property.
- Rail Safety Improvement administers the federal Railway/Highway Crossing Program, a grant program to fund safety improvements to reduce the number of fatalities, injuries, and crashes at public grade crossings. Improvements include grade separation of highway and rail movement.
- Passenger Rail partners with local, state, and private sector stakeholders to develop passenger service along the corridor extending from Vancouver, B.C., to Portland, Oregon, as part of a balanced transportation system. Over the next several decades, the state plans to make capital investments including track improvements, safety systems, and train equipment and stations in order to accomplish this.

The Rail Office's project development, measurement, and reporting processes parallel those of core department capital programs in many respects. However, there are some significant differences, mostly because rail projects occur on property that is owned by private companies who are responsible for design and construction of the projects.

Washington State Department of Transportation Traffic Operations

WSDOT's Traffic Operations receives specific funding with which to develop capital projects aimed at improving the efficiency and safety of the existing highway system as opposed to building new capacity. Traffic Operations projects center on the implementation of techniques, such as intersection and freeway management systems, traveler information, weather-sensing technology, weigh-in-motion capacity for freight transportation, and the hardware and software associated with all of these technologies.

Traffic Operations project development, measurement, and reporting processes parallel those of core department capital programs with minor exceptions.

Washington State Department of Transportation Highways and Local Programs (H&LP)

Highways and Local Programs works in cooperation with and through the region Local Programs Offices. Region Local Programs Offices are located in each of WSDOT's six regions throughout the state. They are the direct link with local agencies and partners, such as city, county, and tribal governments, ports, and transit. The primary responsibility of these regional offices is to manage the federal and state funds available in a manner that allows the agencies to be successful in their transportation endeavors. At the same time, region staff assist agencies in their compliance with program requirements. They guide, counsel, and collaborate with these agencies on project scoping, funding, design, environmental documentation, construction, and project closure.

The Highways and Local Programs project development, measurement, and reporting processes parallel those of core department capital programs in many respects. However, there are some significant differences, due in most part to the fact that local agencies are responsible for project design, right of way acquisition, and construction.

Washington State Department of Transportation Equipment and Facilities

WSDOT's Equipment and Facilities Program provides workplaces to house staff and equipment that design, operate, and/or maintain the state highway system. With 2.5 million square feet of building space, WSDOT is the second largest general government building owner in the state behind General Administration. WSDOT's 500 sites and 700 buildings are located throughout the state, and the asset replacement value is nearly one half billion dollars. Equipment and Facilities manages facilities throughout the life cycle (planning, acquisition, design, construction, operations, maintenance, and disposal).

State funding is provided in a separate and distinct program. Major capital projects are typically limited to less than ten per biennium. Equipment and Facilities project development, measurement, and reporting processes parallel

those of core department capital programs, utilizing the same core agency systems, plus others, to track expenditures and variances. Delivery is reported in the same manner as other agency capital programs.

A Framework for Standardization

One of PCRO's key objectives is to ensure the adequate standardization of data and processes so comparable analyses and management controls can be applied across modes and regions. Without basic standardization, it is not possible to perform meaningful analyses and provide a consistent status of the department's performance. To accomplish this, staff from Headquarters work continuously with regional and modal program managers to establish policies that ensure data is comparable and standardized in project control and reporting.

Such standardization helps WSDOT employees understand the department's business objectives and their roles in achieving them. It also provides the platform for communication of a clear and consistent message regarding the department's performance to decision makers outside WSDOT. Enhanced communication based on consistent data and procedures will result in greater trust in the department's management of the state's transportation resources and ultimately in increased support for the funding needed to provide transportation facilities and services.

Due to differences in the programs and modes, some flexibility in project control and reporting processes is necessary when programs differ from the standards set by the highway construction programs. However, the standard approaches used for the highway construction programs will be used for other programs and modes whenever possible.

Principles Underlying WSDOT's Project Control and Reporting

As noted previously, a key objective of PCRO is to ensure policies, procedures, and tools are in place and applied at every level and in every unit of the department. This will ensure that the department fulfills its responsibility by delivering its capital program—in short, getting projects done and open to use, on time, within budget, and with no more and no less functionality than scoped.

In cases where the department does not meet 100 percent of its project objectives, it is the responsibility of PCRO to report the causes and effects of the underlying issue promptly so:

- Policy makers and the public have an objective understanding of the problem;
- Corrective action can be applied early; and
- The department can analyze problems, learn from the experience, and avoid them in the future.

The following principles are the basis for delivering WSDOT's capital program:

- A “no surprises,” early warning approach, which is critical to the department's ability to act early and aggressively to prevent or minimize changes in project scope, schedule, or budget.
- Frequent, consistent, data-driven project, and program performance reporting on a regular schedule, as opposed to discretionary, ad hoc self-reporting.
- Increased independent access to information on WSDOT program and project management performance.

Components of WSDOT's Project Control and Reporting Framework

WSDOT's project control and reporting framework includes the tools and processes to monitor, control, and report on project and program performance. While the business processes and threshold levels used to implement project control and reporting vary among modes and funding sources, the basic framework applies to all projects. The components of this framework, overviewed in this chapter and detailed elsewhere in the document, are as follows:

- Cost Estimating Validation Process and Cost Risk Assessment
- WSDOT's Executive Review Team and Quarterly Project Reviews
- Project Controls
- Project Reporting

Risk and Cost Assessment Processes

The first step in good project control is establishing and maintaining an accurate project schedule and cost estimate at the very start of the project process that meets the intended project scope. In 2002 WSDOT began tackling the issue of improving the management of project cost and schedule with the implementation of a new cost estimating process that focuses on estimating and managing risk. This new effort was implemented at the project level to identify and quantify risks that can impact the budget and schedule of individual projects. The department uses two primary tools to help identify and communicate the risks associated with a project to help maintain cost integrity:

1. The Cost Estimating Validation Process (CEVP) is an intense workshop where transportation projects are examined by a team of top engineers and risk managers from local and national private firms and public agencies who review project details with WSDOT engineers. The CEVP workshop team uses systematic project review and risk assessment methods to evaluate the quality of the information at hand and to identify and describe cost and schedule risks. The process examines how risk can be lowered and cost vulnerabilities reduced or managed to promote activities that improve cost and schedule.

2. Cost Risk Assessment (CRA) is a highly structured approach to incorporate consideration of uncertainty in project modeling and management. A specific project is represented by the project team who participates actively and is the primary beneficiary of the CRA. As a dynamic process, a CRA may be conducted at several times during the development of the project to evaluate uncertainty and degree of risk in cost and schedule.

WSDOT's Executive Review Team

Within WSDOT, executive direction and oversight for project control and reporting is provided by the Executive Review Team comprised of the following required members:

- The Chief Engineer, Assistant Secretary for Engineering and Regional Operations
- The Chief of Staff
- The Director of Environmental and Engineering Programs
- Chief of Ferry Operations
- The Director of Project Control and Reporting
- Modal Directors

The Executive Review Team consists of department executives that meet routinely to consider proposed changes to project scope, schedule, or budget. The primary forum for the Executive Review Team is the Quarterly Project Review process. Discussions at the Quarterly Project Review can lead to a need for a change decision. Decisions are formally approved through the [Project Change Request Form](#) (PCRF), approved subsequent to the meeting.

Quarterly Project Review Meetings

To conduct its Management Quarterly Project Reviews (MQPR), the Executive Review Team travels to each region for a half- to full-day meeting prior to the close of each quarter. Meetings are also held with each mode. The agenda for these meetings generally includes the following elements:

- Presentations by the responsible project engineer on selected line-item budget projects (Nickel and TPA). Generally, projects selected are experiencing some difficulty with scope, schedule, or budget and may be candidates for the *Gray Notebook* Beige Pages Watch List.
- Presentations by project engineers on other projects of regional or statewide significance.
- Presentations by the regional or modal administrator and/or their designee on overall program delivery.
- Discussion of and action on proposed scope, schedule, and budget changes that require Executive Review Team authorization.

The MQPR process is designed to provide:

- Continuous, systematic monitoring, and control of all line-item budgeted projects (Nickel/TPA) as well as other projects of regional and statewide significance.
- Early identification of potential and actual risks to project scopes, schedules, and budgets.
- A forum in which representatives from Headquarters and the regions or modes can collaborate on strategies to avoid or mitigate project changes.
- First-hand information for WSDOT Headquarters staff to report to the Secretary of Transportation, the Office of Financial Management (OFM), and legislative staff.

These meetings are in effect an “early warning system” that allows PCRO and WSDOT executives to anticipate and manage project and program issues statewide. They provide additional benefits, such as the opportunity for the regions and modes to strategize jointly with executives from Headquarters on the best way to address project challenges—both individually and within the context of overall program delivery.

In addition to conducting the Quarterly Project Reviews, the Executive Review Team has broader functions as well:

- Assistance to, support of, and coordination with the regions and modes for project and program problems and issues as they develop;
- Executive oversight of program and project delivery by region and mode;
- Review and approval of reports submitted to the legislature; and
- Approval of projects to proceed to OFM for those project changes requiring legislative action.

Besides the routine quarterly meetings with each region and mode, the Executive Review Team also convenes, as needed, to address issues that require immediate executive approval, such as final approval of proposed program adjustments during budget preparation.

Project Controls

WSDOT has two primary mechanisms in place to monitor and control project scopes, schedules, and expenditures. The first is the [Project Change Request Form \(PCRF\)](#) and the second is the [Work Order Authorization \(WOA\) Form](#).

Project Change Request Form (PCRF)

When a change to project scope, schedule, or budget is needed on a project, a request for approval of the change is submitted to the appropriate level via a PCRF. The PCRF provides the reviewer and approver a detailed description

of the project's current status for the cost, scope, and schedule; the need for the change; the change itself; and a proposal as to how the change will be accommodated within the budget. For PEF projects, approval levels range from minor (approved in the region) to major (approved by executive management). As provided in the 2007 Transportation Budget, OFM approves all cost changes to line-item budgeted projects (Nickel/TPA) that can be met by the financial plan, as long as the scope remains unchanged and the overall program can be delivered. OFM can also approve cash flow adjustments required between biennia. Project changes that fall outside these criteria must be approved by the legislature through the budget process. [Chapter 3](#) and [Appendix C](#) describe the PCRf policies and process in detail.

Work Order Authorization (WOA) Form

WSDOT's WOA process is the second control process. It has been used by WSDOT for decades to control the actual expenditure of funds. All WSDOT expenditures must be approved through the WOA process using the same approval levels as for PCRfs.

WSDOT recently automated this process, which allows for organizational variances among the modes and regions in terms of the routing of approvals. However, required inputs are the same across modes and regions, and the endpoint is the same—a single process for the authorization of funds. [Chapter 3](#) and [Appendix B](#) describe the work order authorization process in detail.

Project Reporting

Measures, Markers, and Milestones—The “Gray Notebook”

Whereas the PCRf process is the official detail-level approval process for project changes and WOA is the official approval process for funding initial project expenditures and approved project changes, the department's *Gray Notebook* is the formal reporting tool. Its “Beige Pages” are the formal reporting tool for line-item budgeted projects (Nickel/TPA) in particular. This is where the department tracks and reports the status of all line-item budgeted projects from start to completion, with early notification of potential changes as well as accounting for actual project adjustments. PEF projects are reported in the “Beige Pages” at the programmatic level. All other projects are summarized within their individual capital programs and reported in the *Gray Notebook's* “White Pages.” [Chapter 4](#) and [Appendix D](#) describe the reporting policies and processes in some detail.

Project Web Pages

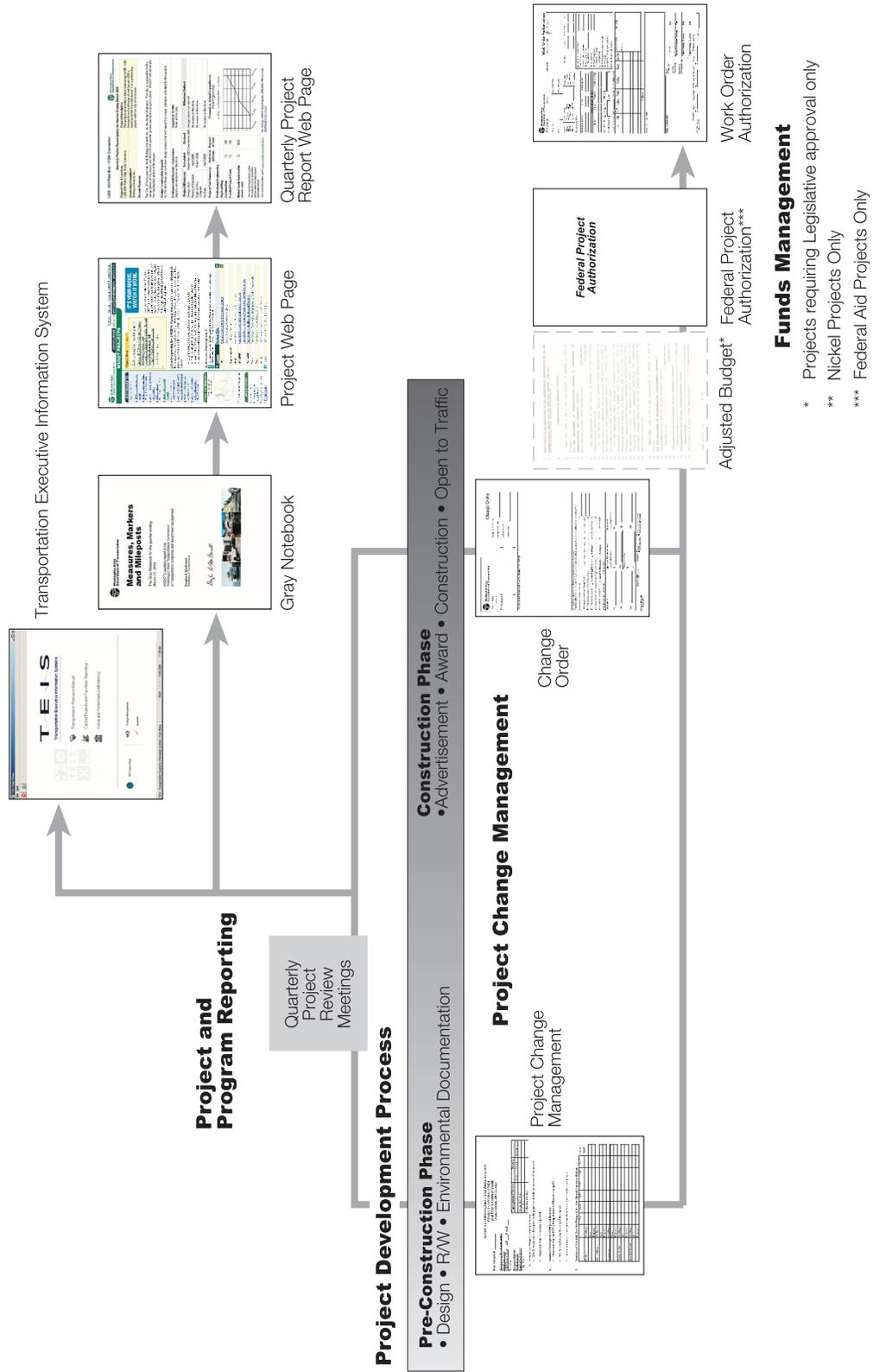
Fed by information in the *Gray Notebook*, the project Web pages provide in-depth information on each project describing the overall project vision, funding components, financial tables, milestones, current status, risk challenges, and forecasts. The project page is fairly lengthy with detailed

information including photos, drawings, and other graphics to give a complete description and status. The intent of the page is to provide the public and legislature an extensive overview of the project.

Quarterly Project Reports—Web Pages

The Quarterly Project Reports (QPRs) provide a quick but thorough snapshot of the project's current status including project highlights, milestones and their status, brief statements on the transportation problems being addressed by the project, any delivery challenges, a summary financial table, and an expenditure graph.

The components of WSDOT's Project Control and Reporting Framework are depicted in [Figure 2](#).



Project and Program Reporting
Figure 2

Overview

This chapter summarizes the process by which Washington State Department of Transportation (WSDOT) projects are planned, programmed, and budgeted. The department's business is organized into separate programs for budgetary and management purposes. At the highest level, a distinction is made between operating and capital programs. Because WSDOT projects are funded out of the capital program, this chapter focuses on that aspect of the department's business.

WSDOT's overall capital program is referred to as its Capital Improvement and Preservation Program (CIPP). The CIPP is a rolling 16-year plan divided into eight biennia. The first two years of the CIPP constitute the construction plan for the current biennium. Beyond the first two years projects funded from the 2003 and 2005 revenue packages are shown in complete detail, as outlined by the legislature. Projects funded with preexisting revenues beyond the first biennium may be shown with less detail or as lump sum funding levels proposed for various categories of work.

For capital program planning and management purposes, the CIPP is comprised of the following major programs:

- Highway Preservation
- Highway Improvements
- Rail
- Facilities
- Traffic Operations
- Ferries
- Highways and Local Programs

The CIPP is supporting documentation for the transportation budget request. The structure of WSDOT's Highway Preservation and Improvement programs is depicted in [Figure 1-1](#).

WSDOT capital program development involves many elected and appointed officials and agency staff at both state and local levels. Their efforts must be integrated in order to identify and prioritize needs, formulate projects, assemble and balance programs, allocate available revenues, and produce biennial budgets.

The programming and budgeting processes are conceptual and practical, respectively. The planning process provides the foundational development for budget requirements estimates. The programming process balances revenues and requirements to develop the transportation program.

WSDOT Highway Construction Program Structure

Preservation Program–P

Subprogram–P1 Roadways

Subcategories
PA–Paving/ Safety Restoration

Subprogram–P2 Structures

Subcategories
PB–Preservation
PC–Catastrophic Reduction

Subprogram–P3 Other Facilities

Subcategories
PD–Rest Area
PE–Unstable Slopes
PF–Weight Stations
PG–Program Support
PH–Major Drainage/Electrical

Subprogram–P4 DPS/Prog Mgt

Subcategories
IT–Reg. Transit Authority

Improvement Program–I

Subprogram–I1 Mobility

Subcategories
IA–Urban
IB–Rural
IC–Urban Bike Connection
IQ–HOV Lane

Subprogram–I2 Safety

Subcategories
D–Collision Reduction
IE–Collision Prevention

Subprogram–I3 Econ. Initiatives

Subcategories
IF–All Weather Highway
IG–Trunk System
IH–New Safety Rest Area
II–Bridge Restriction
IJ–Scenic Byway
IR–Bike Touring Route
IS–Avalanche/Flood Control

Subprogram–I4 Env. Retrofit

Subcategories
IK–Storm Runoff
IL–Fish Barrier Removal
IM–Noise Reduction
IN–Air Quality
IO–Wetland Monitoring
IP–Policy Implementation
IV–Chronic Environ.
IW–Wildlife Connectivity

Subprogram–I5 DPS/Prog. Mgt

Subcategories
IX–DPS/Pgm Mgt

Subprogram–I6 Sound Transit

Subcategories
IT–Reg. Transit Authority

Subprogram–I7 Tac. Narrows Br

Subcategories
IU–Tacoma Narrows Br

Highway Preservation and Improvement Programs, Subprograms, and Categories
Figure 1-1

Roles and Responsibilities in Capital Program Development

Transportation planning and programming in Washington is a collaborative process among units of state, regional, and local government that are collectively responsible for identifying transportation system needs and deficiencies, establishing near and long-term plans to address them, generating and allocating revenue, and efficiently managing the entire process. The Washington State Legislature prepares state budgets, funds appropriations, and monitors the performance of state agencies and programs.

Transportation Planning

Transportation planning is undertaken at all levels of government in Washington. It can be characterized as a complex set of interlocking processes that culminate in a collective vision. From this vision, a path forward is mapped that addresses long-term transportation needs by employing all transportation modes. This subsection overviews the transportation planning process in the state as it relates to WSDOT's planning and programming activities.

State Transportation Policy

The Washington State Transportation Commission proposes long-range transportation planning and investment recommendations to ensure that the department delivers an efficient, quality, multimodal transportation system. As part of its responsibilities, the Commission periodically prepares a state transportation policy document, which is submitted to the legislature to fulfill state and federal planning requirements. This document serves as the framework for development of the Washington Transportation Plan (WTP).

The Washington Transportation Plan (WTP)

The WTP is a comprehensive 20-year vision for state-owned and/or state-interest transportation modes, which provides an overview of current conditions facing the statewide transportation system. It also assesses current and future needs and provides a blueprint for potential solutions and investments. It strategically links state, local, and regional transportation plans into an integrated whole. With WSDOT's assistance, the Washington State Transportation Commission compiles and prepares this document, which it submits to the legislature for consideration in developing funding levels and priorities.

Local and Regional Planning

Local and regional governments in the state provide a range of input to the diverse state-owned and state-interest components of the WTP through their respective planning processes and collaboration with WSDOT's regions and modes. The ultimate product of these collective planning efforts is the Statewide Transportation Improvement Program (STIP). WSDOT issues this document jointly every year with the State's Regional Transportation Planning Organizations to the Federal Highway Administration (FHWA) and the Federal Transit Administration. The STIP provides a four-year investment strategy across all modes and levels of government for federally funded and regionally significant projects.

Revenues, Funds, and Budgets

Revenue is the lifeblood of all state agencies, programs, and projects. As such, the availability, equitable allocation, and efficient management of revenue are critical to delivering and maintaining a balanced transportation system. This section provides an overview of revenue sources, transportation funding, and program budget allocations as they relate to the state's transportation agencies and programs. The revenue structure is shown in [Figure 1-2](#).

State Revenue Sources

The State collects revenue from a number of sources, chief among which are user fees, licenses, and taxes. The foremost generator of transportation revenue is the state gas tax, which funds approximately one-third of the state's transportation budget. Two principal state-imposed and state-collected sources of revenue are available to fund transportation in Washington:

1. Motor fuel taxes (especially gas taxes); and
2. Licenses, permits, and fees for using the transportation system. These fees include truck and car weight fees, drivers license fees, and vehicle related license fees.

State revenues associated with WSDOT's budget are primarily deposited into the Motor Vehicle Account and the Multimodal Transportation Account. These funds are appropriated to the department along with federal and local funds in the biennial Transportation Budget Bill passed in odd-numbered years.

Supplemental budgets may modify the biennial budget in even-numbered years. Legislative appropriations in these budget documents are provided for preconstruction engineering, right of way acquisitions, and construction work in the capital program. Further conditions and limitations on the use of state appropriations may be specified in budget documents. State funds may also include bond proceeds.

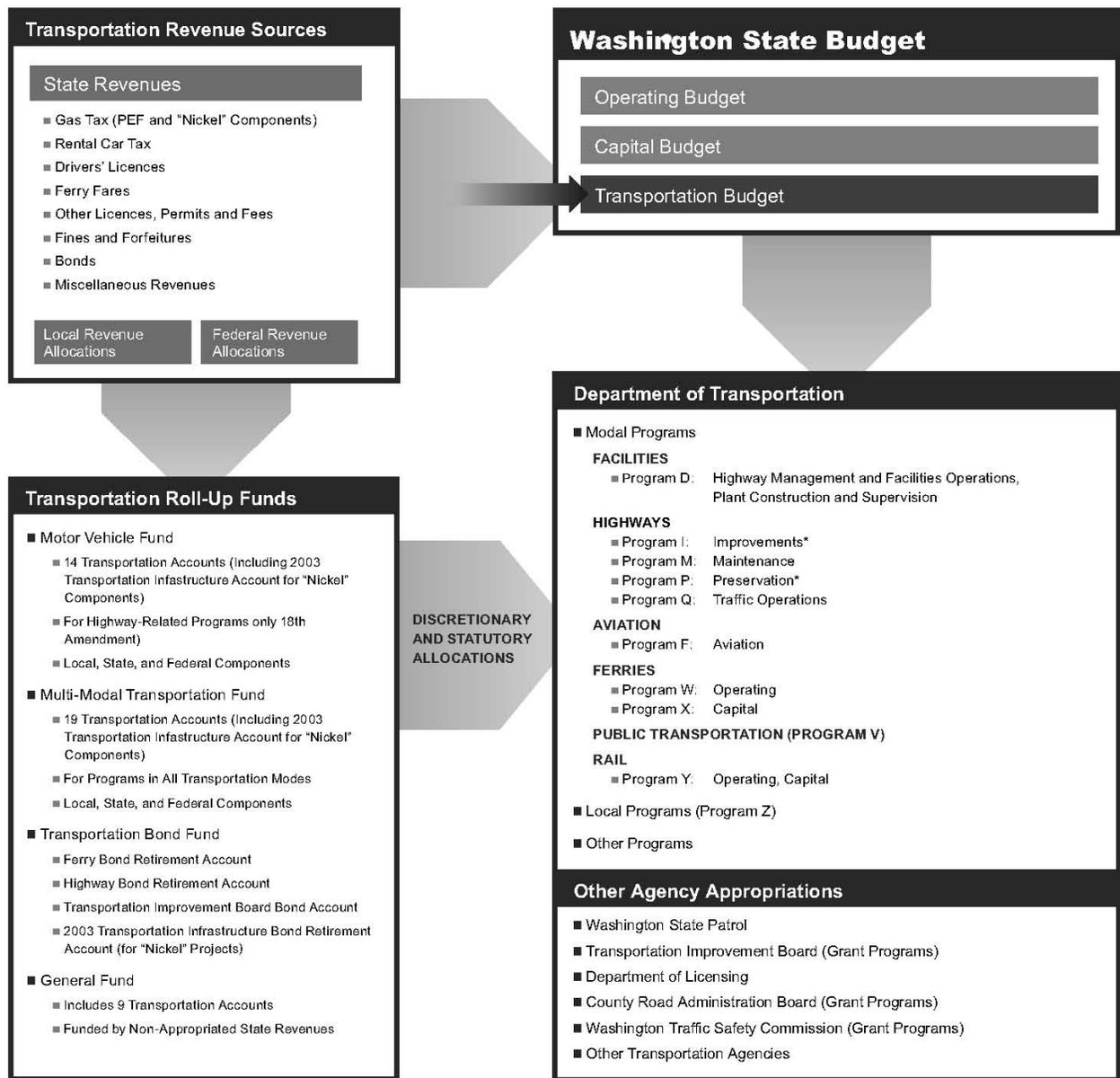


Fig 2-1 transp revenue structure a16.a1 - 6-23-04

* See Figure 2-2 for further breakdowns of Programs I and P.

Transportation and Revenue Funding Structure
Figure 1-2

Federal Transportation Funding

Federal funding is the second greatest single source (approximately 33 percent). The relationship between WSDOT and FHWA, which administers federal transportation funding, is a funding partnership. FHWA's Federal-aid Highway Program is structured as a reimbursable financing program in which states incur charges and are then reimbursed, according to requirements set by FHWA. This approach allows states to decide which projects to deliver, how they should be delivered, and how they should be contracted.

The amount of funding available to each state is set by Congress each year based on a formula that takes into account the following elements:

- Vehicle lane miles of roadway
- Vehicle lane miles of travel
- The state's share of gasoline and diesel fuel consumption and
- The state's share of contributions to the Highway Trust Fund.

The authorized amounts distributed to WSDOT represent lines of credit that the department can draw upon as federally assisted projects are advanced. Under the federal-aid program, the federal government reimburses WSDOT for costs actually incurred on projects based on a federally established *pro rata* for determining the federal and state share of formula funds. For example, if the federal share is 86.5 percent the state share is 13.5 percent for a particular federal formula fund. Congress may also designate funds to specific projects in the Transportation Authorization Bill or in the annual USDOT appropriation—a practice referred to as *earmarking*.

Local Transportation Funding

Various local revenue allocations round out the remainder of the state's transportation funding. Local funds are reimbursements for work done on the state highway system at the request of other agencies. They come from sources other than the Motor Vehicle Fund, the Transportation Fund, or the Federal Trust Fund. Examples of sources for these funds are local agencies (such as cities or counties) or funds received directly from a developer. Federal funds that come to WSDOT through local or federal agencies are categorized as dedicated federal funds, since the local or federal agency has dedicated the federal funds specifically for the respective project. These funds are only eligible to be spent on the projects specified by the local entity.

Transportation Accounts

Revenues from state, federal, and local sources are deposited into state accounts from which distributions are made for a broad range of transportation purposes. With the exception of a few non-appropriated accounts, revenue cannot be spent unless it has been appropriated by the legislature.

Appropriations must specify the account from which revenue will be provided for a certain purpose. Three basic transportation accounts (funds) are used to manage appropriations for the state's transportation programs:

- **Motor Vehicle Fund:** The 18th Amendment to the State Constitution restricts the accounts comprising this fund to use on highway and ferry programs and related activities. Neither transit, rail, or air transportation may be funded using Motor Vehicle Fund dollars.
- **Multimodal Transportation Fund:** Accounts in this fund can be used for any and all transportation modes, technologies, and related programs (including public transit).
- **Transportation Bond Fund:** This fund contains accounts that serve as repositories for Motor Vehicle Fund revenues that are used for debt service on highway and ferry bonds.

Budgets

The Transportation Budget is one of three primary components of the overall Washington State Budget passed by the legislature. Approximately 80 percent of the Transportation Budget is appropriated to WSDOT—the remainder is distributed among the Washington State Patrol, the Department of Licensing, and other state agencies.

WSDOT funding is appropriated at the program or modal level. Traditionally, the department had the flexibility to manage the budget at the program level rather than at the project level. This changed with the passage of the 2003 Transportation Funding Package. The budget items or “Nickel projects” funded by this package are directly funded and managed on a line-item basis rather than collectively, as are projects funded using preexisting revenues. This line-item budgeting was also implemented for the projects funded by the 2005 Transportation Revenue Package.

Project and Program Building

WSDOT program building is an integral part of biennial budget development for the Governor and the legislature and is a nearly continuous process. This process is overseen by WSDOT's Strategic Planning and Programming Division and supported by a number of other organizations within the WSDOT planning and programming community, including the various regional and program offices for each of the modes. The offices of the Pavement and Soils Engineer, Equipment and Facilities Administrator, State Traffic Engineer, and Washington State Patrol's Weigh Master provide key support.

Long-term transportation system needs and solutions are identified, prioritized, and programmed within the financial constraints of forecasted revenues over the specified planning period (currently 16 years) by means of the assorted planning efforts referenced previously. At the end of this process

a balanced list of new and carry-forward projects is defined and aligned within the department's programs and proposed budget to address the highest priority needs across all modes.

Organizational Structure and Responsibilities

Within the department's program management structure, the Systems Analysis and Program Development Office (SAPD) in the Strategic Planning and Programming Division (SP&P) is responsible for statewide transportation capital program development. Their activities primarily focus on the Highway Construction Program, Ferries, Rail, Traffic, Facilities, and Highways and Local Programs manage their own capital programming efforts. Program building efforts are supported by the various planning, technical, and financial organizations within the department.

The department's executive management provides guidance on policy issues, project prioritization, and funding allocations. In turn the Governor sets global policy for WSDOT, determines program funding levels, and approves the overall program of projects (the CIPP) as part of the Governor's budget submittal that is submitted to the legislature for consideration in developing the Transportation Budget. The Project Control and Reporting Office (PCRO) coordinates management and performance measurement activities once the budget has been passed.

Identifying Needs and Prioritizing Solutions

Washington State's Priority Programming Law (RCW 47.05) requires a rational selection of projects and services according to factual need. It also makes the evaluation of life cycle costs and benefits an integral part of programming to ensure that program objectives are maximized within available revenue. An essential element of this process includes evaluating several different alternatives for solving a need, in order to identify the alternative that provides the maximum improvement in performance for the funds available.

Needs, goals, and objectives are laid out in the Washington Transportation Plan (WTP). Since funding is not available to meet all of the identified needs, priorities must be set. Priorities typically focus on preserving existing assets by funding essential maintenance, operations, and preservation needs. Tradeoff decisions must be made to distribute any remaining funding among capital improvement areas.

Each category of work within a particular capital program has a particular set of needs that are ascertained by comparing a specific action strategy in the WTP to the conditions and capabilities of existing facilities. Projects are developed with preliminary cost estimates that address the identified needs. The projects for each program category are then prioritized and selected based on the potential benefits returned to the transportation user.

The prioritization process includes a provision to align priorities to minimize implementation costs and construction impacts. For example, if a set of projects to solve a list of needs for a given facility or route section would have been prioritized within a six-year time frame, then the priorities may be adjusted to combine the work into a single contract.

Each of the modes employs its own set of tools and processes to evaluate existing conditions, deficiencies, and needs. These tools include methodologies for ranking and compiling needs and deficiencies into prioritized project lists.

Highways

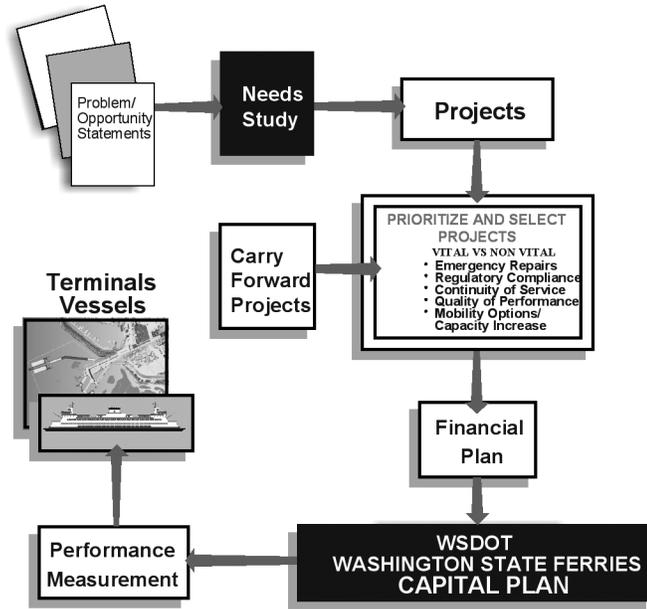
The Highways Program is developing a Transportation Analysis Workbench to monitor prioritized highway deficiencies and solutions against each Highway System Plan (HSP) action strategy in each region for over 30 roadway infrastructure elements. This graphics based workbench will have the ability to match deficiencies with programmed projects in the Capital Project Management System (CPMS) and will facilitate the program building process. Within the limits of available funding, the regions are required to program a project or provide a justification for not programming a project for each need identified in the prioritization process. Prioritization data is provided by various asset management subsystems that are tailored for each of the 30-plus roadway elements, such as the Washington State Pavement Management System (WSPMS) and bridge condition surveys.

Ferries

The Ferries Division's investment process consists of seven steps depicted in [Figure 1-3](#). The process starts with collecting information about investment needs. The primary sources are the Ferries Life Cycle Cost Model (LCCM), the Ferry System Plan (FSP), and the Problem-Opportunity Statement process. The Ferries Division compiles and analyzes this information to produce a study of capital investment needs. Solutions to these needs are developed, analyzed, and compared. Preferred solutions become proposed projects. These projects are grouped into the policy areas established by the Governor, the legislature, and regulatory agencies. Based on the financial plan, the Ferries Division's Capital Committee recommends projects that should be funded to the Ferries Division's Assistant Secretary, WSDOT Executive Management, the Governor, and the legislature. The Ferries Division delivers the approved program and measures its performance. Successful execution of the capital program ensures that the Ferries Division's terminals and vessels will provide reliable and responsible service to riders.

7-Step Investment Process

- 1 Gather needs Information
- 2 Prepare needs study
- 3 Define solutions (projects)
- 4 Select projects
- 5 Identify funding
- 6 Prepare capital plans, obtain approval of projects and spending authority
- 7 Measure fiscal and work performance



Ferries' Seven-Step Investment Process
Figure 1-3

Equipment and Facilities

WSDOT’s Equipment and Facilities Program uses the deficiencies and capital renovation and replacement project needs identified its 10-year plan as the basis for developing project lists. Estimates are developed for potential solutions and benefit-cost and other economic analyses are then undertaken. These analyses are in conjunction with lease versus own, consolidation, and partnering considerations in order to prioritize solutions and formulate the capital projects that comprise its portion of the CIPP.

Freight, Passenger Rail, and Marine

The Rail Program uses three methods to identify capital needs and develop projects to fill them:

1. For the Rail Passenger Program’s capacity and speed improvements, a systematic approach, using simulation software and real-world expertise, has been used to develop a 20-year plan which identifies the major improvements required to meet various Amtrak *Cascades* service levels.
2. For the Rail Passenger Program’s safety improvements, projects are developed as federal funds become available through the SAFETEA-LU Section 1103(f) grant process. Each project is developed after review by the Federal Railroad Administration (FRA), the FHWA, and the Washington Utilities and Transportation Commission and in partnership with local officials and railroad engineers’ accounts of near incidents.

3. The Freight Rail Program deals primarily with small private railroads, ports, cities, counties, and economic development agencies. Each biennium, the program makes a call for projects, which are scored on their respective economic benefits to the state and their potential avoided road damage. Projects are then weighed against the available appropriation and selected.

Aviation and Public Transportation Programs

Aviation and Public Transportation Program requirements are either defined by other agencies, or are not part of the transportation programming process or part of the capital program. For example, the state Aviation Division derives its requirements from the Federal Aviation Administration (FAA) and reports to the FAA on these requirements. Both Aviation and Public Transportation projects participate in transportation partnerships that do not flow through the state transportation programming process.

Programming and Budget Development

Prior to the beginning of the legislative session, SAPD submits a draft CIPP supporting the agency budget request to the Office of Financial Management (OFM). The draft CIPP is then used as a base to formulate the Governor's budget request, which is transmitted to the legislature for consideration in preparing and enacting the Transportation Budget.

Development of the draft CIPP begins with SAPD establishing estimates of the funding allocation targets for each program, subprogram, and category. Next, ongoing projects that will continue or "carry forward" from the current biennium and other projects previously committed to the legislature are included with the remainder of the allocations available for new work in the biennium. Building on this foundation, new projects are added based on legal requirements (RCW 47.05), department policy, and the prioritized project lists. Project data is input into the Capital Program Management System (CPMS) and balanced to the target allocations for both dollars and workforce within each program for current and future biennia. CPMS is the department's scheduling and program management database system. More information on the system can be found in Chapter 6.

Prioritized projects are selected for each of the state-owned modes. The CIPP is balanced to create 16-year plans that are based on anticipated and projected revenues by fund source (as derived by the Financial Planning Office).

The CIPP document also:

- Recommends investment levels by program and subprogram;
- Provides information about any revenue shortfalls that exist; and
- Recommends how to allocate existing and proposed revenues among the programs.

Fund Source Balancing

The identification and selection of fund sources to finance projects is an activity that is undertaken in parallel with the balancing of target allocations. Project and program funding can be drawn from a number of combinations of available state, federal, and local sources. Determining the most efficient mix of funds for a project or program is essential in order to gain the greatest return on the state's transportation investments. Funding sources often have attached to them specific requirements regarding how, when, and where they will be spent. Thus, it is important to thoroughly understand the statutory obligations associated with such funds. Program managers enter funding information into CPMS.

Project Scoping

A Project Summary must be developed for each proposed project. The Project Summary identifies the needs that have generated the project, the purpose or goal of the work, and the recommended solution that will solve those needs. Project summaries document the project content and design decisions that were made in preparing project scopes, estimates and schedules. The environmental section of the Project Summary establishes the initial environmental classification and documentation required for the project. The Project Summary must be approved by the SAPD prior to beginning work on a project.

Legislative Process

Once in session, the House and Senate Transportation Committees address the proposed budget separately, holding public hearings and reviewing financial forecasts to confirm that sufficient revenue will be available to cover the budget proposal. Either committee has the authority to revise the amount of funds requested by the Governor for any of the programs. In addition, they publish project lists that may include additional or exclude proposed projects and budget items. Ultimately, one or both of the committees sends a proposed budget bill to the floor for their respective chamber's review and approval. A budget passed by either chamber requires the other's approval. Normally, a conference committee will reconcile the differences and submit a conference bill to be voted on. After the House and the Senate have approved a final budget, it is sent to the Governor for review. The Governor can sign it as is, veto certain line-items, or veto the entire bill, sending it back to the legislature for further action.

Program Implementation

Upon final passage of the Transportation Budget, SAPD works with the Budget Services Office to distribute and communicate the legislative authorizations and funded budget items to regions and modes. This helps them make final technical adjustments to the legislative project list and finalize the CIPP data.

Once the project data has been corrected and verified, the final list of approved projects for the biennium is published. PCRO uses this list to establish a baseline for schedules and costs, then uses the baseline to monitor and measure project delivery.

Final baseline information is loaded into the legislature's computer tracking system, the Transportation Executive Information System (TEIS). This allows the legislature to monitor and track delivery of projects that are funded from the Transportation Budget.

In order to understand how Washington State Department of Transportation (WSDOT) monitors, controls, manages and reports project and program performance, it is helpful to understand the overall context in which projects are developed and delivered. Overviewed in this chapter are the following aspects of project delivery:

- Roles and responsibilities among WSDOT units;
- Major milestones in the project delivery cycle; and
- The subset of milestones against which the department tracks, monitors, and reports performance.

Responsibility for Project Delivery at WSDOT

Prior to the beginning of the legislative budget session, the Systems Analysis and Program Development Office (SAPD) leads the development of the highway construction section of the Capital Improvement and Preservation Program (CIPP). As managers of the ongoing construction program, the Project Control and Reporting Office (PCRO) provides coordination and support to SAPD in the program building process. PCRO provides input on project schedules and expenditure data for work in progress. It also participates in the program development process to gain insight and understanding into programming objectives and decision making that lead to the new CIPP. PCRO positions itself to better manage the delivery of the program by understanding how the program was built and to provide analysis and input into the new program to help ensure its deliverability.

After the legislature has completed its work and appropriated transportation funding, PCRO produces a Capital Program Management System (CPMS) compatible version of the CIPP that represents the project list approved by the legislature. PCRO uses this version to make program management decisions from the time of its approval through the first quarter of the new biennium.

The Role of Headquarters in Project Delivery

1. Working with the legislature to coordinate planning and development of overall programs and projects;
2. Developing policy and standards to guide development, management, and delivery of projects;
3. Providing specialized technical expertise across the range of engineering, environmental, and legal disciplines required for design and construction of complex transportation facilities and services; and,

4. Overseeing, controlling, and reporting the delivery of the established programs and budgets.

While Headquarters is responsible for these overarching functions, the regions and modes generally execute delivery of WSDOT projects through their design and construction activities.

Two separate entities at WSDOT Headquarters are responsible for the first and fourth functions—that is, working with the legislature to first plan and develop the WSDOT program or portfolio of projects; and then to control that program once it has been set into place as a biennial budget.

SAPD, which reports through the Secretary’s Chief of Staff, is responsible for the first function. PCRO, which reports through the Chief Engineer, Assistant Secretary for Engineering and Regional Operations, is responsible for the fourth. While SAPD is responsible for building and planning the WSDOT program for the next biennium, PCRO is responsible for management, monitoring/reporting, and control of the delivery of projects and programs within the current biennium. The following functions carried out by the SAPD and PCRO.

Systems Analysis and Program Development

SAPD functions are to:

- Focus on building and managing the WSDOT program for future biennia;
- Establish program and subprogram funding levels;
- Target regional and modal funding levels for subcategory improvements and types;
- Establish priorities by providing ranked deficiency lists;
- Issue programming instructions to regions and modes;
- Assemble and balance the final program by fund type and subcategory;
- Balance each program by fund type and subcategory during the course of the current biennium;
- Verify program accuracy and confirm priority order; and
- Provide the Governor, Transportation Commission, and legislature with options and alternatives for strategic direction and funding choices and levels.

Project Control and Reporting

PCRO functions are to:

- Establish and manage project control and management procedures, including the change management process and the establishment of approval levels for project changes;

- Establish, manage, and execute procedures for authorization of work order expenditures and federal aid project authorization;
- Focus on monitoring, controlling, and reporting on the current biennium's programs and projects to ensure program and project delivery;
- Coordinate and participate in quarterly meetings by the Executive Review Board with the regions and modes to review project and program performance and provide early senior management direction to address problems as they develop
- Generate reports to analyze the delivery of the programs and projects
- On a quarterly cycle, compile and report on project and program delivery performance for all modes and regions to the legislature and to other external stakeholders through the *Gray Notebook* ("Beige Pages" and "White Pages"), GMAP, and Web-based information through the on-line Quarterly Project Reports (QPRs) and the project Web pages
- Prepare information for the Governor, senior management and the Office of Fiscal Management (OFM) relating to project changes that require legislative approval
- Develop, document and implement WSDOT project control and reporting policies and procedures
- Manage the development and maintenance of the Project Management and Reporting System (PMRS).

The Role of the Regions and Modes in Project Delivery

While Headquarters takes the lead in formulating the program and in setting the parameters to deliver projects, projects are primarily designed and built within the regions and among the modes. For this reason, it is helpful to understand the basic organizational structure of project delivery at regional and modal levels.

Role of the Management Region

Although most projects geographically located within a region are managed by that region, sometimes a region will transfer projects to other regions to deliver the entire project or phase of a project for them. There are two roles regions can fill in delivering a project: either the managing region or the consulting region.

The region responsible for delivering the work is called the *Management Region* and identified in CPMS. A Management Region will be assigned to every project and can be transferred at key points during the life of the project (e.g., phase, stage, budget cycle).

The Management Region has sole stewardship of the project. However, it may enter into agreement with other regions for services such as preparing project control and reporting documents; preparing plans, specifications, and estimates (PS&E); environmental services; real estate services; and construction administration. The region providing these services under the direction of the Management Region is referred to as the *Consulting Region*.

For each project under the Management Region, the Management Region will generate and submit all project control documents and reports to Headquarters including Work Orders, PCRFS, MQPR meetings, *Gray Notebook* (GNB) write-ups, and Quarterly Project Report (QPR) Web pages. However, the Management Region can assign the work of updating CPMS, setting up a work order, or filling out a PCRFS to a Consulting Region. For services that require a submission to Headquarters, the Consulting Region should process the submission through the Management Region rather than directly to Headquarters. For reporting, the Consulting Region may appear at the Management Region's QPR meeting to make presentations and may report at the Management Region's monthly confidence reports. Additional reporting within the Consulting Region is discretionary.

All routing of reviews and approvals to Headquarters will be through one project delivery manager.

Role of the Project Engineer

Project engineers serve as the basic point of responsibility for project management at WSDOT. Typically, each project is assigned to a project engineer who leads the project team, which may be comprised of WSDOT staff or consultants. Depending on the type of project, just a few disciplines may be involved, such as Design, Right of Way, and Construction. On others, specialties may be required, such as Geotechnical and Bridge Design. On the very largest projects such as projects within urban corridors, project engineers may report to Engineering Managers, Chief Engineers, and/or Project Directors. WSDOT management teams may also be integrated with consultant staff.

The project engineer is generally responsible for development of the Project Management Plan (PMP), the guiding document that sets forth the project scope, schedule, cost, resource needs, and potential risks. The WSDOT Project Management Process documents the elements of a typical project management plan (see the Project Management Online Guide at www.wsdot.wa.gov/Projects/ProjectMgmt/). During the "Plan the Work" phase, the project engineer leads the team through development of the Project Management Plan, including the communications, change, risk, and quality management plans.

It is the project engineer's responsibility to ensure that the Project Management Plan is endorsed and includes all the work required to be delivered. The project engineer may assign work breakdown structure elements to functional staff or specialty groups within WSDOT or to consultants depending on resource availability. The project engineer coordinates work performance throughout the project life cycle; monitors project performance; takes corrective action where necessary to adhere to the scope, schedule, and budget; reports the status of the project to management; and provides project information for departmental reports. In addition, the project engineer is the chief point of contact and spokesperson for the project, both within the department and to external stakeholders.

Project engineers generally report on the project or projects for which they are responsible at the Quarterly Project Review meetings. The project engineer serves as the single point of contact on matters involving overall project scope, cost, or schedule. They are responsible for monitoring and controlling risks and change to the project scope, budget, or schedule; for initiating approval for change from the original plan; maintaining accurate project estimate at completion; and aging of project expenditures. The accountability expected from project engineers at WSDOT is reflected in the fact that their names and contact information are listed on each WSDOT online project page which is available to the public.

Project engineers generally report to each region or mode's project development engineer (or equivalent) who in turn generally reports to a modal or Regional Administrator. In the Rail mode, the project engineer and the Regional Program Development Engineer is the same person—the Rail project engineer.

Role of the Regional Project Development Engineer

As noted, project engineers generally report to the region or mode's Project Development Engineer (or equivalent), who is responsible for delivering the portfolio of design projects within the region or mode. Duties focus on promoting the professional development of project engineers, including training, and establishing project management processes and procedures according to [Executive Order Project Management E 1032.00](#). In addition, Project Development Engineers work with project engineers to identify issues that will impact project scope, schedule, and budget; and advise them in applying corrective action to minimize or mitigate their effects.

Role of Regional Project Directors

Due to their complexity, corridor projects are likely to have more complex management structures. project engineers may report to a Project Director who oversees engineering, environmental, and public relations efforts on the corridor, to make sure these high-visibility projects meet public expectations for on-time, on-budget delivery of design projects within the region or mode.

Role of the Regional Construction Engineer

Similar to the Regional Project Development Engineer, the Regional Construction Engineer is a direct report to the Regional Administrator. This position is responsible for administering the Region Highway Construction Program. These activities include assigning project engineers with appropriate supporting personnel while providing training and guidance to the project engineers. It is also the responsibility of the Regional Construction Engineer to ensure that sufficient personnel are provided on all projects at all times to ensure adequate inspection, documentation, and quality controls.

Role of the Regional Program Manager

Regional and Modal Program Managers act as the primary contact for project delivery information and reporting project delivery status. They may also establish regional/modal priorities for legislative funding that is specified for an activity rather than individual projects. For example, they establish priorities for projects identified by WSDOT when funding is provided for bridge guardrail work in a lump sum rather than for each individual guardrail project.

Legislative appropriations are at the program level with additional restrictions by project or project type (except for line-item budget projects such as Nickel and TPA Projects). At the region level, this activity requires Headquarters coordination due to Headquarters managed programs and statewide priorities. Line-item project lists cannot be adjusted at the region level. Certain programs or subcategories may allow for allocation of funds to the regions, however, the trend has been toward specific project funding (line-items) and away from “buckets.” As projects are scheduled for design and construction, Program Managers in the regions/modes and at Headquarters approve funding, monitor progress, and report results. When necessary, Program Managers in the regions/modes adjust the projects within their region or mode to maintain expenditures within available appropriations.

Role of the Regional Administrator

The Modal or Regional Administrator bears the ultimate responsibility for project delivery at the regional or modal level. Regional Administrators report through the Chief Engineer, Assistant Secretary for Engineering and Regional Operations. The Assistant Secretary, Ferries Division reports directly to the Chief Operating Officer. The Directors of Freight and Passenger Rail and Marine Division, Freight Systems, and Highways and Local Programs answer to the Chief of Staff.

Major Milestones in the Project Delivery Life Cycle

Although WSDOT is responsible for delivering hundreds of projects throughout the state that serve pedestrians, cars, buses, trucks, ferries, trains, and aircraft (as well as buildings that support these transportation modes), the major milestones in project delivery are quite similar, although the definitions can be different depending on the mode. For example, rail projects generally do not go to advertisement, so the Advertisement Date will denote when the construction agreement is signed with the railroad. Although sequence and duration will vary depending on the complexity of the project i.e., a simple paving project or complex corridor project all projects must be designed. Environmental permitting is almost always required; right of way issues must generally be resolved; construction bids must be solicited; and the facility must be built and ultimately opened to service and maintained.

During their development and construction, complex WSDOT projects may be organized around dozens of milestones. Historically, the most reported and familiar milestone has been the project's advertising date, since this date generally signifies the end of design efforts and the transition to the project's construction phase. But this is only one of several milestones the department uses to manage and report on its delivery of projects.

Although WSDOT may track dozens of milestones for internal project management purposes, a subset of these milestones is tracked and reported against. For every project on a quarterly basis, WSDOT uses the following milestones for tracking and reporting:

	Nickel and TPA Projects	PEF Projects
1. Project Definition Complete	✓	
2. Begin Preliminary Engineering	✓	✓
3. Environmental Documentation Complete	✓	
4. Right of Way Certification	✓	
5. Advertisement Date	✓	✓
6. Operationally Complete	✓	✓

For more information and definitions of the reportable milestones, see [Chapter 4](#).

WSDOT is committed to meeting all milestones as a matter of good management and routinely reports the number of planned advertisement dates versus the number of projects actually advertised. However, it is important to note that a change in one milestone does not necessarily impact subsequent milestones. A missed preconstruction milestone, such as the Advertisement Date, may not impact the actual start of construction work in the field or the

Operationally Complete Date. In some instances the planned Advertisement Date may be missed, but subsequent milestones may remain unchanged or time may be recovered such that the project completion remains on schedule, and WSDOT project delivery commitment is maintained.

Often the advertisement is scheduled around available work force and periods of favorable bids that can occur virtually any time during the year. In contrast, the start of construction work in the field is usually scheduled around favorable weather and environmental conditions, usually spring through fall. As a result, some projects are scheduled for advertisement in late fall and winter, with construction work planned to start the following spring or summer. For these projects, if the Advertisement Date were delayed, the actual start of construction work and the Operationally complete milestone may not be impacted.

When reporting projects that have delayed past a planned milestone date, WSDOT will indicate if the project has changed a subsequent planned milestone, such as the planned construction season or Operationally Complete milestone.

Although project schedules may change through the biennium, WSDOT uses the last approved legislative budget and milestones as the reference for subsequent project tracking and reporting, since this reflects the last legislative expectation.

Introduction

Once the final Transportation Budget has been passed by the legislature and signed by the Governor, final allocations for each subprogram within the capital program are made and the final program of projects for the biennium is established in the Capital Improvement and Preservation Program (CIPP). See [Chapter 1](#) for more details on how the capital program is developed. WSDOT's objective is to deliver the final program of projects within the established allocations. This requires careful funds management and control of project changes. Specific objectives include the following:

- Controlling project expenditures to stay within the established scope, schedule, and budgets;
- Ensuring all charges to funds are authorized, accurate, and appropriate;
- Optimizing the use and availability of federal funding by adhering to all requirements and taking full advantage of all federal funding opportunities;
- Predicting cash flow supply and demand to time the issuance of debt and retain high bond ratings, which reduces the cost of capital; and
- Maintaining sufficient cash reserves to cover emergency needs.

To accomplish this, WSDOT uses two related project controls for managing project expenditures and changes. The first is the [Work Order Authorization \(WOA\)](#) process, and the second is the [Project Change Request Form \(PCRF\)](#) process. Each is discussed in this chapter.

The WOA process allows WSDOT to establish specific permission for a project to incur expenditures by funding type, amount, purpose, phase, and timing. This is accomplished through Headquarters approval of all new spending proposals. It provides control at the project level, as well as a mechanism for rolling expenditures up so that they can be managed at program and subprogram levels. This is important because it allows WSDOT to not only oversee project-level changes, but their individual and cumulative impacts at the program level.

While the WOA makes it possible administratively for expenditures to be charged against a given fund source, it does not constitute approval of any proposed change to project scope, schedule, or budget. The second tool, the PCRF, must be used in order to gain approval for proposed project changes, including modifications in work order authorization. While the [thresholds](#) requiring a PCRF may vary by fund type, the PCRF constitutes WSDOT's sole project change approval mechanism. Changes to Nickel/TPA funded projects require different approval criteria than changes to other fund types.

Together, the WOA and PCRF processes give WSDOT the ability to set the initial parameters for expenditures and to control changes at the project level once those parameters are in place. This allows the department to manage the capital program at both the program and project level.

Managing Funds

Managing Funds at the Program Level

Role of the Regional and Modal Program Manager

Regional and modal program managers monitor the funding within their administrative unit to ensure that planned expenditures do not exceed the allocation. Program managers regularly review and update cost and expenditure schedules. They identify cost trends within a program and develop options to accommodate changes. When unexpected needs arise, emergent projects are accommodated in the overall financial plan. Partnerships may be developed with local agencies and other stakeholders to help manage the cost of improvements to the state transportation system.

Role of the Headquarters Systems Analysis and Program Development (SAPD) Program Manager

Headquarters Program Management ensures that overall spending within a program for the biennium does not exceed available expenditure authority.

Within Headquarters, the SAPD Program Manager looks at Preexisting Funds (PEF) funding on a statewide basis to balance the planned expenditures with available funds. State and federal funds have a limited supply and need to be managed closely. Funds from local agencies are also appropriated in the budget or approved through the unanticipated receipt process. Unanticipated receipts are proposed through the Headquarters Project Control and Reporting Office (PCRO) and the Budget Office and approved by the Office of Financial Management (OFM).

The appropriation levels for state and federal funds cannot be adjusted at will. State appropriations may only be increased by the legislature. OFM may reduce spending through the allotment process. Federal funds come from the Federal Highway Administration (FHWA) with spending limitations. Sometimes federal funds are raised or lowered by FHWA, apart from the legislature's action, and revised federal appropriation levels can be processed through OFM or included in the next budget proposal.

The Highway Construction Program is separated into the Improvement and Preservation Programs, each of which is further divided into subprograms and each subprogram into subcategories. Headquarters oversight looks at each subprogram's funds balances to ensure planned expenditures match the available funding. The subprogram balances are also rolled up at the program level, to check for the combined surpluses and deficits, and to avoid having

the biennial expenditures exceed the available program expenditure authority. Legislatively approved project lists are used to compute regional budgets by subprogram and fund type.

The primary controlling mechanism used by Headquarters is the [Work Order Authorization \(WOA\)](#). The regions cannot expend funds until authorized by Headquarters through the [WOA process](#). This process allows regulation of the rate of expenditures within a biennium.

Headquarters also reviews the balance of planned expenditures and available revenue on a monthly basis. This helps indicate where spending could be accelerated or slowed down. Funding balances are summarized at the subprogram level by region, at the statewide level by subprogram, and at the program level for the Improvement and Preservation programs.

Managing Funds at the Project Level

Projects are managed to ensure they are delivered on time, on budget, and within the appropriate scope as approved by the legislature in the most current budget. Program managers monitor the cost, schedule, and scope of each project to ensure that they follow legislative intent.

Role of the Regional and Modal Program Managers

The regional and modal program managers are updated on the progress of their projects by project managers and project engineers. When project changes are required, the project manager or engineer coordinates with their program manager for direction on how best to proceed.

When cost change thresholds are exceeded, the program manager for the region or other mode works with the project engineer or project manager to provide information to report and process the change. For changes within the regional approval level, a recommendation is prepared for approval within the administrative unit. On larger changes, a request for approval is prepared (usually a [PCRf](#)) and submitted for review by upper management or at the organization-wide level. The program manager coordinates with local, state, and federal offices to obtain funding for individual projects. Work orders are submitted for cost changes, unprogrammed projects, and deleted work only after a change request has been approved at the appropriate level. Work orders are also submitted to initiate new phases of work: preliminary engineering (PE), right of way (R/W), and construction (CN).

Role of the Headquarters PCRO Program Delivery Managers

Headquarters PCRO program delivery managers manage the [PCRf](#) and [WOA](#) processes for the regions they oversee and routinely look at costs on a project level each time a new work order is processed for approval. Increases or decreases from the legislatively approved costs are approved at different levels based on the magnitude of the change. Low-level changes are within

the regions' jurisdictions and do not require Headquarters approval. Beyond a fixed minimal level, the program delivery manager must review and approve cost changes. At the next highest level, the Director of PCRO reviews and approves changes. Changes beyond the Director of PCRO level require approval by the Chief Engineer, Assistant Secretary for Engineering and Regional Operations. Changes to Nickel/TPA funded projects are submitted to OFM for approval per the current budget language.

Project Funds Authorization

Work Order Authorization Process

Once project funds are authorized, project expenditures may begin. The authorization of funding is documented through the [WOA process](#). A separate work order is required for each project phase: PE, R/W, and CN. Work may also be authorized for separate stages within a phase, such as separate work item numbers (WIN) under a program item number (PIN).

A WOA form is used to submit the initial request for authorization, to make modifications, and to close a work order (see [Figure B-1](#) in [Appendix B](#)). This form is an important tool for managing project funds. Special care needs to be taken to make sure the form is submitted in a timely manner, is completed accurately, and provides clear information.

Once the new work order is established and project funds are authorized, work begins and charges come in against the work order. As expenditures are incurred, they are posted in the Transportation Reporting and Accounting Information System (TRAINS) against an appropriation code. A nightly process translates the expenditures by appropriation code into expenditures by finance code in the Capital Program Management System (CPMS). It is critical these codes are coded accurately. The finance code is used in CPMS to track work order expenditures by fund source, to determine remaining authorization, to establish the monthly aging plan for the remaining authorization, and to redistribute planned expenditures over the remaining months of the project during the monthly aging process.

Regions will track project expenditures, adjust monthly expenditure plans, and submit work order modifications as necessary. Monitoring project

Washington State Department of Transportation
 Award Date: 9/22/2004
 Project: P982
 Work Order Title: BRIDGE PRESERVATION INSPECTION 03-05
 Work Order Description: INSPECT CONDITION OF HIGHWAY BRIDGES AND STRUCTURES 03-05
 Phase: PE R/W CN
 Source: Federal State Local
 ER Type: Renewal NonRP NonRP Renewal NonRP CCA
 Engineer Estimate Date: 7,443,453.00
 Group Category: 01. Work Done Contractor
 02. Work Done Others
 Payable Agent #: V9499AB 37,404.00
 03. Engineering
 04. State Force Work: -37,404.00
 05. Material Furnished:
 06. Contingencies:
 07. R/W Acquisition:
 08. R/W Other:
 09. Vendor Supplied Materials & Services:
 Net Change: 0.00
 New Total Authorization: 7,443,453.00
 Design Approved: Yes No
 NEPA: 00996D-Bridge
 The CE/PE costs equal % of current est. construction

PIN	Sub	Fund	Legis	Finance Codes	Auth Status	Amount Change	Control Section	Distr % by Cont Sect
00996D	P2	PB	108	ALD	2F	0.00	Y	100.00
00996D	P2	PB	108	ALD	AA	0.00	Y	100.00

 Counties: State Route: MP From: 0.00 MP To: 0.00
 Net Change: 0.00 Dist %: 100.00
 Work Order Justification: Transferring authorization from state force work to work done by others to set up agreement 03493 and with Echelon Engineering Inc for the inspection of 8 state bridges.
 Notes to Accounting: Please set up the next available group for agreement 03493 AB - Echelon Engineering Inc - 03/1/04.
 Transfer authorization from group cat 04 to group cat 02. Thanks.
 Notes to CPMS: Transfer.

expenditures is very important. It is much like balancing a checkbook. It is critical that the department has as an accurate picture of when projects expect to expend funds and the amount to determine if each program is within the appropriation at any given time. By law, the department cannot spend more than its biennial appropriation for each program. Using CPMS, PCRO regularly monitors and summarizes project level expenditures to make sure expenditures at the subprogram level remain balanced.

Approvals Required for Work Order Authorization

Highway Construction Program Approvals

[Table 4-1](#) charts the approval levels required for WOA within the Highway Construction Program. Prior to being evaluated at the approval levels indicated in the table, a WOA may require one or more preliminary approvals within its respective mode or region. The routing and responsible authority for preliminary approval may vary by mode and region.

The WOA process allows expenditures for PE, R/W acquisition, and CN of all projects within the CIPP. A WOA is used for:

- Setting up and authorizing initial project phase funding
- Increasing or decreasing project phase funding
- Setting up funding for payable or reimbursable agreements on project phases
- Transferring funds within work order groups
- Correcting inconsistencies between data systems e.g., synchronizing work order setups
- Adding funds from another program to highway construction projects, e.g., adding maintenance funds from Program M
- Exchanging funds: in other words, a project receives local or developer funds after the phase starts, and the funds from this new source can be added and funds from another source can be reduced accordingly.

The process of setting up a work order involves several information technology systems, including CPMS, the Transportation Reporting and Accounting Information System (TRAINS), and the Contract Administration and Payment System (CAPS). TRAINS is the core system used for storing and managing expenditures and maintains the legal record of work order transactions. CPMS and CAPS are also used to manage and track work order data. CAPS data is fed to TRAINS for payments made to contractors. TRAINS expenditure data is sent to CPMS every night. See [Chapter 5](#) for a discussion and description of the all the information systems used to plan, monitor, control and report on WSDOT project and program delivery, including TRAINS and CPMS.

Work order authorization and expenditures are tracked using a variety of reports, both printed and online, mainframe, and Web-based. Work orders are generally reviewed on a monthly basis by work order managers but may be tracked more frequently if the situation warrants. Reports are available from TRAINS, CPMS, and FIRS to use for tracking expenditures. Most data can also be downloaded to a personal computer for use in producing customized reports, charts, and graphs.

Type of Work Order	Approval by Headquarters	Approval by Region
Initial Set-up		
State funded work orders (PE only)		X ¹
Federal funded work orders (PE ² , R/W ² and CN ¹)	X	
Early R/W appraisals (\$20,000 limit)		X ¹
R/W acquisition (all projects)	X	
Region emergent needs projects (PE and CN only)		X ¹
All other CN work orders	X	
Increase		
State funded work orders (PE only)		X ²
Region emergent needs projects (PE and CN only)		X ²
All other PE ² , R/W ² and CN ¹ work orders	X	
Fund Transfer (no change to current authorization level)		
State force labor (Group Cat 04) on CN work orders	X	
All other transfers		X ³
Reduction		
PE, R/W, and CN work orders		X

¹The Regional Administrator (or designee) can authorize these expenditures provided the authorization is at or less than what is in the approved program with a start in the current biennium, the Project Summary has been approved and no federal dollars are involved.

²The Regional Administrator (or designee) can authorize these expenditures provided the authorization is at or less than what is in the approved program with a start in the current biennium and no federal funds are involved.

³The Regional Administrator (or designee) can authorize these expenditures provided no federal funds are involved, no transfer between fund codes and no transfer between projects (PINS), and no new fund source is added.

Work Order Authorization Approval Levels
Table 3-1

Work Order Authorization System Support

WOA system support is provided in a decentralized, three-tier support format, shared among region program management and modal offices and the four PCRO program delivery teams. The decentralization of system support allows for WOA system problem resolution at the lowest and most accessible level.

The support structure is a three-tier, shared-function approach for software and user support with the tiers defined as follows:

- **Tier 1 Support:** A PCRO staff person is designated as a WOA coordinator and tasked to be the single point of contact for the PCRO delivery team specialists and the IT programmers. The WOA Coordinator focuses on statewide and systemwide issues, and acts as the liaison between PCRO/regions/modes and the Information Technology (IT) support.
- **Tier 2 Support:** If an issue cannot be resolved at the region/mode level, it is forwarded to the delivery team specialist who is trained and designated to be the single point of contact for the region in the appropriate PCRO delivery branch.
- **Tier 3 Support:** This is the level of support closest to the end user, providing routine day-to-day support for common questions on how to use the system. More complex questions, system improvement requests, and questions on policies are forwarded to the Tier 2 support representative. A region/modal program management staff person proficient in the WOA system provides this function. The regional/modal program manager assigns this person.

The blended tier system approach provides WOA system support to both the regions and the modes external to regional program management. These include Headquarters Traffic and Environmental and Engineering offices, WSF, and Direct Project Support (DPS) WOA. Unresolved WOA issues from these modal offices will be elevated to the PCRO modal delivery team.

Additional support is offered through the online WOA Help Desk for requesting assistance via e-mail.

Federal Aid Project Authorization Process

If a project is proposed for federal funding, a Federal Aid Project Agreement (FAPA) is required in addition to a WOA (see [Figure B-1](#) in [Appendix B](#)). The regions provide the information for submitting the agreement and Headquarters prepares and submits the final form to FHWA for approval. Usually, regions submit the WOA for funding authorization at the same time they submit information for the FAPA. **The FAPA must be approved before work starts on a project phase that will use federal funds.** The one exception is that a PE phase may be 100-percent state funded and underway before the FAPA is approved. Upon approval of the FAPA, federal funds may then be used for PE phase expenditures from the date of FAPA approval forward.

A FAPA, initiated by completing FHWA Form 120 (see [Figure B-3](#) in [Appendix B](#)), defines the scope and cost of a project that will utilize federal funding. When approved by FHWA, the form documents FHWA’s commitment to participate in the project cost. While this form is prepared and submitted by Headquarters, it is important that region Program Management staff understand the requirements for receiving federal aid funding on projects.

As stated earlier, **the FAPA must be approved prior to starting any project phase planned for federal funding. Any expenditure incurred prior to FHWA approval is not eligible for reimbursement.** An additional authorization may be required if there is a change in project scope, new work is added to the project, or contract conditions are renegotiated. This is particularly important during construction when new work or payment incentives may be added to the project by a change order.

Washington State Department of Transportation
Modification of Federal Aid Project Agreement

Project Number: 0401(000) Prefiles: (AC) NH, ER, Mod Number: 5
 Title: SR101 HIGH RIVER - EMERGENCY REPAIRS - DMCG21, MS5031, SF4066 & 006271

Purpose: Authorizing Work Ongoing Funds Mod. Justification: ADDING ADDITIONAL FUNDS
 Description: MODIFICATION NO. 5. THIS REQUEST (SF4066) PROVIDES FOR ROADSIDE RESTORATION / PLANT ESTABLISHMENT BY STATE FORCES \$25,950.00.

The Project Agreement for the above referenced project entered into between the undersigned Parties and executed by the Division Administrator on Nov 14, 2020 is hereby modified as follows:

Description/Location: HIGH RIVER, EMERGENCY REPAIRS
 SR101-18.82 TO 18.72 MILES SOUTH OF JUNCTION SR110.

Quantity	Itemized Area	W/V	W/V #	Sub Plan	Plan No.	Structure	Est. Code
	NOT IN AN URBANIZED AREA	C-38141C	008877	PCS	002046		JL
		C18141F	DMCG21		003C		
		C18141D	MS5031		310141D		
			SF4066				

SR: 101 Beginning MP: 174.100 Ending MP: 174.800 Price Code: NOT APPLICABLE
 Design Appr#: 04152004 Enroll Date: 04-13-2004 Enroll Code: CATEGORICAL EXCLUSION (CCE) FHWA DOC
 ROW Cert#: 00000000 STP Appr#: 00000000 STP Ref: EXEMPT

FEDERAL FUNDS:	Class of Funds	Approp.	Fin. Cd.	Proc. Rate	Phase	Current Amount	Previous Amount	Increase/Decrease
EMERGENCY RELIEF - FED. AID - OTHER	09V0	JL	100%	CN		504,270.00	504,270.00	.00
NATIONAL HIGHWAY SYSTEM	HSD	JL	80.0%	CN		6,980,804.00	6,980,804.00	.00
Total Federal Funds:						\$7,474,124.00	\$7,474,124.00	\$25,950.00
Total Non-Federal Funds:						\$2,250,213.00	\$2,246,163.00	\$4,050.00
Total Project Funds:						\$9,724,337.00	\$9,694,337.00	\$30,000.00
Inst Soft Match - TOLL: No								
Inst Soft Match - IDC: No								

NON-FEDERAL FUNDS:	Fund Type	Account	Est. Cd.	Phase	Amount	Previous Amount	Increase/Decrease
STATE FUNDS			CN		2,250,213.00	2,246,163.00	4,050.00
Total Non-Federal Funds:					\$2,250,213.00	\$2,246,163.00	\$4,050.00

5/2/2004 Federal Aid Tracking System (FATS) Created By: JEMKIN
 Page 1 of 2 DIST, W/O, CPMS, FMS, D/B, FATS

Approval Process for Federal Aid Project Agreements

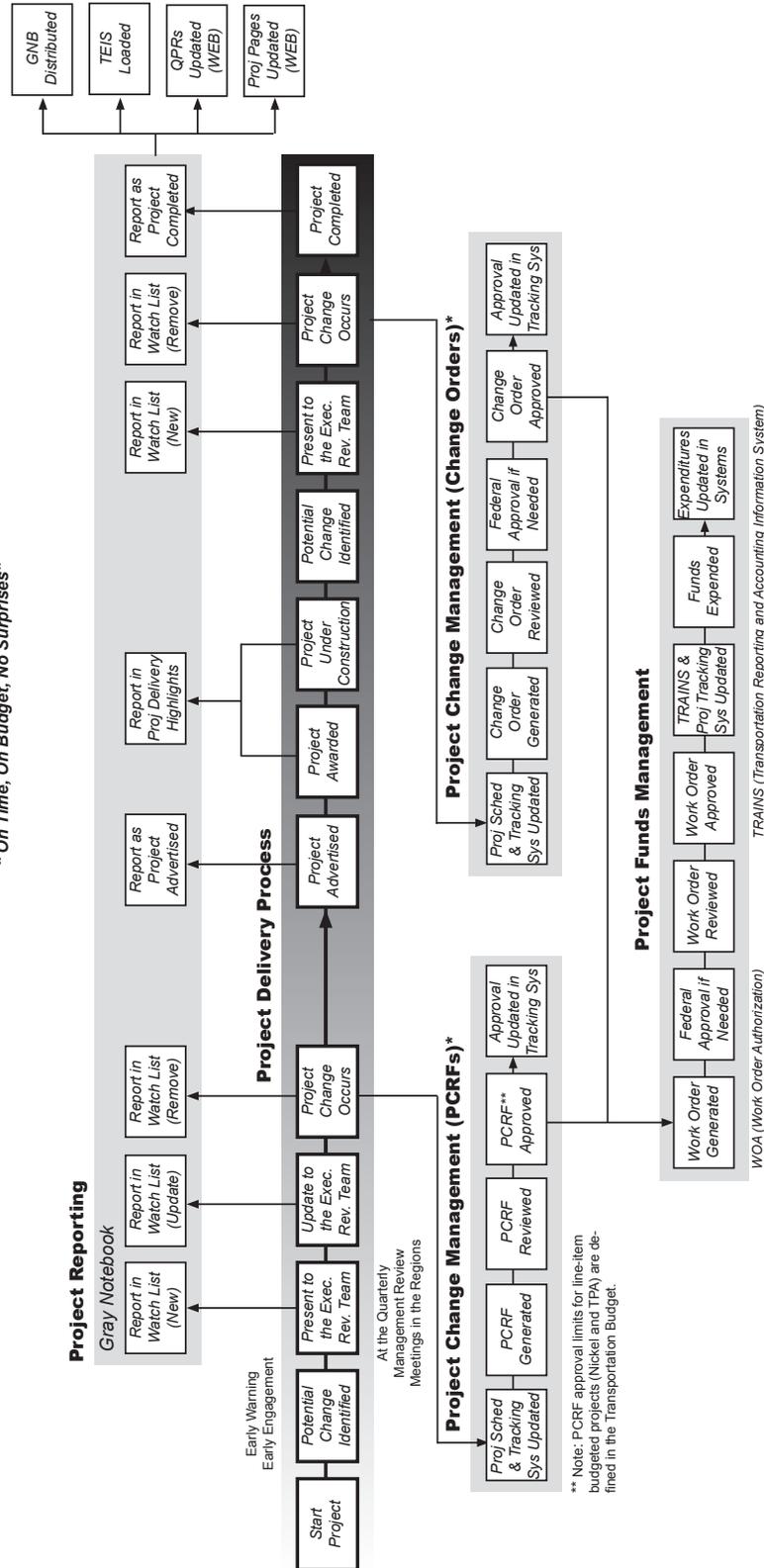
The Federal Aid Section in Headquarters SAPD, using information provided by a status report and/or a completed WOA form, prepares the FHWA Form 120. It is reviewed and approved in Headquarters, then submitted to FHWA for review and approval. The FHWA review considers such questions as:

- Are the requested funds available?
- Is the project, as described, eligible for the type of funds requested?
- Has the state met FHWA requirements for developing the project?
- Is the project in the current approved Statewide Transportation Improvement Plan (STIP)?

Once the review is complete, FHWA returns the approved form to SAPD in Headquarters. A WOA can then be processed, reviewed, and, if there are no other issues to be resolved, approved by Headquarters PCRO. It is then forwarded to Headquarters Project Support and Receivables for set-up in TRAINS. A copy of the approved form can be accessed in the Federal Aid Tracking System (FATS). Figures 3-1 and 3-2 show the steps involved in federal aid approval.

Project Control and Reporting for Line-Item Budgeted Projects (Nickel & TPA)

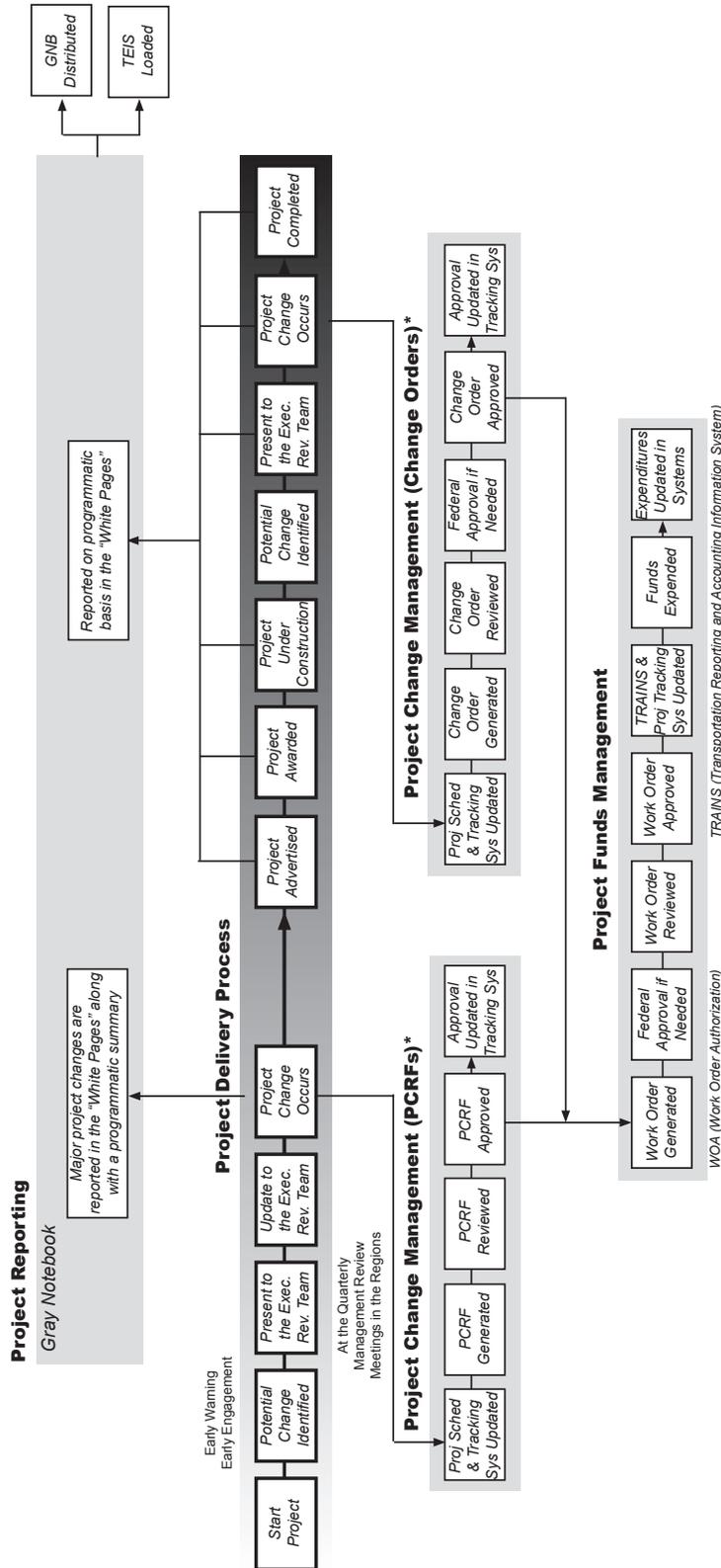
“On Time, On Budget, No Surprises”



** Note: The Capital Program Management System (CPMS) and Project Change Request Forms (PCRFs) are used for tracking the Highway Construction Program and approving changes to project cost, scope, and schedule. Other modes use similar systems that meet the unique needs of the individual mode.

Project Control and Reporting Processes for Line-Item Budgeted Projects
Figure 3-1

Project Control and Reporting for Programmatic Budgeted Projects (PEF)
 "On Time, On Budget, No Surprises"



** Note: The Capital Program Management System (CPMS) and Project Change Request Forms (PCRfs) are used for tracking the Highway Construction Program and approving changes to project cost, scope, and schedule. Other modes use similar systems that meet the unique needs of the individual mode.

Project Control and Reporting Processes for Programmatic Budgeted Projects
 Figure 3-2

Project Change Control

The intent of WSDOT project delivery is to ensure that the project scope, schedule, budget, and quality objectives committed to the legislature are achieved. Where this is not feasible, project change controls provide a consistent and well documented means of managing change. Project change control activities encompass monitoring and measuring progress against established baselines to anticipate and identify variances from plan, the system of approvals required for the authorization of change, detection of incorrect or unauthorized changes, and any corrective action taken to prevent or mitigate variances from established baselines. WSDOT's system of project change controls is described in this section.

Change Drivers

As noted previously, project managers or project engineers are responsible for delivering their projects according to the scope, schedule, and budget as committed to the legislature. However, adjustments to project schedules and budgets are sometimes required for reasons including, but not limited to, the following:

- Emergency needs;
- Changes in federal or state revenue levels;
- External actions that affect the department's ability to deliver projects, such as work force reductions;
- Changes in permitting or regulatory requirements;
- Previously unknown site conditions that could not have been anticipated in the absence of prohibitively expensive scoping;
- Errors and omissions during the design process;
- Unpredictable fluctuations in the cost of materials; and
- Changes in scope that are required after the baseline has been established.

The Project Manager's or Engineer's Responsibility for Project Control

The assigned project manager or engineer has the primary responsibility for monitoring the specific activities of a work order and for ensuring that expenditures remain within authorized funding. The project manager or engineer establishes a work plan that includes planned expenditures on a monthly basis and compares actual expenditures against this plan. For line-item budgeted projects (Nickel and TPA funded), the project manager or engineer needs to closely monitor and report biennial expenditures because these types of projects have a biennial budget that requires OFM's approval for any increases.

The Project Change Process

While the Quarterly Project Review meetings, the *Gray Notebook*, and Web pages are WSDOT's chief monitoring and reporting tools, the means by which the department controls approval of proposed changes in scope, schedule, and budget is the [Project Change Request Form \(PCRF\)](#) (see [Figure C-1](#) in [Appendix C](#)). Although some minor changes are permissible through an amendment to an existing work order authorization, submission of a PCRF is required for most changes on programmatically budgeted PEF projects and for all line-item budgeted (Nickel and TPA) project changes that are proposed prior to or at contract award. After contract award, the construction change order process is used to approve project changes (see [Figures 3-1](#) and [3-2](#)).

The Project Change Request Form (PCRF)

The PCRF is the primary mechanism through which WSDOT manages changes to a project's scope, schedule, and budget. It is the key source document within WSDOT for approving and documenting project changes from legislative intent. A work order authorization to initiate proposed changes may not be approved until the PCRF (or change order for construction projects) is approved (see [Figure 3-3](#)). For construction projects, a change order does not increase authorized funding. **A PCRF will be needed if change order costs exceed the project's budget, including contingencies.**

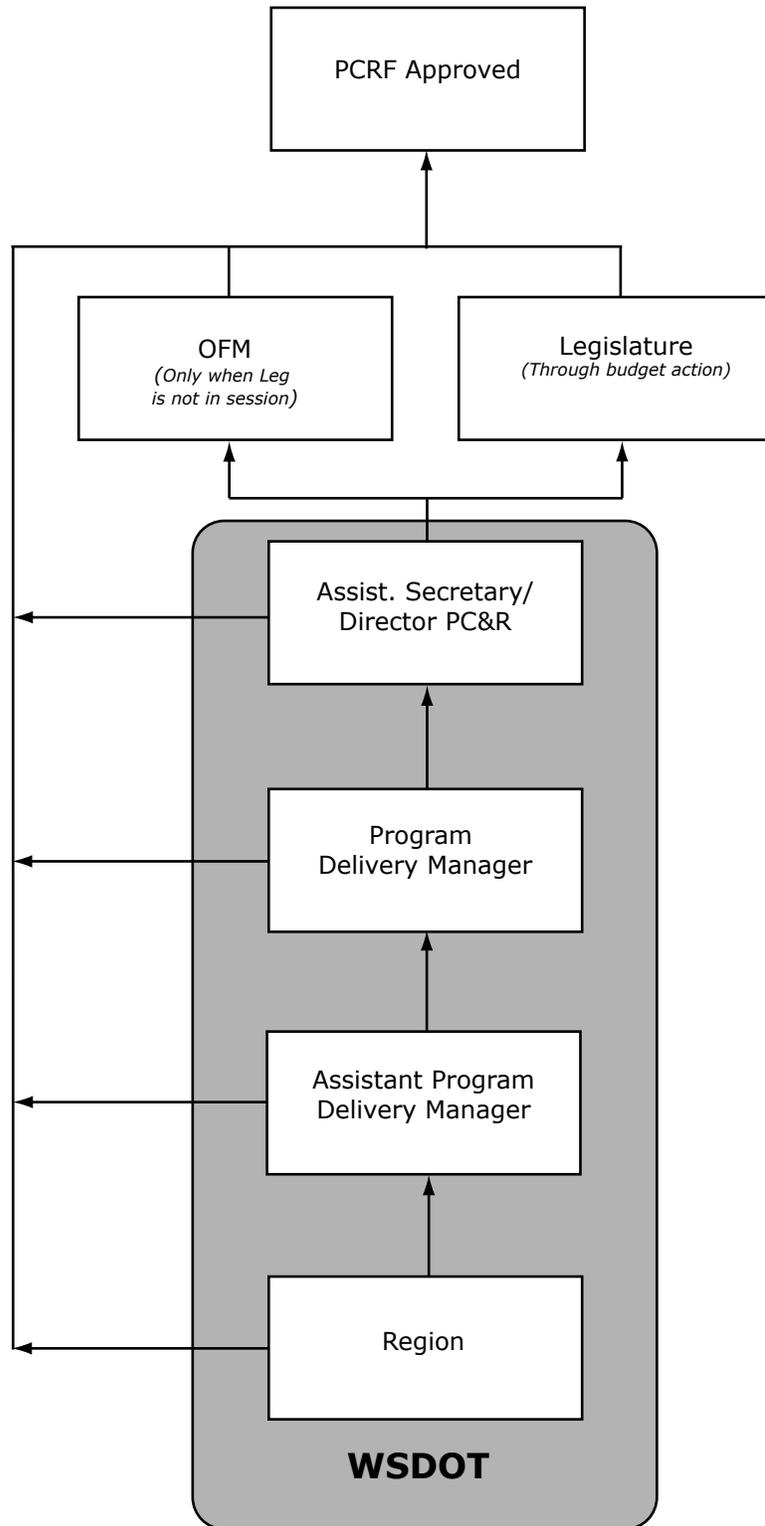
All identifying information about the project for which a change is proposed must be indicated on the PCRF, such as [PIN](#), subprogram and project title. The person requesting the change must also indicate the source of funding, project description, project location, and reason for the change request. For a complete description of the PCRF, its use, and how to fill it out, see [Appendix C](#).

Budget Changes

Any requested budget changes must be presented alongside the original budget by phase and by biennium. The total variance is summarized.

Proposed Changes

The requestor must indicate if the change has been presented during a Management Quarterly Project Review meeting and summarize all previous changes approved or submitted since the last legislative budget. The requestor then provides the reasons for the change, why the change needs to be addressed, the impact of the change on the project's scope, and what action has been taken to mitigate the need for the change.



WSDOT PCRf Approval Flow
Figure 3-3

Schedule Changes

Proposed schedule changes must be specified by [six key milestones](#). Original scheduled milestone completion dates must be compared against the proposed revised dates, by biennium.

As indicated, WSDOT must report all changes to scope, schedule, and budget for all projects (with the exception of minor scope changes that do not alter the project's functional intent for non-Nickel projects). While other modes have substantively similar processes, the details and routing requirements differ depending on the unique nature of the mode.

For additional information, see [Chapter 4](#).

Project Control Procedures: Line-Item Budgeted vs. Program Budgeted Projects

Differences exist between projects funded with line-item budgets and those that are funded at the program level using preexisting revenues. They differ both in terms of the change approval process for individual projects and in terms of how program level fluctuations resulting from project level changes are managed (see [Appendix C](#)).

A key difference between line-item budgeted and preexisting funded projects in terms of PCRFB approvals is the level of approval required (see [Appendix C](#)). In the highway and ferry modes, any change to line-item budgeted projects must be either approved by OFM or the legislature. For the rail mode, all changes to line-item budgeted projects must be approved by the legislature on a line-item basis, regardless of the magnitude of the proposed change.

Major changes that may require OFM or legislative approval are defined as:

- Cost changes that cannot be accommodated within current biennium cash flow;
- Deletion of a project on the legislative project list;
- Addition of any project not included on the legislative project list;
- Schedule advances or delays that cannot be accommodated within the current biennial cash flow; and
- Major scope changes that significantly alter the project's functional intent.

Not only must the legislature approve any major change to a line-item budgeted project in the highway and ferry modes, the reallocation of any resources resulting from a cost under-run on a line-item budgeted project must also be approved by OFM or the legislature. In contrast, for projects funded at the program level, as are most PEF projects, WSDOT may reallocate resources among projects managed at both a project and programmatic level.

The Impact of Project Level Changes: Program Level Modifications

Program level modifications may be required as the result of individual and cumulative changes at the project level. Following is a list of examples where project-level change(s) may result in program level changes:

- Expenditure plans exceed the appropriation or regional budget level (over programmed)
- Expenditure plans fall below the appropriation or regional budget level (under programmed)
- Expenditure plans use less than 100 percent of the federal allocation
- Workforce plans are out of balance with allocations
- Fund source plans are unbalanced
- Fund source appropriations are exceeded or unbalanced
- Preconstruction engineering or right of way phase actual expenditures are below planned expenditures
- Actual expenditure rates compare unfavorably with historical rates
- Actual projects advertised do not match planned advertisements for the quarter.

All program-level modifications must be translated back and implemented at the project level. Adjustments may be made by modifying project cost, scope, schedule, or workforce size and composition. Program-level expenditures are monitored through reports generated by CPMS and other databases used to monitor and manage federal, state, and local funds against projects to be delivered.

Program managers at the regions, modes, and Headquarters conduct monthly and quarterly reviews to analyze the status of program funds and to determine what adjustments are needed to keep funds balanced with appropriations and financial plans. Decisions as to how to translate program level changes back to the project level are generally made through collaboration between PCRO and Modal and Regional Administrators.

See [Chapter 5](#) for a discussion and description of all information systems used to plan, monitor, control, and report on WSDOT project and program delivery, including CPMS.

Figures [3-1](#) and [3-2](#) illustrate the relationships between the Work Order Authorization, Project Change Management, and the reporting processes.

Introduction

We shall manage the resources taxpayers and the legislature entrust to us for the highest possible return of value. We shall be disciplined in our use of both time and money. We shall account for our achievements, our shortcomings, and our challenges to citizens, to elected officials, and to other public agencies.

Executive Order *Program Management* E 1032.00 (July 1, 2005)

The Washington State Department of Transportation (WSDOT) reports on its activities and project delivery performance to the legislature, the Office of Financial Management (OFM), the Governor's Office and other stakeholders through its system of quarterly reviews and reporting described in this chapter. WSDOT program delivery is managed at the individual project level. Each project is managed to maintain cost, scope, and schedule as defined in the budget. The delivery process is designed to identify problems and changed conditions early with senior management involvement in solutions and open disclosure of any changes that could result. It is the department's policy to deviate from the budget set by the legislature only when conditions require it or when there is a direct benefit to the state to do so.

A critical aspect of project control is continuous monitoring, tracking, and reporting of both project performance and program status which facilitates the early identification of baseline variances. Project and program monitoring, tracking, and reporting occur at multiple levels within the department.

Individual project engineers and their consultants use a range of project management programs to track their project and budget performance relative to work accomplished, usually in conjunction with WSDOT's information resources. Both the Project Control and Reporting Office (PCRO) and regional Program Management offices use the Capital Program Management System (CPMS) to monitor each program. WSDOT regional offices also maintain detailed project tracking and program monitoring databases and reports for internal performance monitoring. PCRO maintains its own independent check on the status of all WSDOT projects and programs—both individually and at the statewide level—through a series of tracking and reporting activities conducted on monthly and quarterly cycles.

PCRO has established a standardized reporting system that dovetails with project controls procedures described in [Chapter 3](#). PCRO works with the regions and the modes to compile, refine, and prepare for presentation, project summary and program delivery reports. These reports are at levels of detail and aggregation useful to the Transportation Commission, the legislature,

and the general public. They are produced each quarter and on an ad hoc basis. Schematic diagrams of the WSDOT review and reporting process in relationship to the project control processes are illustrated in Figures 3-1 and 3-2 in Chapter 3.

PCRO is responsible for analyzing and communicating the statewide progress of delivering the state's highways, ferries, and rail transportation projects. Accurate reports and analyses are directly attributed to the combined efforts of the regions/modes and the program delivery managers in PCRO, who ensure the project information is continually and accurately updated in the relevant systems.

Statewide capital project delivery performance is available quarterly to the public through various means, as described later in this section. Additionally, more detailed analyses are produced for executive management to aid in their decision-making on each of the capital programs. This chapter identifies the biennial, annual, quarterly and monthly reports that are produced and the process necessary to produce each report.

Reporting Principles

Policies, procedures, and tools are applied at every level and in every unit of the department to ensure that the projects are constructed and open to the public on time, within budget, and within the intended scope of the project as committed to the legislature. As part of the department's accountability efforts, the public and elected officials are kept accurately informed of progress of the delivery of each program and line-item budget.

In cases where the department may have difficulty meeting its project objectives, it is the responsibility of PCRO to report the issue(s) and its causes and effects promptly so that: (1) policy makers and the public have an understanding of the issues, (2) corrective action can be applied early, and (3) the department can analyze the issues and concerns in order to avoid them in the future.

The fundamental concepts and policies that drive WSDOT project delivery monitoring and reporting processes include the following:

- Delivery is reported timely, clearly and transparently: Reports are to be written in common lay terms with a "plain talk" approach.
- Maintenance of the most current and accurate data: Those responsible for inputting and maintaining project data will make sure it is accurate in order to support decision making, accurate performance analyses and ultimately the delivery of the capital construction programs.
- The CPMS is the tool used for inputting and maintaining project data in the Highway Construction Program: CPMS data is used at the phase, project, subprogram, region and statewide level and accessed by many

different users and computer systems for a wide variety of purposes. Project information may be included in reports distributed to WSDOT executive management, the legislature, or the public.

- A “no surprises,” early warning approach: Communicating project delivery issues early is critical to the department’s ability to proactively prevent or minimize changes in project scope, schedule, or budget. Internally, the Quarterly Project Reviews generated by the regions are an example of this type of report. The *Gray Notebook* (GNB) Watch List functions in the same way for external reporting.
- Each project represents a commitment to the legislature to solve a need identified in the Highway System Plan (HSP): All legislative commitments are to be regularly evaluated to determine WSDOT delivery performance.
- Performance reporting is to be frequent, consistent, data-driven, and on a regular schedule, as opposed to discretionary, ad hoc self-reporting.
- Easy access to information on WSDOT program and project management performance.

Reporting is an output of the overall program and project management effort to deliver the capital construction programs. While many aspects of reporting are driven by statute or written requirement, a significant part is based on providing project data and informational materials upon request to those (internal and external to WSDOT) who, in turn, satisfy the needs of their department or organization.

Reportable Projects

In each budget each biennium, the legislature identifies specific projects to include in the department’s quarterly performance reporting. These projects are identified in the Legislative Evaluation and Accountability Program (LEAP) List and include all line-item projects—Nickel and Transportation Partnership Account (TPA)—and several Preexisting Funds (PEF) projects. WSDOT is required to report the delivery progress of each individual project. There are also funding “buckets” identified in the LEAP List which provide funds for a specific type of transportation project e.g., guardrail . These are reported at a program level. Delivery of PEF projects also reported at a program level, with the exception of those PEF projects of high interest to the legislature and specifically identified for line-item level reporting.

Individually reportable projects will be reported in their entirety without regard to fund source, rather than reporting only on the budget and schedule information funded by Nickel or TPA funds. Reporting by project gives a more thorough understanding of a project’s status.

These projects are categorized below and consist of TPA, Nickel, and legislatively specified PEF projects that have expenditures in the current biennium and that are identified by a Program Item Number (PIN):¹

- LEAP List projects *with* construction phase identified in the plan:
This list represents the quarterly project counts. In accordance with legislative requirements, quarterly reports will include a project's scope, schedule (including milestone achievement), and budget performance. These projects are included in project counts related to on-time and on-budget performance.
- LEAP List projects *without* construction phase:
This list includes projects reported by appropriate and applicable milestone only and will not be included in the project count above (e.g., environmental impact statements and planning studies). These projects are included in milestone reporting in the *Gray Notebook*.
- Other projects or phase work:
These include studies and environmental analyses not individually identified on the LEAP List, or "buckets" and "bucket" projects not yet identified by PIN on the LEAP List.

These projects include buckets set up for area, or statewide cable, bridge, guardrail, or fish passage projects. Generally these are smaller, less significant individual projects and projects identified in quarterly reporting as a bucket. Projects created from buckets will be identified and reported in the GNB's Beige Pages "as completed" in the appropriate section and not included in the project count.

Corridor Budgeting: Reporting

WSDOT and the Governor have proposed corridor and grouped project level budgeting by budget item numbers (BIN) where several program items constitute a logical solution to address a highway deficiency. Examples include improving a corridor in lieu of budgeting by individual PINs and pooling projects of a particular improvement type. Budgeting at this level allows funding flexibility between program items within the corridor or project group. A BIN is a budget identifier in the Transportation Budget and the LEAP List that defines grouped Program Items and provides the budget level for the group of Program Items. The budget level for the BIN is established as the sum of all the PINs within the Budget Item and is reported to the legislature through the Transportation Executive Information System (TEIS) at the rolled up amount.

¹ Each PIN will have all WINS, associated milestones, and contracts identified and assigned for consistency and accuracy of long-term reporting.

To date this concept has been partially accepted by the legislature with limited BINs programmed. Accountability for delivery of the budget is at the BIN level but accountability for project delivery (project counts and milestone delivery) is by each individual PIN within the BIN. WSDOT will report budget delivery of a BIN to the legislature by rolling up the PIN expenditure information to the BIN level through TEIS. Funding approvals through OFM (Section 603) will also be requested at the total BIN level. However, for GNB reporting, WSDOT will maintain individual PIN information to provide a clear explanation of the Budget Item delivery. Funding levels and milestone commitments will be established by WSDOT in order to have a baseline to measure performance.

Buckets and Pooled Funded Projects: Reporting

Besides corridor BINS, the legislature funds two other types of grouped projects at a roll-up of the PINs' budget amounts Buckets and Pooled Projects. Historically, a Bucket is funded as a PIN with a budget for a specific improvement type. Individual PINs are created during the course of the biennium. As PINs are created, the amount of the created PIN is subtracted from the Bucket PIN. The total of all the PIN costs created under the Bucket PIN cannot exceed the total of the amount budgeted for the Bucket. Buckets are reported as a simple list of PINs created from the Bucket that are advertised and the sum of the PIN values advertised is compared to the total Bucket budget in the current Transportation Budget.

Pool Funded Projects, on the other hand, have PINs defined in the Transportation Budget that are listed within a specific Pooled Project List with a funding level for the list. The lists with their budget levels are in a Pooled Funds section in the back of the budget document. Examples of project types that may be Pool Funded include the Seismic Bridge Program, Fish Passage Barriers, Guardrail Retrofit Program, Bridge Rail Retrofit Program, and Statewide Roadside Safety Improvements.

Like a corridor, a Pool Funded Project List is budgeted as a BIN, so there is funding flexibility between the Pooled Project PINs. Each PIN is counted as an individual project commitment for milestone accomplishments. WSDOT will report delivery of Pool Funded project expenditures at the BIN level but will report delivery of the Pool Funded PINs individually for milestone accomplishments. Completed Pool Funded PINs will be included in the "Completed Project" counts and identified as Pool Funded projects.

Measuring and Reporting Project Delivery

The department's project delivery assessment process is comprised of three phases: measures, reviews, and reports.

Measures

The department continuously measures each project's progress and ability to stay within approved scope, schedule and budget.

Scope

The project scope is a description of how the department plans to correct a deficiency or group of deficiencies on the highway system. This is described in the project description in CPMS. It establishes the legislative expectation on what will be accomplished with the approved budget. It is important to provide a project description that clearly explains the department's intent with the approved expenditure authority. The description should be narrow enough to explain the intent but not so tight it removes the flexibility necessary to select alternate solution strategies.

It is very important to remember that changes to a project's title must be carefully reviewed and documented to avoid confusion, since the title is used to help define the scope with respect to legislative intent.

Schedule

Six major project milestones have been selected for reporting performance on delivering Nickel and TPA project schedules. As indicated below, three of these milestones are also reported for all PEF projects. These milestones measure significant events in the delivery of a project. The legislature sets milestones as commitments during biennial or supplemental budgets for those milestones yet to be achieved. Accomplishment of all milestones are measured against the milestone commitment date in the legislative budget that is active at the time the milestone occurs. The six reportable milestones for line-item projects and three milestones for PEF projects are:

1. **Project Definition Complete:** The official document that states the purpose and need for the project and the solution of the deficiency is a formal document called *Project Summary*. For reporting purposes, the Project Definition Milestone is considered complete on the date the Regional Administrator (RA) or the RA designee signs the Project Summary document. The Project Definition is formally approved when Project Summary has received Headquarters signature. This is PC-02.05 in the Work Breakdown Structure (WBS) of Project Delivery Information System (PDIS)

2. **Begin Preliminary Engineering (PE):** This milestone marks the start of the project design process. It is usually the first capital spending activity in the project delivery process and considered accomplished on the date the PE Work Order is authorized.
3. **Environmental Documentation Complete:** For reporting purposes, the environmental documentation is considered complete on the date that all necessary National and State Environmental Policy Act (NEPA/SEPA) documentation has been submitted by WSDOT to the appropriate regulatory agency for approval after being processed through WSDOT Headquarters. This is PC-18.18 in the WBS of PDIS.
4. **Right of Way Certification:** This marks the point in time that the right of way acquisition requirements are met to the point where the project can be approved for advertisement. The milestone has been met on the date the Right of Way Certification is signed by the region Real Estate Services Manager. It is PC-29.07 in the WBS of PDIS.
5. **Advertisement Date:** This is the date that WSDOT publicly solicits bids from contractors to construct the project. When a project is advertised, it has a completed set of plans and specifications, along with a construction cost estimate. The milestone is met on the date of the advertisement and is PC-43.04 in the WBS of PDIS.
6. **Operationally Complete Date:** This is the date when the public has free and unobstructed use of the facility. In some cases, the facility will be open, but minor work items may remain to be completed. This is equivalent to Estimated Open to Traffic, CN-01.03 in the Master Deliverables List (MDL) of PDIS. See Division 1-01.3 of the Standard Specifications for further details (substantial completion). For example, a paving project would be considered Operationally Complete when the final lift is laid and the final striping is applied. Judgment must be used in determining the date the milestone is accomplished, such as when a formal ribbon cutting celebration occurs or the delay of minor work items prevent the actual substantial completion, but the public actually has use of the completed roadway.

Budget

Based on current financial information, the project's Total Cost at Completion is compared to legislatively approved project budgets. Three phases and the total budget status will be reported for projects that are completed or underway:

- Preliminary engineering (Design)
- Right of way
- Construction (Contract)

The legislative expectation for budget, when measured in the GNB, is the last recorded legislative budget (both regular and supplemental) for the project in effect at the time the project becomes operationally complete.

Reviews

The department conducts monthly and quarterly reviews to review the status of projects and discuss potential project changes.

Monthly

Highway Construction Program Delivery Meeting

This is a joint meeting held at WSDOT Headquarters with representatives from PCRO, Systems Analysis and Program Development (SAPD), and Budget to review the delivery status of the entire Highway Construction Program. SAPD provides the analysis and conducts the meeting.

Region Project Status Review Meeting

These meetings are held within most WSDOT regions to review the status of projects in the design phase (some regions also include projects under construction). Some regions conduct these as single region-wide meetings and others have meetings with individual project offices conducted by the regional project development engineers in the project engineer field offices. Representatives from PCRO attend these meetings and the region conducts the meetings.

Quarterly

Management Quarterly Project Reviews (MQPR)

The [MQPR](#) provides a regular forum for discussion between Headquarters, region/mode executive management, and the project teams on highway, ferry, and rail project delivery issues. The regions and modes strategize jointly with executive management to mitigate potential challenges or project changes. The MQPR is designed to provide the following:

- Continuous, systematic monitoring and control of all Nickel and TPA projects as well as other projects of regional and statewide significance.
- Early identification of potential and actual risks to project scopes, schedules, and budgets.
- An early warning system for managing concerns of statewide significance by notifying WSDOT executives.
- A forum for identifying the individual projects to be reported in the *Gray Notebook's* Beige Pages.

Legislative Quarterly Project Reviews (LQPR)

The LQPR provides a regular briefing to OFM and legislative staff on the significant delivery issues and highlights presented to WSDOT Executive Management at the MQPRs. The LQPRs are conducted after the MQPRs each quarter. Each Headquarters program delivery manager provides a presentation on the major project challenges and accomplishments for the regions they manage. These are usually the Watch List projects to be published in the current *Gray Notebook*. For project issues that require in-depth explanation, regions may be requested to provide a more extensive presentation and discussion.

Government Management and Accountability Program (GMAP)

The GMAP provides a quarterly forum for the Governor's staff to measure the effectiveness of how state services are delivered and whether or not the intended results have been accomplished. WSDOT reports quarterly on the overall status of project delivery performance and issues affecting project delivery.

Reports

WSDOT develops three primary types of reports: internal, external, and computerized/Internet reports.

Internal

WSDOT uses a variety of standard reports for the management of its projects, programs, and operations on a day-to-day basis. These reports track project expenditures and schedules in detail and provide program managers and senior managers with the information necessary to keep informed of the status of all programs, subprograms and subcategories. Subsets of these reports are aggregated for oversight purposes and external reporting.

Monthly Tracking Report: Capital Construction Delivery

The Monthly Tracking Report for Executive Management provides design and construction activity updates, ensuring management is fully informed of each project's progress and aware of changes as they occur. This report responds to the department's "no surprises" rule. Substantive monthly progress on Nickel, TPA and certain PEF projects is collected by the PCRO Delivery branches and provided to the Reporting and Analysis Branch in narrative text through an internal reporting database. The report also includes original and current information for: 1) advertisement dates, 2) operationally complete dates, 3) cost at completion, and 4) applicable contract information. Projects are continuously tracked as they progress during delivery through the four sections of the report:

1. Under Construction
2. Six-Month Pipeline: projects scheduled to be advertised for construction in the next six months
3. Beyond Six-Month Pipeline: projects scheduled to be advertised for construction more than six months into the future
4. Completed Projects

Project data updates entered into CPMS by the regions are retrieved monthly, then aged, reviewed, and validated.

Advertisement/Operationally Complete Report (Ad/OC) Report

This report identifies how many and which projects are completed, advertised to date, and planned to be completed or advertised in the next six months. This report provides specific project information for communicating with the public. The report includes Nickel and TPA projects planned for advertisement or completion through the end of the current biennium. Project Advertisement and Operationally Complete dates are included, and statewide progress is summarized at key intervals e.g., end of the previous quarter, end of the biennium. The approved budget and estimated cost at completion for each project are also included.

Advance Schedule of Projects Planned for Advertisement² (ASOP)

This report is a summary of all scheduled Advertisement dates for contracts within six months. This report is updated and published monthly on WSDOT's external website by the Construction Office. This report is provided as a service to contractors interested in bidding on WSDOT projects. The report includes the contract title, project location, planned Advertisement Date, and approximate budget.

Regional Confidence Report

This report is generated in the regions and used during regional monthly project status review meetings. The report allows the project engineer's offices and specialty groups to report on confidence levels (high, medium or low) of their portion of work for all active projects, and on whether the region can deliver and meet the Advertisement dates and stay within budget.

Construction Status Report

This report is created in the regions and presented at the Management Quarterly Project Reviews. It shows basic construction information as well as estimated and actual cost-to-complete information for projects under construction. Comments from construction offices regarding whether projects are on schedule are displayed as to the project being on schedule. User specific tasks are also displayed within this report.

²WIN/Contract Level.

External Reports

The *Gray Notebook* (GNB)

The *Gray Notebook* is the cornerstone for communication of WSDOT's performance in delivering the transportation capital programs. The GNB is published quarterly and reports the previous quarter's activity. The department is committed to reporting the progress of delivering legislative approved projects clearly and transparently.

The combination of quantitative analyses (charts, tables, and graphs) and journalistic-style reporting (special features, text, and pictures) communicates the story of project delivery performance simply, accurately, and transparently. The GNB provides project information such as milestones, financial information, and major project delivery issues to be assessed and understood.

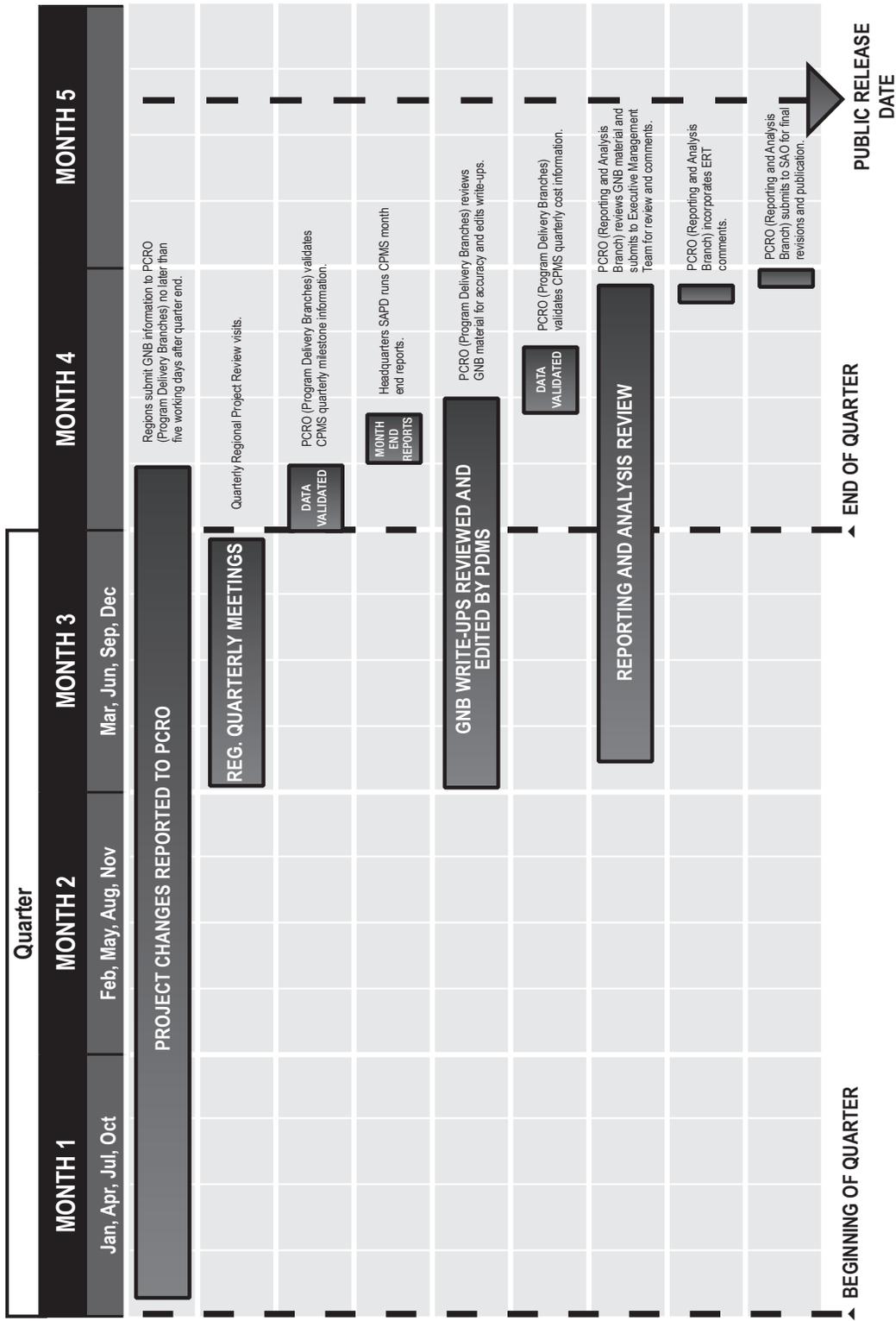
Beige Pages: This section includes analyses of WSDOT's quarterly performance in delivering the Nickel, TPA, and PEF projects with cumulative and biennium-to-date summaries. The data is reported at the project and program levels. It is organized as follows:

- Executive Summary
- Scope, Schedule, and Budget Summary
- Advertisement Record
- Projects to be Advertised
- Selected Capital Project Delivery Highlights
- “Watch List” Projects – Cost and Schedule Concerns
 - New to the Watch List
 - Updated
 - Removed from Watch List This Quarter
- Preexisting Funds Reporting by Program
- Preexisting Funds Program: Advertisement Record
- Preexisting Funds: Individual Reporting

Selected Capital Project Delivery Highlights: This subsection showcases transportation projects from around the state that have specific accomplishments for the quarter. The complexity of the projects has increased dramatically over the past two decades with new laws and global economic impacts. Each project is unique in its challenges, resulting in a process that may be specific to the region or local needs. Each quarter, the regions identify approximately two projects for consideration in the “Highlights” section. These projects are chosen based on successfully meeting milestones, innovative management, or proactively minimizing or eliminating risks before impacting the project. See [Figure 4-1](#).

Project Control and Reporting Gray Notebook Process Highway Preservation and Improvement

Project Change Request Forms and Management Quarterly Project Review meetings will be used to update the Gray Notebook Beige Pages each quarter as follows:



Gray Notebook Delivery Schedule
Figure 4-1

Watch List: The goal is to communicate the department’s proactive management of each transportation project. The “Watch List” section describes specific issues that have current or future impacts on delivering a particular project’s scope, schedule, and/or budget. The project write-up explains the risks and concerns, how they are being addressed and mitigated, and if there are financial impacts or delays in completing projects. Once a project is included in the Watch List it is updated in each subsequent GNB in the Watch List “Update” subsection until the issue is resolved. When the risk impacting the project is resolved or causes an impact to the project’s cost, scope, or schedule, the outcome is written up one final time in the “Remove from Watch List” subsection.

White Pages: Program funded projects are rolled up by program and reported at the program level in the GNB White Pages. These White Pages provide the quarterly status of the Improvement, Preservation, and Modal Programs. Program expenditures and project delivery are reported against the budget. Unlike line-item budgeted projects, program funded projects are reported by exception: they are only reported if there are substantial changes in the project scope, schedule, or budget. WSDOT performance measures reported outside the GNB’s Beige Pages include a variety of subject areas, including the following:

- Highway Construction Program (Improvement and Preservation Programs)
- Ferries Update (Non-Nickel)
- Rail Updates (Non-Nickel)
- Worker Safety
- Highway Safety Improvements
- Asset Management
- Highway Maintenance
- Incident Response

Government Management Accountability and Performance (GMAP)

WSDOT executive management presents the GMAP report to the Governor at the Governor’s quarterly forum. These performance measure reports address the accountability requirements established and requested by the Governor of all state agencies and are reported at the program level. PCRO prepares analyses and visual graphics on the delivery of all Nickel and TPA projects completed within the previous quarter.

The Governor sets the target for combined on-time and on-budget achievability for the highway capital programs. This goal sets the framework for communicating how the department implements strategies to continually improve its project delivery record. This report is consistent with information provided for the GNB and is compiled after the GNB is completed.

Legislative Reports

The following project information and analysis is provided by PCRO to the legislature and OFM via TEIS:

1. Milestone achievement records, current expenditure plan for the biennium, and total expenditure plan.
2. The *Gray Notebook*.
3. Chronological summary of each individual project's "Highlights" and "Watch List" write-ups from the *Gray Notebook*.

Legislative Review Notebook: Overview – Regional MQPR Presentations

This report provides highlights to legislative staff of the regional MQPR presentations. The report includes the following for each region and mode:

- A summary of the current project status
- Quarterly Project Report updates

Computerized/Internet Reports

Project Web Pages

Project pages are updated by the regions regularly and posted on the WSDOT website to keep the public informed throughout the life of a project. The Web page provides relevant updates, milestones status, map, links to related projects, project manager and team, and upcoming activities or events. The WSDOT Communications Office provides detailed information on developing and posting project pages at:

www.wsdot.wa.gov/Communications/WebManual/CMS/Project/Default.htm

For roles and responsibilities in developing and maintaining project Web pages go to:

www.wsdot.wa.gov/Communications/WebManual/CMS/Project/Roles.htm

Quarterly Project Reports (QPR)

Each quarter, all activities associated with TPA and Nickel projects described in project pages and in Management Quarterly Project Review meetings are summarized in quarterly project reviews (QPR), which are accessible via a link from project Web pages. The standardized one-page summaries contained in the QPR Web page provide data beyond that which is available on the project Web page, including graphs depicting planned expenditures vs. actual expenditures over time. QPRs also provide standardized data on project costs and cash flow, which enables comparisons across projects and programs.

The Communications Web page has roles and responsibilities listed at:

www.wsdot.wa.gov/Communications/WebManual/CMS/Project/QPR.htm

Reporting Process

Table 4-1 summarizes WSDOT's project delivery assessment processes.

Report	Initiator	Schedule
<i>Gray Notebook</i> Beige Page Updates	PCRO uses approved PCRFs, notes from Quarterly Project Review meetings, and regional submittals to develop draft inputs for the Beige Pages. After edits, draft inputs are provided to the Strategic Assessment Office for publication.	Regions submit drafts to the program delivery managers (PDM) within one week of the MQPR. PDMs submit their draft to the Reporting Branch. The Reporting Branch submits these to the Executive Review Team for review/approval by the fourth week of October, January, April, and July.
<i>Gray Notebook</i> White Page Updates	PCRO uses internal reports, databases (CPMS and PCRS), and tracking systems to analyze and summarize program delivery performance for inclusion in the <i>Gray Notebook</i> .	PCRO submits these to the Executive Review Team for review/approval by the 22nd of October, January, April, and July.
Project Web Pages	After the Executive Review Team approves any project changes and the Beige Page sections, the regions update the project pages and post the pages to the Web.	Regions update by the 15th of the month following the end of each quarter. They are posted to the Web following approval and distribution of the <i>Gray Notebook</i> .
Quarterly Project Reports	Regions update QPRs and provide them to PCRO within one week following the end of each quarter for review. After the Executive Review Team approves the Beige Page sections, the regions update the MQPRs and post them to the Web.	Regions update by the 15 th of the month following the end of each quarter. They are posted to the Web following approval and distribution of the <i>Gray Notebook</i> .

Summary of WSDOT's Quarterly Reporting
Table 4-1

Shown in [Table 5-1](#) is the complex web of databases, programs, and information systems that are used at the Washington State Department of Transportation (WSDOT) in the project control and reporting process. The functions served by these systems are categorized as follows:

- Project reporting,
- Project development,
- Project change management, and
- Project funds management,

As indicated by the numerous entries in the table, many systems support capital program management in WSDOT. Although each system in and of itself may be reasonably meeting its focused objective, the challenge of developing a more integrated and comprehensive project control and reporting system is complicated by a number of factors.

These systems have been developed independently over decades with no clear overall integration strategy. The reporting of meaningful information is complicated because systems operate in multiple technical environments using multiple technologies (mainframe, client server, etc.) which leads to data inaccessibility and inconsistency. Information management must be accurate, consistent, and timely to ensure confidence in WSDOT's ability to deliver the construction program.

WSDOT completed a Critical Applications Assessment in the 03-05 Biennium to develop a strategy to modernize and migrate 11 computer systems that support management and delivery of the capital construction program. The agency is currently working to implement this strategy.

The various information systems used to manage WSDOT's project control and reporting process and the programs they support are summarized in [Table 5-1](#). Descriptions of each system follows. [Figure 5-1](#) shows how the various systems interrelate and share information.

Information Systems Used Across WSDOT

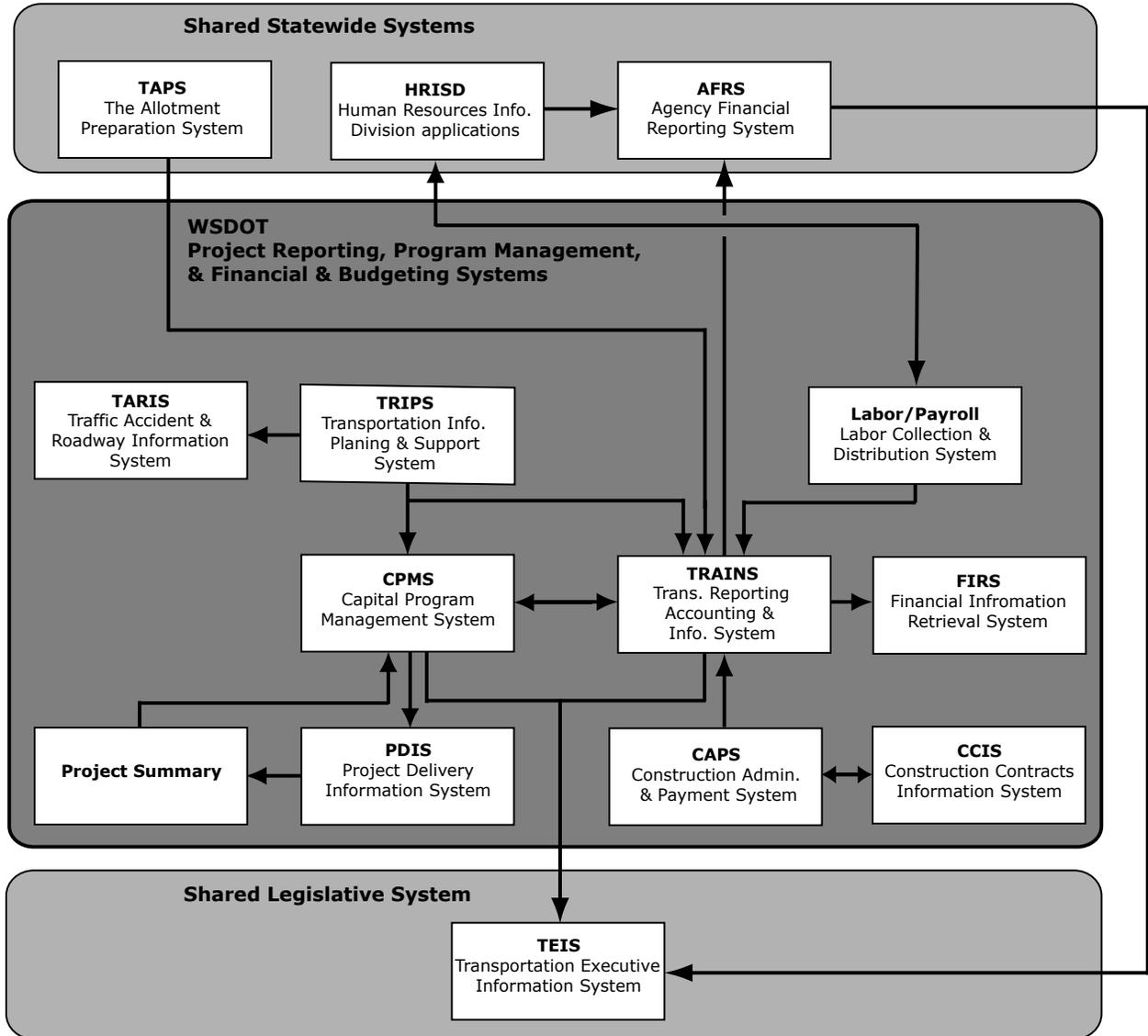
Capital Program Management System (CPMS)

CPMS is a mainframe application used to track the schedule and cost of projects in WSDOT's Capital Improvement and Preservation (CIPP) programs. CPMS was developed by WSDOT in the 1980s in recognition that the department needed a better tool for managing, developing, and delivering its construction programs. Before CPMS, multiple mainframe systems used to support program management efforts did not interact effectively with one

Mode	Project Reporting	Project Development	Project Change Management	Project Funds Management
Highways	TEIS CPMS EBASE QPR Project Web Pages PCRS	CPMS Project Summary PDIS	TEIS (Variance Report) CPMS (Nightly News)	TRAINS/FIRS CPMS Electronic WOA (Stellent/Acorde) CAPS
Ferries	TEIS TRAINS/FIRS Ferries Life Cycle Cost Model CPED EBASE P3EC (Primavera) QPR Project Web Pages PCRS	TEIS Project Summary Ferries Life Cycle Cost Model CPED BASS-CBS TAPS	TEIS (Variance Report)	TRAINS/FIRS CPED Ferries Checkbook WOA (Manual) CAPS
Rail	TEIS TRAINS/FIRS QPR Project Web Pages PCRS	TEIS	TEIS (Variance Report)	TRAINS/FIRS Rail Capital Program/Project Tracking WOA (Manual)
Traffic	TEIS CPMS QPR PCRS	TEIS CPMS	TEIS (Variance Report)	TRAINS/FIRS CPMS Electronic WOA (Stellent/Acorde)
Facilities	TEIS TRAINS/FIRS QPR	TEIS Facilities Condition Report Program Delivery Plan Project Prospectus BASS-CBS	TEIS (Variance Report)	TRAINS/FIRS Facilities WOA System Program Expenditure Reports Project Status Reports
Local Programs	STAR TEIS QPR	TEIS	TEIS	TRAINS/FIRS

WSDOT Computer Applications by Business Process
Table 5-1

WSDOT General PCRF Approval Flow



WSDOT Project Reporting, Program Management, Financial and Budgeting Systems
Figure 5-1

another. They did not provide an adequate means for planning and monitoring construction projects, for managing overall program accomplishments, or for responding to changes in state or federal allocations. The first pieces of CPMS came online in 1987. The full system was implemented in 1988. During the 1990s, the system continued to be enhanced to meet changing needs.

While CPMS was not designed to manage individual project details, it does provide a tool for planning and monitoring the overall construction program, measuring progress, and delivering the program. CPMS provides the following functionality:

- **Schedule:** High-level project milestones are established and maintained.
- **Costs:** Costs are stored by phase, dollars are aged over the life of the project phase, and staff set up and authorize work orders.
- **Workforce:** Workforce estimates are developed and used at the program level to predict needs for the coming biennium.
- **Change History:** Changes in scope, schedule, and cost for approved projects are recorded and monitored.
- **Program Approval:** Project phase approval is requested, the type of program approval granted is recorded, and key project data at the time of approval are documented.

The system provides data to Program Managers, Program Management staff, Regional Administrators, Project Engineers, and Transportation Commissioners.

Transportation Accounting and Reporting System (TRAINS)

TRAINS accounts for all WSDOT revenues, expenditures, receipts, disbursements, resources, and obligations. It is a highly customized version of an American Management Systems (AMS) software package. The system includes WSDOT's in-house budget tracking system, TRACS.

TRAINS is WSDOT's core project accounting system for storing and managing expenditures. It was installed in 1991. A ledger-based accounting system, TRAINS is used by region Program Management to check work order steps, overruns, and underruns; to obtain organization code and control section data; and to check federal aid agreement numbers and details. Program Management also uses it to track agreement costs, status, and vendor and manager information. Work orders are set up and adjusted in TRAINS. It is used to evaluate work order authorizations, check work order setups, and fund source authorization. TRAINS data is fed into CPMS every night.

A Work Order Accounting Plan (a hard copy report) is used by regions to verify final work order closures and to make sure that TRAINS and CPMS are in agreement. CPMS processes the nightly "news report" every night to monitor and track project level changes.

Contract Administration and Payment System (CAPS)

The CAPS system maintains administrative and payment information about highway and ferry construction contracts. The work order manager uses CAPS to initiate payments to be generated to prime contractors and escrow agents. The system creates payment vouchers to pay contractors by feeding data to TRAINS. Following are specific CAPS functions:

- Track construction costs by bid item,
- Calculate sales tax owed at appropriate rate for project location,
- Provide ability to monitor for required insurance and retainage, and
- Create payment vouchers.

Transportation Executive Information System (TEIS)

TEIS is used for legislative budget planning and oversight. It supports budget preparation and provides summary information about transportation activities to Transportation Committee staff from both the house and senate. System functions include the following:

- Fund balancing and fee modeling;
- Analysis tools for both revenues and expenditures;
- Display of capital project lists for multiple funding scenarios for all transportation modes; and
- Ongoing project, expenditure, and performance monitoring.

The Variance Report, used by all modes for project change management, is derived from TEIS. This report compares original budgets by project with current estimates.

Project Summary

The Project Summary system contains project information collected during the initial part of the project scoping process. It documents WSDOT's commitment for scope, schedule, and budget of work and communicates design, programming, and environmental decisions. System functions include the following:

- Documenting results of the project definition phase,
- Documenting the project's link to the Highway Safety Plan,
- Maintaining environmental review comments, and
- Recording decisions made to date and the final design decision summary.

Estimate and Bid Analysis System

EBA is used to develop estimates and reports for transportation construction projects, to provide easy entry of contractor bid data, and to award apparent successful bidders based on those estimates. It automatically uploads estimate and bid information to the CAPS system. The system provides WSDOT with accurate engineer's estimates and contract bid history information.

Electronic Work Order Authorization (WOA)

The WOA review process is complex and the specific approval flow varies by region and by mode. However, WSDOT has implemented a Web-based system called Acorde that automates the WOA process, from initial input, through tracking, review, and approval.

Those initiating a work order authorization request do so online using a preset template that prompts them to enter the required data, depending upon the phase and reason for the request. The system then determines to whom, and in what order, the request needs to flow for review and approval. Those to whom the work order authorization request is sent are notified automatically that a request awaits their action in a queue. Once the receipt has been acted on, they indicate their sign off and the ACORDE system automatically routes it along to the next person in the review chain. Throughout the process, the status of any given work order authorization request can be tracked.

Among the benefits of automation of the work order authorization are the following:

- It allows concurrent processing of the same document, thus streamlining the approval process;
- It minimizes process error in that the document is always routed to the correct party in the correct sequence; electronic transmission also eliminates the possibility that paper is lost;
- The forms and process, as well as instructions, are always accessible online;
- Data about work order authorization is gathered automatically which facilitates analysis;
- In allowing the status of a given document to be reviewed at any time, bottlenecks and delays can be identified and resolved;
- It provides reviewers with a standard means of organizing their work order-related tasks; and
- Any improvements to the process can be effected far more easily; rather than teaching people new routing flows, they can be programmed into the system.

In short, Acorde allows WSDOT to accommodate process differences between modes and regions while ensuring uniform data input and process outcomes.

Local Agency Project Tracking System (STAR)

STAR is a local agency project tracking system used by Highways and Local Programs. The system is used to track federal funds, state funds, and operational project compliance for federal and state funded projects managed by local agencies. This system is now six years old and needs redevelopment to keep up with changes in the federal and state legislation, as well as increased management reporting and tracking requirements.

Budget and Allotment Support System—Capital Budget System (BASS-CBS)

BASS-CBS brings all components of Washington State's budget and allotment systems under one Web-based umbrella at the Office of Financial Management (OFM). The Capital Budget System portion of BASS allows development and submittal of agencies' capital budget requests online.

Project Control and Reporting System (PCRS)

PCRS is a database, developed in 2007, to support the specific reporting needs of the Project Control and Reporting Office. The system downloads information from CPMS and Construction Contracts Information system (CCIS) and allows for the direct input of project status information (in text format) to support project reporting for the *Gray Notebook*, Government Management Accountability Performance (GMAP), and other periodic and ad hoc status reports. It is scheduled to be replaced when the Project Management and Reporting System is completed in 2010.

Project Management and Reporting System (PMRS)

PMRS is a system being developed for project managers, specialty groups and agency staff who use project-specific information for highways, rail, and ferry capital projects. The system will be deployed in steps, starting with the release of individual software products. It is scheduled to be fully integrated and deployed agency-wide in 2010. For additional information about the new system, visit the Web page: www.wsdot.wa.gov/projects/delivery/spmg.

Information Systems Specific to the Rail Capital Program

The Rail Program is distinct from other WSDOT programs because the 18th Amendment to the State Constitution precludes the use of gas tax dollars from the Motor Vehicle Fund for non-highway or ferries-related purposes, including rail. Because the program is smaller than the highway program, more centralized, and deals primarily with outside entities (publicly or privately owned railroads and port districts, primarily), fewer information technology tools are needed to monitor, report, and deliver rail projects.

Rail uses a database called the Rail Capital Program/Project Tracking for project funds management and project reporting. This database houses the financial budget and scheduled milestones for each project and phase. The user can track spending through the importation of TRAINS data accessed through the Financial Information Retrieval Systems (FIRS), drawing the data by Work Order Number and Group Number, collectively called the Job Number. This allows the user to monitor spending at any level from the overall program down to the job or task level.

Information Systems Specific to Capital Facilities

Facilities Program Delivery Plan

Once the biennial appropriations are made by the legislature, the CIPP and TEIS tables are revised to match. A biennial Program Delivery Plan (Gantt charts with funds aged by month and workforce projects) is developed and reviewed monthly by Facilities program management.

Facilities Project Prospectus

The Facilities Project Prospectus System is similar to the Highway Construction Program's Project Summary system. It defines the scope, schedule, and budget for each facilities project.

Facilities Condition Assessment

This system provides an annual systematic assessment of building and site components. It results in numerical condition ratings, and ranking of facilities renovation and replacement projects.

Facilities Work Order Authorization System

This system allows the Facilities Office to authorize new work orders for facilities projects and to assign work order numbers. Work orders are then submitted to be entered into TRAINS.

Facilities Program Expenditure Reports

These reports detail Facilities project expenditures by work order with program level summaries. Data are extracted monthly from TRAINS.

Facilities Project Status Reports

These reports provide financial status by project. They show expenditures to date, current expenditure authorizations, and appropriation balances for Facilities projects.

Quarterly Program Delivery Report

This report displays project and program-level planned vs. actual expenditures for the Facilities Program. Data from the Facilities Condition Assessment are extracted quarterly from TRAINS. The deficiency backlog is extracted annually from the Facilities Condition Assessment Database.

Information Systems Specific to the Ferries Division

The Ferries Division uses a number of tools to develop, budget, program, manage funds, manage change, and report on the Ferries Division's Construction Program. Key activities that support information systems include program and project development (needs identification, project definition and selection, and project budgeting and programming), funds management, project change management, and project reporting.

Ferries Division's Life Cycle Cost Model

The Life Cycle Cost Model is the Ferries Division's core system for program and project development, management, and reporting. The Ferries Division delivers its services through an infrastructure of terminals and vessels. These facilities are composed of various systems. Ferries has built its capital investment process around an approach that focuses on replacing or refurbishing terminal and vessel systems that have reached the end of their life cycle. Ferries use the Life Cycle Cost Model for the following:

- To identify capital needs;
- To categorize needs and projects according to policy areas established by the legislature, the Office of Financial Management, the Transportation Commission and regulatory agencies;
- To define projects (solutions to needs) in terms of scope, cost, and schedule to develop project lists;
- To forecast performance results (satisfaction of needs) expected from investments;
- To establish biennial control numbers for monthly project expenditure demand forecasts; and
- To record approved changes to project lists.

Ferries Division's Capital Program Expenditure Demand (CPED) System

The Life Cycle Cost Model records the allocation of legislative appropriations (biennial spending authority) to projects in the Ferries Division's Construction Program. The Capital Program Expenditure Demand (CPED) System establishes monthly expenditure requirements for each project and aggregates the expenditure demand for all projects to program-level allotments (the monthly spending plan approved by OFM). The CPED System merges planned program/project expenditures with accounting information on actual program/project expenditures. The resulting CPED Report is the primary tool used by Ferries to conduct variance analysis of program/project delivery. The report addresses both fiscal, full-time equivalent (FTE), and performance variances from plan.

Ferries Division's Capital "Checkbook"

The Ferries Division uses the Checkbook to control work order authorization of funds to project managers. The Checkbook looks to the Life Cycle Cost Model for total biennial spending authority allocated to projects. Project managers submit work order authorization requests to obtain approval to spend funds on their projects. The system ensures that the Ferries Division's Chief Executive Officer does not authorize funds to project managers that exceed the project's programmed funding. It is also used to monitor whether project managers are overspending authorized funds.

The Project Approval Process and CPMS Coding**Business Needs**

The available approval codes established within the Capital Program Management System (CPMS) are intended to meet all existing agency business needs. These codes allow CPMS users the ability to identify the status of a project as it moves through the internal and external funding approval process. Furthermore, these codes help identify the level of interest that external entities may have in monitoring specific work at the project level—whether it was funded specifically in a legislative budget or called out by agency management from a larger pool of legislative funds.

Regions

The regions use approval codes available to them to identify projects being recommended for the budget submittal process or for emergent projects. Specific needs include identifying:

- Proposed projects for current law budget (CLB) or new law budget (NLB) proposals.
- High priority unfunded projects.
- Emergent current biennium projects, including emergency slide repair, staging of projects, federal earmarks, and unanticipated local agency projects.
- Other Uses—Unfunded (HALs, HACs, etc.)

Used to monitor status of needs, proposed future biennium road preservation needs, or other subprogram unprioritized needs.

System Analysis and Program Development (SAPD)

SAPD uses the approval codes in developing the agency budget request and in creating the initial agency baseline following a newly created budget by the legislature. Specific needs include identifying:

- Projects established with the Project Approval Form (PAF), including:
 - Establishing individual projects funded by the legislature at the bucket level
 - Emergent projects

- Future biennium CIPP building:
 - Project additions: detailing of the out-year reserve placeholders; and
 - Project deletions when proposed through the formal budget process.
- Projects with unanticipated carry-forward (the CPMS month-end process).
- Completed and/or closed phases or projects.

Project Control and Reporting Office (PCRO)

PCRO uses approval codes as part of implementing or executing a budget within the current biennium. Specific needs include identifying:

- Large legislatively-approved projects that are split into two or more project identification numbers (PIN) in order to more effectively manage and oversee project delivery.
- Projects added by the legislature during the budget development process.
- Projects with unanticipated carry-forward across biennial lines.
- Closed projects that need to be reopened.
- Deleted projects that do not require legislative approval.
- New phases on a previously funded project (no scope change).

Approval Process Overview by Situational Business Need

Budget Development Process

1. Region identifies needs:
 - a. Proposed by region technical experts
 - b. Capturing all proposals
 - c. Using region defined approval codes
2. SAPD provides instructions, targets, and/or guidelines.
3. Region advances subset of projects to Headquarters based on SAPD direction:
 - a. Current Law Budget – Z approval code
 - b. New Law Budget – U approval code
4. SAPD:
 - a. Prioritizes statewide or otherwise selects appropriate priorities
 - b. Select budget subset of statewide priorities to advance to legislature
 - c. Current Law Budget – B approval code
 - d. New Law Budget – R approval code

5. Legislature establishes funding levels and identifies intent for proposed projects.
6. SAPD:
 - a. Interprets legislative intent and translates into CPMS as baseline for upcoming biennium
 - b. Use L approval code

Legislatively Directed Projects

1. Region or Headquarters recognizes and treats as unprogrammed project.
2. Region researches legislative intent:
 - a. Checks first with SAPD for available information and/or instruction
 - b. Determines appropriate subprogram
 - c. Defines purpose and need
3. Region enters the project into CPMS with preliminary scope, schedule, and budget.
4. Region adds proposed approval code in CPMS – uses P approval code.
5. Region submits Project Approval Form (PAF) or Project Summary to SAPD for:
 - a. Current biennium
 - b. Future biennium
 - c. Bucket
6. SAPD approves project in CPMS – uses X approval code.

Current Biennium Emergent Projects

1. Region identifies emergent need (Maintenance, Materials Lab, Traffic, etc.):
 - a. Appropriate documentation submitted to FHWA, if funded, with Federal Emergency Relief (ER) funds and prescope estimate prepared for region Program Management.
 - b. Project entered in CPMS with preliminary scope, schedule, and budget by region.
 - c. Use P approval code.
2. Region submits Project Approval Form (PAF) to SAPD for approval of unprogrammed project.

3. SAPD reviews and approves project:
 - a. Determines if project is ER and has FHWA approval or if project should be added to regular program.
 - b. Use S approval code.

During Delivery of Legislative Approved Program

1. Add a new preliminary engineering (PE) or right of way (R/W) phase to a PEF project when construction (CN) was approved by the legislature:
 - a. Region prepares a PCRf and sends to Headquarters PCRO
 - b. SAPD reviews/concurs if a scope or budget change is involved
 - c. PCRO manager gives final approval: uses A approval code
2. Add CN Phase to a PEF project when PE or R/W was approved by the legislature:
 - a. Region prepares a PCRf and sends to Headquarters PCRO
 - b. Region adds to CPMS as proposed: uses P approval code
 - c. PCRO approves PCRf to Secretary Approval with SAPD concurrence
 - d. Secretary approval: uses S approval code applied by PCRO
3. Add a new PE or R/W phase to a Nickel or TPA project when CN was approved by the legislature:
 - a. No scope or biennial budget change
 - b. Region prepares PCRf and sends to Headquarters PCRO
 - c. PCRO manager gives final approval: uses A approval code
4. Adding or advancing a CN phase to a Nickel or TPA project even when PE or R/W was approved by the legislature: this can only be approved by the legislature

Unanticipated PIN/Phase Expenditures in Current Biennium

1. SAPD changes T or H codes to approval code M to complete the month-end processing, after consulting with PCRO program delivery assistants on closed projects that incurred expenditures during the past month. A closed work order with approval code T or H may be reopened in TRAINS to process an unanticipated expenditure that has been incurred during the month for a closed project phase. CPMS captures these expenditures on the month-end Approval Code Check Report.
2. SAPD (the CPMS support team) provides a listing of project phases with M codes to PCRO.
3. PCRO takes appropriate action to resolve the M code. When appropriate, the unanticipated carry forward code is applied using the Y approval code.

Deletion of PEF Projects

1. Current biennium proposals to delete a project may come from regions, SAPD, or a technical organization (the Bridge Office, Washington Department of Fish and Wildlife, Maintenance, Materials Lab, etc.):
 - a. Regions can propose deletion by removing dollars from CPMS, preparing a PCRf, and submitting to Headquarters PCRO.
 - b. Technical organizations may propose deletions to SAPD or regions.
 - c. SAPD may request a region to initiate project deletion to facilitate reprioritization or program rebalancing.
 - d. SAPD may complete the deletion and PCRf documentation process in Headquarters without regional assistance.
 - e. PCRO approves PCRf to the Secretary with SAPD concurrence.
 - f. Secretary approval, using the W approval code applied by PCRO.
 - g. Future biennium deletions are accomplished through the budget development process.

Notes:

Projects with B approval codes in CPMS during book-building that were not approved by the legislature, will need to have their approval codes changed back to Z or some other region defined code by SAPD.

CPMS Approval Code Definitions

- A – Added phase to existing project; Breaking (Major Corridor) project into separate PINs; Accommodate stages in different PINs
- Applied by PCRO during the current biennium to implement the approved program
- B – Agency proposed current law project
- Applied by SAPD during book-building
- H – Completed project—all phases closed with only priors showing
- Applied by SAPD during biennial close process
- I – Next Highest Priority—exceeds available budget
- Applied by SAPD during book-building
- L – Legislative approved project as proposed by the department/Governor
- Applied by SAPD when updating CPMS to reflect legislative intent
- M – Month-end
- Temporary code applied by SAPD during month-end processing (CPMS Support Team)
 - Project Phases with M approval codes are given to PCRO for clean-up
 - Approval Code is changed from M to Y by PCRO following review
- P – Proposed current biennium project
- Applied by the region during current biennium program delivery
- R – Agency proposed new law project
- Applied by SAPD during book-building
- S – Department approved to meet legislative intent
- Applied by SAPD when updating CPMS to reflect legislative intent
- T – Completed PIN phase
- Applied by SAPD during biennial close process
- U – Region proposed new law project
- Applied by region prior to book-building
- W – Deleted legislatively approved project
- Applied by PCRO to project or phase in the current biennium
- X – Added project (or bucket) by legislature, not proposed by department/Governor
- Applied by SAPD when updating CPMS to reflect legislative intent
- Y – Unanticipated carry-forward
- Applied by PCRO
- Z – Region proposed current law project
- Applied by region prior to book-building

Primary Programming Actions and Associated Approval Code

(Note: Responsible office in parentheses)

Budget Development/Book-Building	Approval Code
Proposing for a project to be included in the CIPP (region)	Z
Including a project in the CIPP as part of the agency budget request (SAPD)	B
Recording agency or Governor proposed projects that were approved by the legislature (SAPD)	L
Unprogrammed Project – Programming via PAF	
Adding a federal or state funded emergency relief project to the program (SAPD)	S
Adding a project to the program with no currently programmed phase (SAPD)	S
Establishing projects funded from legislatively approved programs or buckets based on a preexisting list of projects (SAPD)	X
Identifying projects to be funded from legislatively approved programs or buckets where no list has been previously identified (SAPD)	S
Project Delivery Changes via PCRf	
Adding a new phase, e.g., R/W or CN, for a project with a previously programmed phase (PCRO)	A
Advancing a programmed construction phase into the current biennium (PCRO)	No change
Deleting a programmed project not requiring legislative approval (PCRO)	W
Dividing project for staging or improved management delivery oversight (PCRO)	A
Reopening a closed phase (approval code T) in order to add actuals (PCRO)	Y

Application/Activity	Approval Code	Region	SAPD	PCRO
Pre Budget Book-Building				
Agency request current law		B	✓	
Agency request new law	R		✓	
Programming next highest priority	I		✓	
Region proposed current law	Z	✓		
Region proposed new law	U	✓		
Post Budget / Pre-Delivery				
Agency request, legislative approved	L		✓	
Legislatively added project or program	X		✓	
Legislative direction prior to Secretary approval	Q	✓		
Month-end processing	M		✓	
Current Biennium Delivery				
Administrative approval to meet legislative intent	A			✓
Deleted project	W			✓
Proposed project	P	✓		
Secretary approval	S		✓	
Unanticipated carry forward	Y			✓
Post Budget / Post Delivery				
History – completed phase	T		✓	
History – completed project	H		✓	
User-defined	F K D	✓		
For Future Use				
Book-building	G J	✓		
Book-building	E N		✓	

Note: The three offices – the region Program Management Office, PCRO, and SAPD – each have different authority in changing approval codes. Regions can change their codes to any region code or to a blank code within their respective region. SAPD can change any region or SAPD code to a SAPD code or to a blank code. PCRO can change any code to a PCRO code.

PCRO can change any code to a PCRO code.

Approval Code Hierarchy and Restrictions
Table A-1

Managing Project Funds through the Work Order Authorization Process

Appendix B

Work Order Authorization (WOA) Process

Expenditures can begin on individual projects within the Highway Construction Program once a work order has been established and project funds are authorized. The authorization of funding is documented through the Work Order Authorization (WOA) process.

A separate work order is required for each project phase: preliminary engineering (PE), right of way (R/W), and construction (CN). Work may also be authorized for separate stages within a phase. A standard WOA form (see [Figure B-1](#)) is used to submit the initial request for authorization, to make modifications, and to close the work order. This form is an important tool for managing project funds. Special care needs to be taken to make sure the form is submitted in a timely manner, is completed accurately, and provides clear information (see WOA instructions section).

If a project is proposed for federal funding, a Federal Aid Project Agreement (FAPA) is required in addition to a WOA. The FAPA documents the Federal Highway Administration's (FHWA) commitment to participate in the project costs. The regions provide the information for submitting the agreement and Headquarters prepares and submits the final form to FHWA for approval. Usually, regions submit the WOA for funding authorization at the same time they submit information for the FAPA. The FAPA must be approved before work starts on a project phase that will use federal funds. The one exception is that a PE phase may be 100-percent state funded and underway before the FAPA is approved. Upon approval of the FAPA, federal funds may then be used for PE phase expenditures from the date of FAPA approval forward. Once project funds are authorized and the new work order is established, work begins and charges come in against the work order. As expenditures are incurred, they are posted in the Transportation Reporting and Accounting Information System (TRAINS) against an appropriation code. A nightly process translates the expenditures by appropriation code into expenditures by finance code in the Capital Program Management System (CPMS). The finance code is used in CPMS to track work order expenditures by fund source, to determine remaining authorization, to establish the monthly aging plan for the remaining authorization, and to redistribute planned expenditures over the remaining months of the project during the monthly aging process.

Regions track project expenditures, adjust monthly aging plans, and submit work order modifications as necessary. This monitoring of project expenditures is very important—it is much like balancing a checkbook. By law, the department cannot spend more than its biennial appropriation for each program. Headquarters Project Control and Reporting Office (PCRO) continually monitors and summarizes project level expenditures to make sure expenditures at the subprogram level remain balanced.

Work Order Authorization

Page 1 of 2



Award Date:
PS&E:

Approve - FinalE_E

Work Order Authorization

Work Order: MS4904 **Manager:** COFFMAN, H. **Org. Code:** 304040 **WOA Date:** 8/26/2004 **Ad Date:**
WIN: H10163D **Work Order Title:** BRIDGE PRESERVATION INSPECTION 03-05
Type: Transfer **Work Description:** INSPECT CONDITION OF HIGHWAY BRIDGES AND STRUCTURES 03-05

Phase: PE RW CN
Source of Funds: State Federal Local
 TIB ER
WOA Type: Perpetual Biennial CCFA
 NonIP Perpetual NonIP Biennial NonIP CCFA

Engineer Estimate Date
Previous Authorization: 7,443,453.00
 Group Category:
 01. Work Done Contractor:
 02. Work Done Others:
 Payable Agmt #: Y8489AB 37,404.00
 03. Engineering:
 04. State Force Work: -37,404.00
 05. Material Furnished:
 06. Contingencies:
 07. R/W Acquisition:
 08. R/W Other:
 99. Vendor Supplied Materials & Services:
Net Change: 0.00
New Total Authorization: 7,443,453.00

Reimbursable From:	Receivable Agmt No.	% / AMT	Date Executed		
FOR FA PROJECTS ONLY					
FA Number	Finance Code	FA %	FA Approp	FHWA Send Date	FHWA Auth Date
BRX-NBIS(054)	JT	80.00	Q100	6/30/2003	7/1/2003
<input type="checkbox"/> Programmatic Match		<input checked="" type="checkbox"/> Soft Match		Toll Credits	
RW Cert Approved: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		STIP: 099961D- Bridge Bucket.			
Design Approved:		NEPA:			

The CE/PE costs equal % of current est. construction

PIN	Sub Pgm	Sub Cat	Fund Acct	Legis Approp	Finance Codes	Auth Status	Amount Change	Control Section	Distr % by Cont Sect
099961D	P2	PB	108	A10	JT	Y	0.00	*****	100.00
099961D	P2	PB	108	A10	AA	Y	0.00	*****	
Counties: State Route: MP From: 0.00 MP To: 0.00							Net Change: 0.00	Dist %: 100.00	

Work Order Justification
 Transferring authorization from state force work to work done by others to set up agreement Y8489 AB with Echelon Engineering Inc for UW Inspections of 8 state bridge.

Notes to Accounting
 Please set up the next available group for agreement Y8489 AB - Echelon Engineering Inc - \$37,404.
 Transfer authorization from group cat 04 to group cat 02. Thanks.

Notes to CPMS
 Transfer.

Work Order Authorization Form (page 1 of 2)
 Figure B-1

Work Order Authorization

Page 2 of 2



Work Order Authorization (continued)

Work Order Number: MS4904

PIN	Sub Prog	Sub Cat	Approval Code	Status Code	Curr Plan This Bien	Curr Plan All Bien	Orig Plan This Bien	Orig Plan All Bien	Engineer Estimate
099961D	P2	PB	L	A	11,552,361.11	57,791,728.65	11,335,000.00	92,810,683.39	
Engineer Estimate Total:									

Signature Information

Date	User	Role	Approve/Reject
8/26/2004 11:27:47 AM	Sanborn, Laura	StartE_EHQ	Approve
8/26/2004 11:38:08 AM	Sanborn, Laura	E_EHQInitiator	Approve
8/26/2004 1:32:37 PM	Jenkins, Lauren	FederalAid	Approve
8/31/2004 7:38:46 AM	Frick, Mitzi	PMAssistP2,P3	Approve
8/31/2004 8:34:42 AM	Frick, Mitzi	YLines	Approve
9/1/2004 7:22:42 AM	Runion, Bev	Trains	Approve
9/1/2004 12:53pm	Sanborn, Laura	FinalE_E	Approve

Attached Files

File Name

Work Order Authorization Form (page 2 of 2)
Figure B-1

Preparing and Modifying Work Orders

The WOA form is used to submit new work orders, modify existing work orders, and close work orders. See wwwi.wsdot.wa.gov/ppsc/pgmmgt/WOAHelp for a sample of the form and instructions on completing it. Submitting an incomplete or inaccurate WOA form can delay a project phase start, funds authorization, or closing of a project phase. Such delays can ultimately affect a region's ability to deliver its portion of the Highway Construction Program.

Background Information

The WOA process allows expenditures for preliminary engineering, right of way acquisition, and construction of all projects within the Highway Construction Program.

A WOA is used for:

- Setting up initial project phase funding.
- Increasing or decreasing project phase funding.
- Setting up funding for payable or reimbursable agreements on project phases.
- Transferring funds within a work order.
- Correcting inconsistencies between data systems (synchronizing work order setups).
- Adding funds from other program to highway construction projects (adding maintenance funds from Program M).
- Exchanging funds (a project receives local or developer funds after the phase starts; the funds from this new source can be added and funds from another source can be reduced accordingly).

The process of setting up a work order involves several computer systems. They include: the Capital Program Management System (CPMS), the Transportation Reporting and Accounting Information System (TRAINS), and the Contract Administration and Payment System (CAPS). TRAINS is the core system used for storing and managing expenditures and maintains the legal record of work order transactions. CPMS and CAPS are also used to manage and track work order data. CAPS data is fed to TRAINS for payments made to contractors. TRAINS expenditure data is sent to CPMS every night.

When to Submit a Work Order

To set up initial funding for a project phase, be sure to submit the form early enough to allow adequate time for processing before the phase start date.

For PE and R/W phases that require Headquarters approval (see the WOA Approval Table) submit the WOA request:

- At least two weeks in advance for 100-percent state funded projects
- At least four weeks in advance for projects with other fund sources
- For CN phase, at least four weeks in advance, regardless of fund source.

To increase or decrease an existing work order, be sure to submit the form prior to expending unauthorized funds. To set up funding for payable or reimbursable agreements on project phases, be sure the agreements have already been approved and set up in TRAINS. To transfer funds within a work order from one “group category” or finance code to another, see the Chart of Accounts for an explanation of group categories. To correct discrepancies between data systems, use the form to indicate what data needs correcting in CPMS or in TRAINS.

When NOT to Submit a Work Order

Do not submit a WOA more than 60 days in advance of the planned phase start date. Submitting a work order too far in advance could delay other more timely requests or could fail to include last-minute estimate revisions.

Do not submit a WOA if final expenditures are within \$10,000 of the authorized amount. A large number of projects have excess funds or are slightly overrun when the work is complete. In most cases, expenditures within \$10,000 can be administratively reduced or increased without formal authorization. This is a grace amount in order to substantially reduce the number of work orders processed.

Setting Up a New Work Order

Project funding begins with the setup of the initial WOA. Each project phase has slightly different elements to consider before submitting the first WOA.

Preliminary Engineering (PE) Work Orders

This is the first work order for most projects. This work order is used for all activities prior to contract award with the exception of right of way acquisition. In some cases, this may be the only work order set up for a project, such as in the case of planning studies or contributions to other agencies. The following items need to be addressed before submitting the initial PE phase WOA:

- The project needs to be programmed and in CPMS.
- The Headquarters Strategic Planning and Programming Office needs to approve the Project Summary or provide interim approval to proceed. If the PCRf submitting office believes a PE Work Order is necessary before the Project Summary is approved, the Headquarters program managers have the authority to approve whatever percentage is determined appropriate on a case-by-case basis after coordinating with SAPD.

- The project PE phase needs to be in the Statewide Transportation Improvement Program (STIP) for federally funded or regionally significant projects only.
- The total project cost estimate must still be within the budget amount.
- All agreements needed to start the project design must be approved.
- The Project Design Office must be ready to begin design work on the project.

If these issues are all addressed, a PE WOA should process through the system smoothly. If not, the WOA will most likely be returned to the initiator until all outstanding issues have been resolved.

Right of Way (R/W) Work Orders

This is usually the second work order set up on a project if there are R/W activities involved. This can also be the only phase on a project as in the case of contributions to other agencies. The following items should be addressed before submitting the initial R/W phase WOA:

- The project needs to be programmed and in CPMS.
- Headquarters Strategic Planning and Programming must approve the Project Summary or provide interim approval to proceed.
- The project R/W phase must be in the STIP (for federally funded or regionally significant projects only).
- The R/W plans must be approved.
- The design and environmental documentation must be approved i.e., design file [SEPA](#) or [NEPA](#) for federally funded projects.
- All known agreements must be approved for on call appraisal and negotiation services and/or reimbursable agreements from local agencies or developers in order to start the R/W acquisition process.
- The total project cost estimate must still be within the budget amount.
- A Project Funding Estimate (PFE) must be submitted to Headquarters Real Estate Services.
- The region Real Estate Services Office must be ready to begin appraisal and negotiation services on the project.

Sometimes it is necessary to begin R/W appraisal work prior to the R/W plan, design, or NEPA approvals in order to keep a project on schedule. In this case only, an initial R/W work order for up to 10 percent of the total R/W amount (up to a maximum of \$20,000) may be authorized. If these issues are all addressed, a right of way WOA should process through the system smoothly. If not, the WOA will most likely be returned to the initiator until all outstanding issues have been resolved.

Construction (CN) Work Orders

This is often the final and most important work order for the project. This may be the only phase of a project, such as small maintenance projects or contributions to other agencies. The following items should be addressed before submitting the initial CN phase WOA:

- The project must be programmed and in CPMS.
- Headquarters Strategic Planning and Programming must approve the Project Summary (unless justified otherwise).
- The project CN phase must be in the STIP (for federally funded or regionally significant projects only).
- The R/W must be secured and certified by Headquarters Real Estate Services.
- The design and environmental documentation must be approved.
- All agreements (as shown in EBASE) needed to start the CN process must be approved. These include, but are not limited to, service agreements, Washington State Patrol agreements, and local agency contribution agreements.
- The total project cost estimate must still be within the budget amount.
- The project must be ready and scheduled for advertisement.
- State force work must be approved.

If these issues are all addressed, a construction WOA should process through the system smoothly. If not, the WOA will most likely be returned to the initiator until all outstanding issues have been resolved.

Biennial Work Orders

A biennial work order is funded for only one biennium at a time. Biennial work orders are typically administrative in nature. The work order number may be reused each biennium. However in CPMS, the WOA must be balanced to expenditure levels at the end of each biennium and reauthorized at the new biennial budget amount. In TRAINS, biennial work orders are reset to zero at the end of each biennium. A WOA must be processed to establish new funding level for the new biennium if the work order number will be reused. CPMS does not reset to zero for biennial work orders; expenditure and authorization history is preserved in CPMS. In these cases, where a biennial work order spans more than one biennium, TRAINS and CPMS authorization/expenditure amounts will not match.

Modifying an Existing Work Order

All projects are unique and dynamic. As a result, it is often necessary to adjust work orders that have already been set up in TRAINS and CPMS. Changes can occur to the project phase due to a variety of factors. Some of the more common reasons a work order may need to be modified are:

- Insufficient design data at the time of project scoping,
- New or revised policies or regulations by other agencies,
- Changes in state or federal laws,
- Changes in design standards,
- Community or local agency input to the project design,
- Contractor claims resulting from unanticipated obstacles or project delays,
- Changes in project scope,
- Changes in project costs or financial needs, and
- Transfers for unanticipated agreements.
- Addition of new fund sources not available at project phase start.

When a change occurs to a project phase, the same issues in setting up a new work order section must be addressed. In addition, several other items should be checked:

- Proposed changes to the scope must be approved through the Highway Construction Program change management process.
- Any changes to the right of way plan for acquiring additional right of way must be approved; and
- Total project cost increases that exceed the region approval threshold amount must be approved through the change management process.

For modifying a work order, it is most important to provide clear and concise documentation of the change. Explain whether the original scope, intent, or schedule will change and provide justification for changes in project costs or financial needs. Where change orders are involved, include number, description/justification, subprogram and cost estimates for each change.

Processing a Work Order Authorization

WOA submitters need to clearly outline in the WOA “Notes to Accounting” Tab any special processing being requested of Headquarters Accounting.

Headquarters Accounting receives e-mail notification that a WOA is in the Stellent IBPM TRAINS queue ready for processing. The TRAINS queue is accessed by Project Support Services and Receivables (PSSR) in Headquarters Accounting. PSSR prints WOAs and any attachments needed by Headquarters Accounting to process the WOA.

WOAs are then distributed to the responsible PSSR support person (or backup person in the event PSSR support person is not in the office) for processing into TRAINS. Current PSSR responsible areas are available on the following link: wwwi.wsdot.wa.gov/fasc/accounting/new-pssl.htm.

PSSR staff verifies the following additional requirements for processing the WOA:

- New contracts require the awarded EBASE. This is used to determine how many contractor payment groups are needed, what funding is on each group, control section for group, etc. These amounts are also used to calculate the engineering split percentages used for group 60.
- New contract payment groups on contracts require a change order.
- Payable and reimbursable agreements must be set up in TRAINS before a group can be set up for the agreement.
- Federal projects must be approved by FHWA and set up before a group can be set up with federal funds.
- R/W work orders for parcel acquisition funds are set up in TRAINS, but the acquisition group is not set up until parcel approval e-mail is received from Headquarters Real Estate Services.

Tapered match or specific spending plans need to be clearly outlined so that the proper funds are spent in the proper order. (Please note—this requires manual monitoring and PSSR staff to keep ticklers on these projects to assist region staff in switching funds in a timely manner to avoid o-lines whenever possible.)

The TRAINS system produces a Work Order Accounting Plan during the nightly processing cycle. The PSSR supervisor or manager will log the WOA as approved by TRAINS in [Stellent IBPM](#) (generally the morning after it has been processed in TRAINS—sometimes during the day depending on the volume, such as during biennium conversion).

The PSSR fiscal technician attaches the hardcopy WOA to the Work Order Accounting Plan during the daily batching process, and files it in the Accounting vault as part of original agency file to be archived according to the agency retention schedule.

Note: If there is a problem with how a WOA was processed in TRAINS, please contact the assigned PSSR team member, not the person who logged the WOA as approved in [Stellent IBPM](#). If you do not know who the assigned team member is, you can check the website shown previously or look in TRAINS on the WCHG screen for the work order and change number to see who processed the WOA.

Closing a Work Order

When work on a project phase has been completed, the final step is to close the work order. The responsibility for closing a work order lies with the region project manager/engineer and Headquarters PCRO. The closure process involves all those offices that participated in the particular project

and phase. It is important to maintain good communication between all parties throughout the closure process. Don't submit a closure WOA if agreements are still active and final payments or billings are not complete or if the work order groups are still open in TRAINS. If additional expenditures occur before the work order groups are closed, the work order will overrun. Before closing a work order, the region should verify the following:

1. For the PE phase:
 - The PE work is complete.
 - If there is a CN phase involved, the contract is executed and all advertisement expenditures are complete.
 - All final payments or reimbursements are complete for the associated design agreements (e.g., consultant or local agency agreements).
 - All TRAINS groups are closed.
2. For the R/W phase:
 - All R/W activities are complete.
 - The R/W is certified through Headquarters.
 - All final payments or reimbursements are complete for the associated right of way agreements (consultant or local agency agreements).All TRAINS groups are closed.
3. For the CN phase:
 - All CN activities are complete.
 - All final payments or reimbursements are complete for all associated construction agreements (State Patrol, consultant, utility, or railroad agreements).
 - All claims are finalized.
 - All TRAINS groups are closed.
 - Labor and Industries (L&I) and Employment Security clearances and retainers are released.

Once these items have been addressed, the region can close the work order. Each region may have a different procedure for accomplishing this.

To initiate the work order closure process, the region Program Management/Project Control sends a request to the region Financial Services Office to close the work order. Region Program Management may want to send a 30-day notification to project managers that the work order is being closed. Sometimes project managers may initiate a request to region Program Management to close the work order. For work orders in Headquarters, the Financial Support Office will complete the work closure request form.

For I and P program work orders, if the work order is overrun by \$10,000 or more, a WOA is required to increase the authorization on the work order to match actuals. The Region Financial Services Office or Headquarters Financial Support Office will then complete the work order closure form (see [Figure B-2](#), DOT Form 120-025 EF). The following items are included on the form and are the responsibility of the region Financial Services Office or the Headquarters Financial Support Office:

- Verification that all necessary accounting adjustments have been made to the work order;
- For contracts—reviewing retainage release, contractor payment balances, and amortization;
- For payable agreements—verification of expenditures to GC02 balance, and identifying whether agreements can be closed or need to remain open; and
- Comments—any additional information that may be useful to Headquarters Accounting to close the work order (WOA in process to increase for overrun > \$10,000).

After the work order closure request form is received, Headquarters PSSR will take the following actions:

- Close payable agreements requested for closure and send notice to the Internal Audit Office of agreements requiring audit;
- If closure was requested, schedule reimbursable agreements for final billing;
- Close open groups in TRAINS;
- Balance any remaining authorization in TRAINS (unless WOA is required); and
- Return copy of completed form to initiating office.

Closing the work order in TRAINS generates reports that are used to complete the closure process. One of these reports, the Work Order Accounting Plan, is used by regions to verify final closure and make sure that TRAINS and CPMS are in agreement. The CPMS Liaison Engineer in the Systems Analysis and Program Development Office monitors work order closures in TRAINS and ensures the timely closure of work orders in CPMS.

It is important to remember that most biennial work orders must be re-authorized or closed each biennium. Region Program Management offices may have to remind project managers to initiate this process; in some cases, the Headquarters PCRO may be the project manager.



Work Order Closure Request

Work Order No.	Title	
Federal Aid No.(s)	Responsible Org.	Org. Manager

Work Order Closure Check List (To be completed by Requestor)

Yes No Have all the necessary adjustments (Journal Vouchers) been made to the appropriate Group and Group Category?

Work By Contractor (Grp Cat 01)

- Yes No Has retainage been released?
- Yes No Are the expenditures for Prime Contractor in balance with the dollar amount as shown on the Headquarters Final Estimate Payment?
- Yes No Has amortization been balanced (Contracts with Subprogram M5)?

Payable Agreements (Grp Cat 02)

Payable Agreement	Task No.	Authorized \$	Expenditures	Close	
				Yes	No
Totals					

Reimbursable Agreements

Reimbursable Agreement	Close		Reimbursable Agreement	Close	
	Yes	No		Yes	No
1			4		
2			5		
3			6		

Requested By	Date
Closed By	Date

Comments

DOT Form 120-025 EF
5/99

Verification Check List (To be completed by PSS)

(Grp Cat 01) -Verify if work order has federal funds

Agreements Closed?

Yes	No

Send Notice to Audit Office

Agreements Scheduled for Final Billing

Balance and Close Work Order

Work Order Closure Request Form 120-025 EF
Figure B-2

CN work orders should not be kept open to complete long-term activities, such as plant establishment or environmental monitoring. The work order should be closed after the contractor has met the contract one-year warranty period for these activities. Ongoing work items should be set up on a new work order, i.e., a MS or MU work order.

Sources for Work Order Data

When setting up, modifying, or closing a work order, it is often necessary to input data or review data in several computer systems and databases. The primary systems used when working with a work order are listed below:

- WOA (Stellent IBPM-based Work Order Authorization System)
- CAPS (Contract Administration and Payment System)
- CPMS (Capital Program Management System)
- EBASE (Estimate and Bid Analysis System)
- FIRS (Financial Information Retrieval System)
- Project Summary Database
- TRAINS (Transportation Reporting and Accounting Information System)
- TRIPS (Transportation Information and Planning Support)

Reviewing and Authorizing Work Orders

The WOA form should be reviewed for accuracy and completeness before it is submitted for processing. An incomplete WOA form will only delay the process and/or result in an improper setup in TRAINS. A small mistake in work order setup can cause larger problems later on, requiring extensive and time-consuming efforts by both region and Headquarters staff.

Elements of Headquarters Reviews

Each WOA that requires Headquarters processing, (through Headquarters PCRO, Headquarters Division Services, Headquarters Traffic, Headquarters Budget Services Office, or Headquarters Project Support Services) must go through a formal review process. There is a slightly different review process for different WOA types. When the work order is submitted to Headquarters, the WOA system determines what approval process should be followed by evaluating information on the WOA form. The evaluation elements are:

- Work order phase (PE, R/W, or CN)
- Fund source (state, federal, Transportation Improvement Board, or local)
- Type of work order (new setup, increase, decrease, or transfer)
- Subprograms (I1, I2, I3, I4, P1, P2, P3, Q2, Q3, etc.)

After this initial evaluation, the WOA is routed to the appropriate Headquarters PCRO staff for review. During this review, these elements are considered:

- For federally funded projects, whether or not the project phase has previously been approved by FHWA on an SPES or STP Project
- Whether the Project Summary is approved
- Whether the documentation is complete
- Whether CPMS thresholds have been broken. Adjustments that break certain thresholds require different approval levels and may require the submittal of a new PCRF.
- PCRF approval status (if applicable).
- Whether documentation adequately justifies any change in project cost or scope. This information is needed to document causes of changes to the approved budget estimate.
- For R/W WOAs, whether parcels are included in approved right of way plans. Headquarters Real Estate Services Office requires that parcels are in an approved plan prior to acquisition.
- Whether project scope is consistent with the approved Project Summary.
- Whether construction engineering (CE) on construction work orders is consistent with department guidelines for projects of this type and size. If the CE is not consistent with department guidelines, justification must be provided in the WOA.
- Whether state force work for the CN phase conforms to RCW 47.028.030 and RCW 47.28.035 (see [Guidelines for Approving Highway Construction Program Funded Work Order Authorizations for State Force Work on Highway Facilities](#)). This RCW limits construction work performed by state forces to \$50,000.00 (effective July 1, 2005, \$60,000). Headquarters PCRO program delivery managers cannot authorize expenditures that violate state law.
- Whether CPMS has been updated. CPMS data must accurately represent the individual project costs and aggregated project costs must accurately portray the biennial expenditure plan for the program.
- Whether the WOA is complete and accurate, to help reduce the number of errors occurring in TRAINS and CPMS data.
- Whether all FHWA requirements have been met. The federal aid authorization process requires this review.

Steps in the Review Process

The review process is different for each type of work order that is processed and for each region or office that submits a work order. The workflows in the WOA system have been designed to support the policies designed for WOA flow. The workflow diagrams are available for viewing in the WOA system at: <http://Stellent IBPMWebprod>.

How to Check the Status of a Work Order Authorization

The WOA system keeps track of the location of each WOA and links to the current document. Anyone who can access the WOA system can search the database to obtain the latest information about a WOA. The WOA system is a Web-based application located at: <http://Stellent IBPMWebprod>.

Managing Work Order Expenditures

The work order is the basic tool used to manage the funding appropriations made by the Washington State Legislature. Appropriations are separated into program allocations and, depending upon the program, these may be broken down to subprogram allocations. A unique program item number (PIN) identifies specific work (a project) within each subprogram allocation. The project to be accomplished by each program item is defined by one or more work item number (WIN), each of which may have a preliminary engineering, right of way, and/or construction phase. A separate work order is defined for each work item phase. Each work item phase has one and only one work order defined for it. However, funding for a given work item phase (work order) can come from more than one subprogram allocations. The work order is a valuable tool to monitor and manage costs associated with projects in the Highway Construction Program and to track expenditures for a given subprogram allocation.

Work Order Groups

Work Order groups and group categories are established in TRAINS to provide further detail of work order expenditures. The Group Category segregates expenditures by type of work such as state force work, work done by others under a payable agreement, or work done by a contractor. Multiple groups may be set up for each Group Category. In most cases, regions are authorized to approve WOAs that transfer funds between Group Categories where there is no increase to total authorization.

A change to the authorized amounts of federal dollars, the addition of a new fund source, or a change to the state force amount on a CN phase work order requires Headquarters approval. Group Categories may not be reduced below actual expenditures to date, because this would result in an overrun Group Category. The WOA system recognizes regional authority and by selectively routing the WOA, eliminates unnecessary processing of work

orders by Headquarters PCRO. On active work orders, expenditures should be controlled in the region. If a project is not going to collect direct charges for a while, or if the project is pending completion, then the region or Headquarters can close one or more of the TRAINS groups.

Expenditures cannot be charged against closed groups.

Responsibilities of the Project Manager

The assigned project manager has primary responsibility for monitoring the specific activities of a work order and for making sure expenditures stay within authorized funding. The project manager should establish a work plan including a monthly expenditure plan. The expenditure plan should show how much has already been spent each month and the planned expenditures by month for the remaining life of the work order. A clear understanding of the expenditure plan for a project is critical. Adjustments to funding levels should be made as soon as the need becomes apparent. It is especially important to anticipate the need for additional funding well in advance of overrunning the authorization. The region program managers monitor their subprogram allocations and expenditures. They perform a general review of work orders in the Highway Construction Program, but it is the project manager/engineer who has primary responsibility for monitoring and managing the individual project expenditures.

Reporting on Work Order Expenditures

Work order authorization and expenditures are tracked using a variety of reports, both printed and online, mainframe, and Web-based. Work orders are generally reviewed on a monthly basis by work order managers but may be tracked more frequently if the situation warrants. Reports are available from TRAINS, CPMS, and FIRS to use for tracking expenditures. Most data can also be downloaded to a personal computer for use in producing customized reports, charts, and graphs.

Establishing Federal Aid Project Agreements (FAPA)

A FAPA, initiated by completing FHWA Form 120 (see [Figure B-3](#)), defines the scope and cost of a project that will utilize federal funding. When approved by FHWA, the form documents FHWA's commitment to participate in the project cost. While this form is prepared and submitted by Headquarters, region Program Management staff needs to understand the requirements for receiving federal aid funding on projects. The FAPA must be approved prior to starting any project phase planned for federal funding. Any expenditures incurred prior to FHWA approval are not eligible for reimbursement. An additional authorization may be required if there is a change in project scope, new work is added to the project, or contract conditions are renegotiated. This is particularly important during construction when new work or payment incentives may be added to the project by a change order.

**Washington State Department of Transportation
Modification of Federal Aid Project Agreement**

Project Number: 0401(003) **Prefixes:** (AC) NH, ER, **Mod Number:** 5
Title: SR101-HOH RIVER - EMERGENCY REPAIRS - DMC071, MS5031,SF4066 & 006271.

Purpose: Authorizing Work Obligating Funds **Mod Justification:** ADDING ADDITIONAL FUNDS

Description: MODIFICATION NO. 5: THIS REQUEST (SF4066) PROVIDES FOR ROADSIDE RESTORATION / PLANT ESTABLISHMENT BY STATE FORCES \$25,950.00.

The Project Agreement for the above referenced project entered into between the undersigned Parties and executed by the Division Administrator on Nov 14, 2003 is hereby modified as follows:

Description/Location: HOH RIVER - EMERGENCY REPAIRS
 SR101-18.62 TO 18.72 MILES SOUTH OF JUNCTION SR110.

County	Urbanized Area	WIN	W/O #	Sub Pgm	PIN No	Structure	Fin Code
JEFFERSON	NOT IN AN URBANIZED AREA	C10141C	006817	P3	00CNM		JL
		C10141F	DMC071		00PC		
		C10141G	MS5031		310141C		
			SF4066				

SR: 101 **Beginning MP:** 174.100 **Ending MP:** 174.600 **Place Code:** NOT APPLICABLE

Design Apprvl: 04/15/2004 **Envirn'l Clrc Date:** 04/13/2004 **Envirn'l Clrc:** CATEGORICAL EXCLUSION: (DCE) FHWA DOC

ROW Certfn: 00/00/0000 **STIP Apprvl:** 00/00/0000 **STIP Ref:** EXEMPT

FEDERAL FUNDS:	Class of Funds	Approp	Fin Cd	Pro-Rata	Phase	Current Amount	Previous Amount	Increase/Decrease
EMERGENCY RELIEF - FED AID - OTHER	09V0		JL	100%	CN	504,270.00	504,270.00	.00
NATIONAL HIGHWAY SYSTEM	H050		JL	86.5%	CN	6,969,854.00	6,943,904.00	25,950.00
Total Federal Funds:						\$7,474,124.00	\$7,448,174.00	\$25,950.00
Total Non-Federal Funds:						\$2,250,213.00	\$2,246,163.00	\$4,050.00
Total Project Funds:						\$9,724,337.00	\$9,694,337.00	\$30,000.00
Incl Soft Match - TOLL: No Incl Soft Match - IDC: No								
NON-FEDERAL FUNDS:	Fund Type	Approp	Fin Cd	Phase	Amount	Previous Amount	Increase/Decrease	
	STATE FUNDS			CN	2,250,213.00	2,246,163.00	4,050.00	
Total Non-Federal Funds:						\$2,250,213.00	\$2,246,163.00	\$4,050.00

**Federal Aid Form 120 (page 1 of 2)
Figure B-3**

**Washington State Department of Transportation
Modification of Federal Aid Project Agreement**

Project Number: 0401(003) **Prefixes:** (AC) NH, ER, **Mod Number:** 5
Title: SR101-HOH RIVER - EMERGENCY REPAIRS - DMC071, MS5031,SF4066 & 006271.

Purpose Of Request: MODIFICATION NO. 5: THIS REQUEST (SF4066) PROVIDES FOR ROADSIDE RESTORATION / PLANT ESTABLISHMENT BY STATE FORCES \$25,950.00.

MODIFICATION NO. 4: CONVERT ADVANCED CONSTRUCTION FUNDS, \$6,943,904.00 TO H050.

MODIFICATION NO. 3: INCREASE (A/C) NH H050 CN, \$1,639,656.00 TO ADJUST TO AWARD.

MODIFICATION NO. 2: THIS MESSAGE SERVES AS MY AUTHORIZATION TO REMOVE ALL FHWA CONDITIONS (PLACED AT THE TIME OF CONSTRUCTION AUTHORIZATION) RELATED TO AD, BID OPENING, AND AWARD OF THE SUBJECT PROJECT, CONCERNING ESA CONSULTATION (COMPLETION OF THE BO) WITH THE USF&WS. FHWA HAS FORMALLY NOTIFIED THE USF&WS THAT THIS PROJECT WILL BE DESIGNATED AN EMERGENCY PROJECT UNDER ESA AND CONSULTATION WILL BE COMPLETED DURING OR AFTER CONSTRUCTION PER ESA REGULATORY PROCEDURES. FROM: HUGHES, GARY (FHWA) 6/14/2004

MODIFICATION NO. 1: THIS ADVANCE CONSTRUCTION REQUEST PROVIDES A PERMANENT REPAIR TO PREVENT FUTURE EROSION BY INSTALLING PILING AND CREATING IN RIVER LOG JAMS FOR BANK PROTECTION, RECONSTRUCTION AND RESURFACING THE SHOULDER ON THE RIVER SIDE OF SR101 DAMAGED BY HEAVY REPAIR EQUIPMENT AND TRAFFIC CONTROL DURING THE REPAIR WORK.

ORIGINAL CN REQUEST: THIS REQUEST PROVIDES TEMPORARY / INCIDENTAL PERMANENT REPAIR OF BANK EROSION ALONG THE HOH RIVER ADJACENT TO SR101 BY PLACING HEAVY LOOSE RIPRAP TO PREVENT FURTHER EROSION AND TO REPAIR DAMAGED BARBS IN THE RIVER.

PRELIMINARY ENGINEERING ACCOMPLISHED ON FEDERAL PROJECT ER-0401(031), XL1557, SCHEDULED TO BE ADVERTISED ON 5/10/2004. NEPA DCE: APPROVED BY FHWA ON 4/13/2004. NOAAF "EFH" APPROVED 3/16/04 AND USFWS WILL BE DETERMINED PRIOR TO BID OPENING. RIGHT-OF-WAY WILL BE CERTIFIED PRIOR TO BID OPENING. THIS PROJECT WILL BE A REGION AD AND AWARD (RAA). THIS PROJECT WILL BE CONVERTED TO EMERGENCY RELIEF FUNDS WHEN THOSE FUNDS ARE AVAILABLE ! AUTHORIZATION TO PROCEED IS NOT A COMMITMENT OR OBLIGATION TO PROVIDE FEDERAL FUNDS FOR THAT PORTION OF THE UNDERTAKING NOT FULLY FUNDED HEREIN.

Remarks: MODIFICATION NO. 5: THIS REQUEST (SF4066) PROVIDES FOR ROADSIDE RESTORATION / PLANT ESTABLISHMENT BY STATE FORCES \$25,950.00. THIS MESSAGE SERVES AS MY AUTHORIZATION TO REMOVE ALL FHWA CONDITIONS (PLACED AT THE TIME OF CONSTRUCTION AUTHORIZATION) RELATED TO AD, BID OPENING AWARD OF THE SUBJECT PROJECT, CONCERNING ESA CONSULTATION (COMPLETION OF THE BO) WITH THE USF&WS. FHWA HAS FORMALLY NOTIFIED THE USF&WS THAT THIS PROJECT WILL BE DESIGNATED AN EMERGENCY PROJECT UNDER ESA AND CONSULTATION WILL BE COMPLETED DURING OR AFTER CONSTRUCTION PER ESA REGULATORY PROCEDURES. HUGHES, GARY (FHWA) 6/14/2004

All other terms and conditions of the Project Agreement will remain in full force and effect.

This modification is effective as of Aug 30, 2004

The State stipulates that as a condition to payment of the Federal Funds obligated, it accepts and will comply with the provisions set forth in 23 CFR Part 630.307 and 49 CFR 26.13(a) which is incorporated therein by reference. The State further stipulates that its signature on the project agreement constitutes the making of the certifications set forth in 23 CFR 630.307 and 49 CFR 26.13(a)

<p>WSDOT APPROVAL:</p> <p>By: JOHN R. JEFFREYS Date: 08/30/2004</p>	<p>FUNDS AVAILABLE:</p> <p>Initials: Date:</p>								
<p>FHWA RECOMMENDED SIGNATURE:</p> <p>By: Date:</p>	<p>FHWA AUTHORIZED SIGNATURE:</p> <p>By: TONYA D. PRICE Date: 08/30/2004</p>								
<p>Distribution:</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Region: OLYMPIC</td> <td><input type="checkbox"/> Federal Aid Files</td> <td><input type="checkbox"/> Contract Ad and Award</td> <td><input type="checkbox"/> _____</td> </tr> <tr> <td><input type="checkbox"/> Program Manager</td> <td><input type="checkbox"/> Project Support Services</td> <td><input type="checkbox"/> Records Control</td> <td><input type="checkbox"/> _____</td> </tr> </table>		<input type="checkbox"/> Region: OLYMPIC	<input type="checkbox"/> Federal Aid Files	<input type="checkbox"/> Contract Ad and Award	<input type="checkbox"/> _____	<input type="checkbox"/> Program Manager	<input type="checkbox"/> Project Support Services	<input type="checkbox"/> Records Control	<input type="checkbox"/> _____
<input type="checkbox"/> Region: OLYMPIC	<input type="checkbox"/> Federal Aid Files	<input type="checkbox"/> Contract Ad and Award	<input type="checkbox"/> _____						
<input type="checkbox"/> Program Manager	<input type="checkbox"/> Project Support Services	<input type="checkbox"/> Records Control	<input type="checkbox"/> _____						

**FHWA Form 120 (page 2 of 2)
Figure B-3**

How the Approval Process Works

The Federal Aid Section in Headquarters SAPD, using information provided by a status report and/or a completed WOA form, prepares FHWA Form 120. It is reviewed and approved in Headquarters, then submitted to FHWA for review and approval. FHWA review considers such questions as:

- Are the requested funds available?
- Is the project, as described, eligible for the type of funds requested?
- Has the state met FHWA requirements for developing the project?
- Is the project in the current approved STIP?

Once the review is completed, FHWA returns the approved form to the Federal Aid Section in Headquarters SAPD. A WOA can then be processed, reviewed, and, if there are no other issues to be resolved, approved by Headquarters PCRO. It is then forwarded to Headquarters Project Support Services for setup in TRAINS. A copy of the approved form can be accessed in the Federal Aid Tracking System (FATS).

What is Checked on a FAPA

Many questions need to be answered before setting up a FAPA. The two most important are:

1. Is the project in the approved STIP?

If the project is not included in the current STIP, FHWA will not approve the project authorization. Headquarters and the region will need to work together and agree on how to proceed with the project until the STIP issues are resolved.

2. Are all the required supporting documents available?

Before the R/W or CN phase can be submitted to FHWA, the design and environmental requirements for the project must be approved. This includes approved right of way plans, a Relocation Assurance Letter (if applicable), and a Project Funding Estimate (PFE) for R/W Authorization. Right of Way Certification Letter is also usually submitted with the PFE for construction projects. An exception is railroad crossing construction performed by the railroad within the railroad right of way. If the state or a contractor performs this same work, a Right of Way Certification Letter is required. Submitting an incomplete Form 120 to FHWA increases the review time since FHWA staff will withhold approval until they have received all the required information. Headquarters PCRO cannot process a WOA modification for an increase in project federal costs until FHWA has authorized an increase in federal funds.

How to Modify a FAPA

The FAPA must be modified to increase or decrease the amount FHWA has authorized for each phase. The modification should be requested as soon as it's realized that project costs will differ from the FHWA authorized amount. TRAINS, CPMS, Financial Information Retrieval System (FIRS), and other project data should be reviewed to determine whether the FAPA should be modified. If the amount of difference is relatively small, it may be best to wait until the project is nearly completed to process a modification or to allow the final voucher process to satisfy the modification requirements.

Understanding FAPA Numbers

Each federally funded project phase and some third party agreements that are considered reimbursable are identified by a FAPA number. The type of project funding and appropriation must be determined before this number can be assigned. The Federal Aid Section in Headquarters SAPD assigns the FAPA number (except on emergency relief projects and some demonstration projects) when the project phase is submitted to FHWA for approval and authorization. This number usually remains the same for all phases. Occasionally PE is programmed under one FAPA and CN is programmed under another. The FAPA number is a series of alpha-numeric characters followed by a number enclosed in parentheses. The state route and state route section are usually identified. Exceptions occur for emergency relief projects, for statewide projects, and for projects on multiple state routes. The number in parentheses is simply a sequential number. [Table B-1](#) shows examples of FAPA numbers.

SPES and STP Agreements

In previous years, the Washington State Department of Transportation WSDOT submitted a Statewide Preliminary Engineering System (SPES) agreement to FHWA to request project approval on a list of preliminary engineering projects for that calendar year. The agreements were set up based on the type of appropriation, i.e., Interstate Maintenance or the National Highway System. Similarly, in previous years, WSDOT submitted a Surface Transportation Program (STP) agreement to FHWA to request project approval on a list of projects for the calendar year. These agreements are set up by project phase. The [SPES](#) and [STP](#) agreements listed those projects with a start date in the calendar year and indicated the total dollars to be spent. Headquarters SAPD monitors each agreement to track the dollars spent and the new projects coming in. The agreements may be modified to add new projects or to adjust the total obligation. An agreement does not necessarily have to be modified if the dollars on an individual project change. However, if it appears the overall funds will overrun, then a project modification must be made. The agreement does need to be modified if WSDOT wants to add new projects to the list. Because information used in these agreements comes directly from CPMS, project start dates and the expenditure plan must be

Interstate: IM-0901 (302)	
IM	Funding Type (Interstate Maintenance)
090	State Route
1	State Route Section (per status of development of the National System of Interstate and Defense Highways)
(302)	Sequential Number assigned in order of setup
National Highway System: NH-0012 (040)	
NH	Funding Type (National Highway System)
0012	State Route
(040)	Sequential Number
Emergency Relief: ER-90-02 (038)	
ER	Funding Type (Emergency Relief)
90	Year of Disaster (1990)
02	Number of Disaster Within FFY (second disaster)
(038)	Sequential Number

Note: The prefix "AC" is added to the funding type when the federal aid project is selected for Advanced Construction. For example, the project number would start ACIM for Interstate Maintenance funding or ACNH for National Highway System funding. See the *Advanced Construction* section for further information.

Federal Aid Project Agreement Number Examples

Table B-1

accurately maintained in CPMS. SPES and STP agreements were not set up for the 2003-2005 biennium. A decision has not yet been made whether or not these agreements will be set up for future biennia.

Advanced Construction (AC)

AC allows work to be performed on approved federal aid projects without having to obligate federal funds apportioned or allocated to the state. AC allows a state to proceed with highway construction, metropolitan planning, rail/highway crossings, bridge replacement/rehabilitation, hazard elimination, or planning and research projects provided the state:

- Has authorized the proposed project,
- Has used all obligation authority distributed to it, or
- Has demonstrated that it will use all obligation authority distributed to it.

If the state meets these requirements?, the state may proceed with an interstate maintenance project without regard to apportionment or obligation authority balances.

However, the total AC authorization within a funding category cannot exceed the funding limitation established. The AC project must meet the same requirements and be processed in the same manner as a regular federal aid project. Authorization by FHWA does not constitute a commitment of federal

funds. The state can qualify a project for federal participation, and then convert the project to AC at a later date. FHWA cannot reimburse the state until the project has been converted. As a result, the state must submit a final voucher to FHWA upon completion of the project even though the project has not been converted.

Toll Credits

Title 23, Section 120 (j), of the United States Code (USC) permits the states to use certain toll revenue expenditures as a line of credit towards the non-federal matching share of all programs authorized by Title 23, except Emergency Relief. This regulation is known as “toll credits” and allows the federal share of a project to be increased up to 100 percent of the project cost. Toll credits do not bring additional revenue into the state but simply allow the state to obligate its apportionment more rapidly and on fewer projects. Toll credits are used as a money management tool and do not reduce or replace the state matching funds required on a project. Toll credits are calculated by comparing ferry system revenues to operating expenditures. When expenditures exceed revenues, a line of credit or *toll credit* occurs. Every time a project receives toll credits, this credit balance is drawn down by the state match share. The line of credit is calculated annually and replenishes the line of credit account. The Administration Division tracks toll credit expenditures and compares them to the line of credit to ensure that the account doesn’t exceed the available credit limit. If toll credits are used on a project, the WOA must show the fund codes and the federal pro-rata share that will be used, so Headquarters Project Support Services can properly code the work order for soft match. For additional instructions on how to set up toll credits see: www.wsdot.wa.gov/ppsc/pgmmgt/Fed/Soft%20Match%20Directions%20for%20Internet.doc)

Work Order Authorization (WOA) Instructions

Processing

All required documentation and approvals shall be obtained prior to submittal of a WOA form to Headquarters. If Headquarters receives a WOA before the approval of the Project Summary or if scope, cost, or schedule changes have not been approved, then the WOA will be rejected unless a prior agreement was reached with Headquarters PCRO for submitting an incomplete WOA. This will ensure a valid basis for system performance measurement. The subprogram field on the “PIN Lines” tab must be filled out for every WOA, even for a transfer. The system routes the document to the appropriate queues based on the subprograms on this tab. The finance codes and pro-rata listed in the “Federal Aid” tab and those listed in the “PIN Lines” tab must match. A note shall accompany all rejected packages to explain why the WOA was returned. When the issue is resolved, a note of explanation is added, and the WOA is resubmitted. Any questions that are asked in the “Notes” fields must be answered in the “Notes” field.

Communication

Table B-2 provides a general description of the purpose of the various “Notes” tabs on the WOA used to communicate additional information. In general, notes added in all the “WOA” tabs shall be added below previous notes and need to be in the following format: Date – Name; Note. See the following example:

Headquarters Notes Tab

02/09/2007 – Doug Pulse

Returning the WOA back to the region because the PCRf has not been approved. Please resubmit WOA after Headquarters approves the PCRf and attach the approved PCRf.

Region Notes Tab

02/16/2007 – Connie Deer

PCRf approved by Headquarters on 2/15/07; resubmitting WOA; see attached PCRf, 310135B.doc.

It is important to note that the WOA approval flow is linear in one direction at any given time, so it should not be used as a general communications tool. Notes in the “Notes” tab should only be directed to the next person in the document flow or used to provide a note-to-file. Comments to others in the workflow should be delivered via e-mail with reference to the specific WOA.

Tables B-3 thru B-6 depict the information required in selected WOA Tabs for various types of WOAs and corresponding examples.

Notes Tabs	Purpose
Work Order Justification	The reason why you are submitting the WOA. Be as clear and complete as possible to avoid questions that may delay WOA processing.
Notes to CPMS	Information intended for the person who will be updating CPMS.
Notes to Accounting	Information for the Headquarters Project Support Services office in Headquarters Accounting.
Region Notes	Information from the region intended for other region personnel or Headquarters Project Management (PM) Personnel.
Headquarters Notes	Information from Headquarters PM personnel intended for other Headquarters PM personnel or region personnel.

WOA Notes Tabs
Table B-2

Attachments

When adding an attachment to a WOA, remember to include a note in the WOA describing the attachment. Most attachments are either copies of documents stored elsewhere or do not need to be part of the legal record for the work order. A comment in “Notes to Accounting” must be added if an attachment should be printed by Project Support Services and placed in the work order file (e.g., e-mails containing special setup instructions, work order closure requests, and other documents providing special instructions like spreadsheets detailing A2A calculations). For ease of identification, attachment-naming conventions should be followed. For example:

- If the attachment is a [Project Change Request Form](#), the filename should be *PCRF 310184B.doc*.
- If the attachment is a Work Order Closure form, the file name should be *Closure MS3456.fm*.

Authority

When initiating a WOA, proposed additions and increases to the authorization plan in CPMS should be entered using proposed dollars (P-lines). Headquarters PCRO staff will change (after the WOA is approved) the P-lines to Y-lines (authorized dollars) in CPMS. All WOAs are processed through the Headquarters PCRO Y-line queue before forwarding to TRAINS. For decreases to the authorization plan, region staff have the authority to approve the WOA and reduce Y-lines accordingly in CPMS.

Construction Contract Funds Authorization (CCFA)

An approved CCFA is required to document that funds are available to advertise a construction contract. When a CCFA is processed through the Y-line queue, a copy of the CCFA form must be attached to the package in Stellant IBPM. To do so, click on Print Preview and use File/Save As in Internet Explorer to save the file in an easy-to-remember location, like *C:\AAWork*. Name the file *CCFAannnnna* (where annnnna is the WIN) and attach it to the package using the Attachments box below the editable WOA form. When the package is routed through the system as an Adjust-to-Award WOA, the CCFA will be available for reference. The Contract Payments Section (CAPS) assigns contract numbers on the Friday before the contract advertising date (usually Mondays) so the CCFA must be approved and forwarded to CAPS before 1:00 PM on that Friday. Following advertisement, the approved CCFA remains in the CAPS queue awaiting contract award.

General Policy

(applies to both Design/Bid/Build and Design/Build projects)

The CCFA shall be submitted to Headquarters PCRO three to four weeks prior to the advertisement date or RFP date.

The project should be bid ready and the estimate considered final when the CCFA is submitted to Headquarters for approval.

The current EBASE version must be locked when the project is turned in for advertisement. CPMS is considered locked when the locked EBASE estimate is loaded in CPMS and a CCFA is created by synchronizing the WOA system with CPMS.

If the EBASE estimate increases after the CCFA is submitted to Headquarters PCRO for approval, the region shall not advertise without Headquarters PCRO approval of the higher amount.

If the EBASE estimate decreases after the CCFA is submitted to Headquarters PCRO, the CCFA does not have to be adjusted until after bid opening (usually through the Adjust to Award process).

Only Headquarters PCRO is authorized to add or increase Y-Lines in CPMS. Regions may add P-Line increases in CPMS.

Specific Process

If the EBASE estimate must be revised and does not result in the total project exceeding its approved budget (PIN level), or if the revision is within the region's budget approval level, then the region will notify PCRO.

CCFA Is in Headquarters PCRO, Prior to Y-Lining

The region will update CPMS. PCRO will modify the CCFA to match the updated CPMS estimate and the CCFA will be processed to CAPS, or PCRO may return the CCFA to the region for modification.

CCFA Is in CAPS Queue, After PCRO Approval and Y-Lining

The region will not update CPMS. PCRO will request CAPS to return the CCFA. PCRO will modify the CCFA and CPMS to match the new estimate and the CCFA will be processed to CAPS, or PCRO may return the CCFA to region for modification.

After Advertisement Date and Prior to Bid Opening

The region will first contact Headquarters PCRO and Headquarters Contract Ad and Award Office before updating EBASE and/or CPMS.

The region will update CPMS after bid opening using the Adjust to Award process.

After Bid Opening and Prior to Award

The region will update CPMS after bid opening using the Adjust to Award process.

If the EBASE estimate must be revised and results in the total project exceeding its approved budget (PIN level), or if the revision exceeds the region's approval level, then the region will notify PCRO.

CCFA Is in Headquarters PCRO, Prior to Y-Lining

Region will update CPMS. PCRO may hold the CCFA and request the region to submit a PCRf. PCRO will update the CCFA and CPMS to match the new estimate and the CCFA will be processed to CAPS, or PCRO may return the CCFA to the region for modification. If the increase is not approved, the CCFA will be returned to the region.

CCFA Is in CAPS Queue, After PCRO Approval and Y-Lining

PCRO will request CAPS to return the CCFA. PCRO may hold the CCFA and request the region to submit a PCRf. PCRO will update the CCFA and CPMS to match the new estimate and the CCFA will be processed to CAPS or PCRO may return the CCFA to the region for modification. If the increase is not approved, the CCFA will be returned to the region.

After the Advertisement Date and Prior to Award

The region will first contact Headquarters PCRO and the Headquarters Contract Ad and Award Office before updating EBASE and/or CPMS.

PCRO may advise Headquarters Contract Ad and Awards Office to not open the bids until the region submits a PCRf if the increase is significant or requires approval external to WSDOT. After reviewing the cost increase and justification, PCRO will advise the Headquarters Contract Ad and Award Office to either pull the project from advertisement or to open the bids. After the bids are opened, PCRO will modify the PCRf (if required) based on the lowest acceptable Bid. When the project is financially approved for Award following PCRf approval, then PCRO will notify Headquarters Contract Ad and Award Office (or the region for a region awarded project) and the region will update CPMS using the Adjust to Award process. If the PCRf is not approved, then PCRO will advise the Headquarters Contract Ad and Award Office (or the region) not to award the contract.

If the project budget (PIN level) exceeds approved budget after bid opening and the increase exceeds the region's approval level, PCRf approval may be required before the project can be awarded if the increase is significant or requires approval external to WSDOT. When the project is financially approved for award either by the PCRf process or by PCRO's Bid Analysis for Award form process, then PCRO will notify Headquarters Contract Ad and Award Office or the region for a region awarded project, and the region will update CPMS using the Adjust to Award process. If the cost increase is not approved, then PCRO will advise Headquarters Contract Ad and Award Office or the region not to award the contract.

If all bids are rejected, the following actions will need to be taken so the CCFA/WOA will be archived properly:

- The CAPS queue will approve the CCFA after the decision to reject all bids, so the WOA will route back to the initiator for processing as an Adjust to Award (A2A)WOA.
- The initiator will adjust the authorization on the returned WOA to zero, and add appropriate comments that this contract is being processed with no dollars because all bids were rejected. It is very important to include in notes to Accounting on the A2A WOA a statement that all bids were rejected and emphasizing that **NO TRAINS ACTION IS NECESSARY** since the contract will not be set up in TRAINS.
- The TRAINS queue should “Approve” the document without printing it or taking any other action. This will send the A2A back to the region final queue, where it can be completed for archiving.
- In CPMS for the “old” WIN with the rejected bids, the WIN will be adjusted to zero, the Stage of Estimate set to 9 (awarded at zero dollars), and appropriate comments added to the WX screen. A new WIN will be established in CPMS with the dollars transferred from the “old” WIN and appropriate comments added to the WX screen identifying the replacement WIN for the construction work. If subsequently the decision is made to readvertise the construction work, then the new WIN will be used.

Adjust-to-Award (A2A) WOA

When bids are opened for a proposed contract, there is a short time to obtain expenditure approval before the award meeting. Typically, the bid opening is on a Wednesday and the award meeting is on the following Friday. If the low bid is accepted, then the contract is awarded on Monday. Due to the short time frame, Headquarters PCRO must be prepared to make a funding decision as soon as the low bid is identified.

On the bid opening day morning, the region Program Management offices compare the CCFA estimate to the most current EBASE estimate (Engineers Estimate) for all contracts scheduled for bid opening. If there are substantial differences in total cost per PIN, a PCRF may be required following identification of the low bid.

After analyzing the CCFA, the proposed award amount, the budget for each PIN, and the overall construction program budget, the Headquarters PCRO program delivery managers will determine whether or not to delay the award. The decision is based on the size of the increase and whether a PCRF or additional information is required. If the contract is clear to award from a funding standpoint, PCRO will notify the Contract Ad and Award Office via a signed Approval to Award Form or a revised CCFA. If these issues cannot be resolved, then Headquarters PCRO will notify the Contract

Ad and Award Office of the delay before or no later than the Friday award meeting. The contract cannot be awarded until Headquarters PCRO approves the PIN cost increases.

In coordination with other offices, the Contract Ad and Award Office also compares the low bid and the current EBASE estimate, updates EBASE, produces a Bid Status Report for each contract, and distributes the Bid Status Reports no later than Wednesday afternoon. If the lowest bid is 10 percent over the current EBASE estimate, then the Contract Ad and Award Office must receive Headquarters PCRO program manager approval before awarding the contract.

Once bids are opened, CAPS completes the CCFA. The WOA system routes the CCFA back to the initiator, and it is converted into an Adjust to Award WOA. The region updates CPMS finance lines and the Adjust to Award WOA to the bid amounts. Construction Engineering (CE) and contingencies are generally not reduced or increased from the amounts shown on the last approved CCFA even if the accepted bid is lower or higher than the Engineer's Estimate at the time of bid opening. Increases to CPMS are entered as P-lines while decreases will be made to existing Y-lines. It is important to note that decreases resulting from lower bids will decrease the CPMS project total cost. N-lines will not be permitted to display the difference between lower bids and a higher CCFA authorization level without prior coordination with Headquarters PCRO. The A2A WOA and the final EBASE estimate are routed to Headquarters PSSR to be set up in TRAINS. Even though the contract has been awarded, expenditures shall not be charged to the contract until after the contract has been executed.

Here is an example:

Headquarters Notes Tab

02/09/2004 – Doug Pulse

Rejecting this WOA back to the region because the PCF has not been approved. Please resubmit WOA after Headquarters approves the PCF and attach the approved PCF.

Region Notes Tab

02/16/2007 – Connie Deer

PCF approved by Headquarters on 2/15/07, resubmitting WOA.
See attached PCF 310135B. doc.

Tables [B-3](#) through [B-6](#) provide the information required in selected WOA Tabs for various types of WOAs and corresponding examples.

“Region” includes not only WSDOT regions but also offices that behave as regions with regard to the WOA system. Examples of these offices are Traffic and Environmental.

WOA Tab	Information Required	Examples
WO Justification	State the purpose of the WOA.	05/01/2004 – Additional funding needed to cover WSP support for traffic control at a signalized intersection.
	Identify/explain any unusual circumstances.	04/08/2004 – Bart Starr Ramsay County is the lead for this widening project. WSDOT is contributing funds to improve the intersection at NW 122nd and SR210.
	Provide a brief justification for increases.	09/22/2003 – Sam Huff Increase in PE funds required to update design file since the project had been shelved for two years.
	Note any threshold breaks that require PCRf approval and attach approved PCRf.	02/12/2003 – Walter Peyton Headquarters approved on 03/15/2004 accelerating the Ad date from 4/2005 to 4/2004 (see attached PCRf 430589B.doc).
Notes to CPMS	Specify any changes made in CPMS as a result of this WOA.	07/08/2004 – Freddy Dreamer Region Unstable Slope Minor Cap Bucket WIN D9999066 reduced by region.
Notes to Accounting	Identify funding changes and group categories affected.	07/06/2004 – Teresa Clizer Please setup a group under group cat 99 titled 'Contracting Services'.
	Clarify if transferring funds and identify any transfer of expenditures.	03/19/2003 – Julie Johnson Change Groups to JS and transfer \$100,000 from JT to JS.
	Identify any new group setups including subprogram and type of funding.	08/12/2004 – Juan Riveras Setup I1 Group for Y-6387 Task# AA, Consultant Ever Ready, \$5,000 using federal NP and state AA funds.
	Clarify any receivable agreement open issues.	06/03/2004 – Mercury Morris GCA4028 and GCA4029 are pending.
Region Notes	Respond to any Headquarters notes if WOA has been rejected back to region. Explain briefly what action was taken and what was changed on the WOA.	05/03/2004 – Johnny Unitas Attached copy of Headquarters approved PCF (see PCRf 0100576C.doc).
	Include additional information	09/17/2003 – Margaret Thatcher to assist in processing Additional information has been added to the WO the WOA Justification Tab explaining the increase in CN costs.

Increase WOA
Table B-3

WOA Tab	Information Required	Examples
WO Justification	State the purpose of the WOA.	05/01/2004 – Jack Dreyfus A request has been made to close GCA3419, which expired. However, Accounting needs to close Group 04 first.
Notes to CPMS	Specify any changes made in CPMS as a result of this WOA.	10/30/2003 – Andy Jackson Changed Finance Code from GA to GT and added Toll Credits.
Notes to Accounting	Identify funding changes and group categories affected.	07/06/2004 – Teresa Clizer Please close Group 04.
	Clarify if transferring funds and identify any transfer of expenditures.	03/19/2003 – Julie Johnson Change Groups to JS and transfer \$100,000 from JT to JS.
	Identify any new group setups including subprogram and type of funding.	08/12/2004 – Juan Riveras Setup I1 Group for Y-6387 Task# AA, Consultant Ever Ready, \$5,000 using federal NP and state AA funds.
	Clarify any receivable agreement open issues.	06/03/2004 – Mercury Morris GCA4028 and GCA4029 are pending.
Region Notes	Respond to any Headquarters notes if WOA has been rejected back to region. Explain briefly what action was taken and what was changed on the WOA.	05/17/2004 – Rex Harrison Changed the finance code from JP to JT in CPMS as requested.

Transfer WOA
Table B-4

WOA Tab	Information Required	Examples
Federal Aid	For federally funded, indicate if soft match and fill in applicable fields.	(Self explanatory on the form)
WO Justification	State the purpose of the CCFA and indicate if Nickel funded.	05/01/2004 – Fran Tarkington Requesting funds for construction of the 2 nd phase of this Subprogram I1 Nickel funded project.

CCFA
Table B-5

WOA Tab	Information Required	Examples
WO Justification	State the purpose of the WOA.	09/12/2003 – Johnny Ringo Adjust-to-Award. Bid was 15% below engineer's estimate. 08/14/2003 – Johnny Yuma Adjust-to-Award. Bid was 10% above engineer's estimate.
	Provide a brief justification for increases or decreases.	07/12/2003 – Kate Smith Increase due to higher bid costs for erosion/pollution control bid items.
	Indicate what has changed from the CCFA.	03/23/2003 – Gene Hackman CE % increased to 18% due to increased Group 03 costs because the engineer's estimate did not originally take into account the additional hauling costs due to the remote location. 06/25/2004 – Charlotte Klicker Groups 01, 02, and 03 increased from the CCFA. CCFA totals were (see attached CCFA): 01: \$291,816.98 03: \$70,345.87 06: \$161,298.65
Notes to CPMS	Specify any changes made in CPMS as a result of this A2A.	10/04/2004 – Kay Turpin Region reduced plan in CPMS to reflect decrease as result of low bid. 03/15/2004 – Kate Smith Region added N lines in CPMS to reflect \$1,550,987 increase over engineer's estimate.
Notes to Accounting	Identify multiple funding sources.	
	Link federal funding to federal aid agreement number.	05/13/2003 – Harry Potter Adding JS Q060 and JT Q100 funding under FA# DBR-0104(032).
	Designate which federal funding source has soft match (toll credits).	10/23/2002 – Sam Houston Soft match goes with JS Q100 funding.
	Explain order in which funds should be spent.	02/28/2003 – Jane Vanvoorst Set up groups to expend DT dollars first, then IQ and DA, and AA last.
	Clarify any receivable agreement open issues.	06/03/2004 – Mercury Morris GCA4028 and GCA4029 are pending.
Region Notes	Respond to any Headquarters notes if WOA has been rejected back to region. Explain briefly what action was taken and what was changed on the WOA.	08/22/2004 – Tom Hanks Reduced CE to 4%.

Adjust-to-Award
Table B-6

Guidelines for Approving Highway Construction Program Funded Work Order Authorizations for State Force Work on Highway Facilities

Statutory Limitations

Statutory limitations for state force work on highway facilities are set forth in RCW 47.28.030 and RCW 47.28.035 for Non-Ordinary Maintenance work and are summarized here:

- State forces may do the work when the estimated cost of the work is less than \$60,000.
- When delay of the work would jeopardize a state highway or constitute a danger to the traveling public, state forces may do the work as long as the estimated cost of the work is less than \$100,000.
- If the estimated cost of the project is more than the preceding dollar limitations, state forces may still be used to perform work up to those limits. The cost of the remaining project work over the dollar limits would have to be contracted out by competitive bidding.

RCW 47.28.035 further sets out two rules that must be followed in estimating the cost of state force work:

1. The costs must include the aggregate of all amounts to be paid for labor, equipment and material. There are two exceptions to this rule:
 - In estimating labor costs, do not include preliminary engineering costs or construction engineering costs. This is work normally done by WSDOT personnel and not by the contractor.
 - In estimating material costs, do not include materials purchased from the contractor who delivered them to the particular job site. This exception does not apply when WSDOT purchases the material (competitively or not) directly from a supplier. An example would be WSDOT buying gravel competitively from a supplier and the supplier delivering the gravel to a WSDOT storage yard that state forces use routinely to supply various work sites around the region. In this situation, the cost of the gravel used at each work site would have to be added to the cost of the state force labor and the total cost of gravel and labor for each job site could not exceed the RCW dollar limitations.
2. The aggregate costs are those costs that will be incurred on one continuous or interrelated project where work is to be performed simultaneously. The purpose of this requirement is to ensure that the project is not artificially divided up in to smaller projects for the sole purpose of using state forces instead of contracting out the work.

Exceptions

- Work performed off of the state roadway right of way (state R/W fence line to fence line) may not be subject to RCW 47.28.030 and therefore no limit on state supplied materials or state force labor would apply. This only applies to those areas outside of and unattached to existing state highway right of way.
- Work that is not to be considered state force work is inspection of any type, material testing, surveying, monitoring, public relations work, or any kind of investigation or research. If state forces do any of these types of work activities, it is to be included in the engineering and contingencies. If the cost of this work is substantial, it can be used to justify an increase to engineering and contingency percentage to offset the costs.

Ordinary Maintenance Work

If state force work is considered ordinary maintenance and is funded from either the maintenance (M) or traffic operations (Q2) budgets, then RCW 47.28.030 and RCW 47.28.035 dollar limitations do not apply. State force work funded from the Highway Construction Program budget (I&P) may also be exempt from the RCW dollar limitations if the work is determined to be ordinary maintenance.

If there is any question as to whether an activity can be considered ordinary maintenance work, a good faith decision should be reached based upon the facts of each particular situation, keeping in mind the purpose of RCW 47.28.030. The following factors should be used in making a good faith decision as to whether the proposed activity is considered ordinary maintenance work:

- Whether the work is performed on a routine and scheduled basis.
- Whether the work has been traditionally or historically performed by state Maintenance/Traffic Operations forces.
- The work must not be repair (substantial damage), improvement, or alteration work.
- The work must not be funded from the Maintenance or Traffic Operations budget.
- If the work is funded from another budget (e.g. highway construction budget), it can still be considered ordinary maintenance work as defined below.

Ordinary maintenance is defined as normal and emergency maintenance.

Normal maintenance is defined as budgeted work that is performed routinely on a scheduled basis. It is intended to maintain the highway facility element so that it substantially retains its original intended use and function. It does not include repairs (from substantial damage), alterations, or improvements to the existing highway facility. Examples of normal maintenance work include:

- Sweeping and debris removal
- Maintaining access control
- Cleaning ditches, culverts, and catch basins
- Correcting moderate slides and slope failures
- Vegetation management and litter pickup
- Moderate bridge maintenance
- Rest area operation and maintenance
- Pavement patching, crack sealing and moderate surface treatment
- Bridge maintenance, such as debris removal or scour
- Restoration/replacement of traffic control devices
- Traffic control
- Snow and ice control
- Drainage restoration
- Placing riprap

Emergency maintenance is not budgeted or scheduled work. The work activities are similar to normal maintenance activities except they are greater in magnitude and scope depending upon the nature and intensity of the emergency. This includes work accomplished on a damaged highway facility/element that has substantially retained the intended functionality of its original design. It does not include construction of new roadway elements. Examples of emergency maintenance work include:

- Emergency traffic control;
- Establishment of detours and temporary minor structures;
- Erection, dismantling, and maintenance of a Bailey bridge;
- Any work needed to protect and maintain the area affected by the emergency, pending the letting of a contract under RCW 47.28.170.

If a determination is made that the proposed activity is in fact ordinary maintenance, support for the decision needs to be documented at the time it is made in the project/design file and also on Work Order Authorization request submittals.

Non-Ordinary Maintenance Work

If the proposed work activity involves construction, alteration, repair, or improvement of the highway facility as defined below, the work may be accomplished by state forces only to the extent permitted in RCW 47.28.030 and RCW 47.28.035. This rule applies whether the work involves an emergency or not.

- **Construction** is work that typically requires the use of preliminary engineering services and personnel, contract plans, specifications, estimates; and is competitively awarded.
- **Alteration** is work that results in a substantial change in form or nature of an existing highway facility element without destroying its identity.
- **Repair** is work required to restore the intended functionality of a highway facility/element when damage results in substantial loss of the intended design functionality.
- **Improvement** is work that results in the enhanced, expanded, or improved functionality of a highway/element over that of the original design. This work includes new roadway elements and improves the original function and design.

What the department wants to avoid is to classify work as ordinary maintenance when it clearly falls in the construction, alteration, repair, or improvement categories. If this occurs, then WSDOT can be accused of calling the work activity ordinary maintenance in order to avoid the dollar limitations set forth in RCW 47.28.030.

State Force Work Scenarios

The following scenarios were developed from statutory requirements, informal opinions from the Attorney General's Office, and guidance in existing *Maintenance Manual M 51-01* and *Plans Preparation Manual M 22-31* for state force work on highway facilities. The purpose of these scenarios is to assist the reader in understanding how to apply the statutory requirements and determining when funded state force work activities funded by non-maintenance budgets are in compliance with the intent of RCW 47.28.030 and RCW 47.28.035.

Scenario 1

State forces are planning to replace 28 functional tunnel cameras with newer model cameras. The estimated total camera cost is \$140,000 and the estimated associated labor cost is \$56,000 for an aggregate total of \$196,000. The project is being funded from the Highway Construction Program (Preservation).

Analysis: Even though the Highway Construction Program is funding this project, the RCW funding limitations do not apply because this work is defined as ordinary maintenance. The cameras are not being repaired, additional cameras are not being added, and the camera coverage for the tunnel already exists.

Scenario 2

State forces are planning to install a new traffic control signal and camera enforcement system for a nonsignalized intersection to improve traffic safety. A contractor selected through a competitive bid process will install all of the electrical/fiberoptics fiber lines and connections, procure the equipment, and deliver the equipment to the job site for state forces to mount and hook up. The total estimated equipment cost is \$230,000 and the estimated state force labor cost to install all of the cameras is \$55,000. The project is being funded from the Highway Construction Program (Improvement).

Analysis: The state force work in this scenario is considered to be non-ordinary maintenance because an improvement is being made to the intersection; therefore, the RCW limitations do apply. Because a contractor is procuring the equipment and delivering it to the job site, the estimated cost of the equipment does not have to be included in the aggregate cost of the estimated state force work. Since the estimated state force labor cost is less than \$60,000, this state force work cost is permissible under the RCWs. If the estimated state force labor cost had been \$90,000, then under the RCW limitations, state forces would only be able to perform up to \$60,000 of the equipment mounting work and the contractor would have to accomplish the rest.

Scenario 3

WSDOT procures a \$110,000 sign bridge through a competitive bid contract, then provides the sign bridge to another contractor to install as part of a Highway Construction Program funded project (Improvement).

Analysis: If there is no state force labor on the highway construction project, then this sign cost can be approved as there is no RCW limitation for only state funded material costs. However, if in this scenario state forces were removing a silt fence and this was going to be a below-the-line-item cost for this project, then the aggregate total of the materials and labor costs would exceed \$60,000 and the work order authorization could not be approved. It does not matter that the state force labor is totally unrelated to the state furnished materials.

Scenario 4

State forces are planning to crack seal a half-mile portion of roadway and repair a small section of the shoulder edge that was damaged by a heavy vehicle stopping too close to the edge of the shoulder. The aggregate cost of materials and labor is \$175,000. The work will be funded by Highway Construction Program funds (Preservation).

Analysis: The RCW funding limitations do not apply as this is work considered ordinary maintenance even though it is funded from a non-maintenance budget.

Scenario 5

State forces are planning to accomplish a BST project that will be funded from the Highway Construction Program (Preservation). The material will be coming from a region stockpile that was purchased the previous year through a competitive procurement. The estimated material cost is \$500,000 and the estimated labor cost is \$60,000.

Analysis: This is non-ordinary maintenance work and the work order authorization cannot be approved because the aggregate cost of material and labor exceeds \$60,000. Because the material is coming from a WSDOT stockpile, it has to be included in the state force work cost determination even though the material was competitively procured the previous year.

Scenario 6

State forces are planning to install a fish weir downstream from a WSDOT highway culvert to improve fish passage through the culvert. The fish weir location is off of and unattached to state highway right of way. The total cost of the project is \$120,000 (\$20,000 in materials and \$100,000 in labor). The project will be funded by the Highway Construction Program (Improvement).

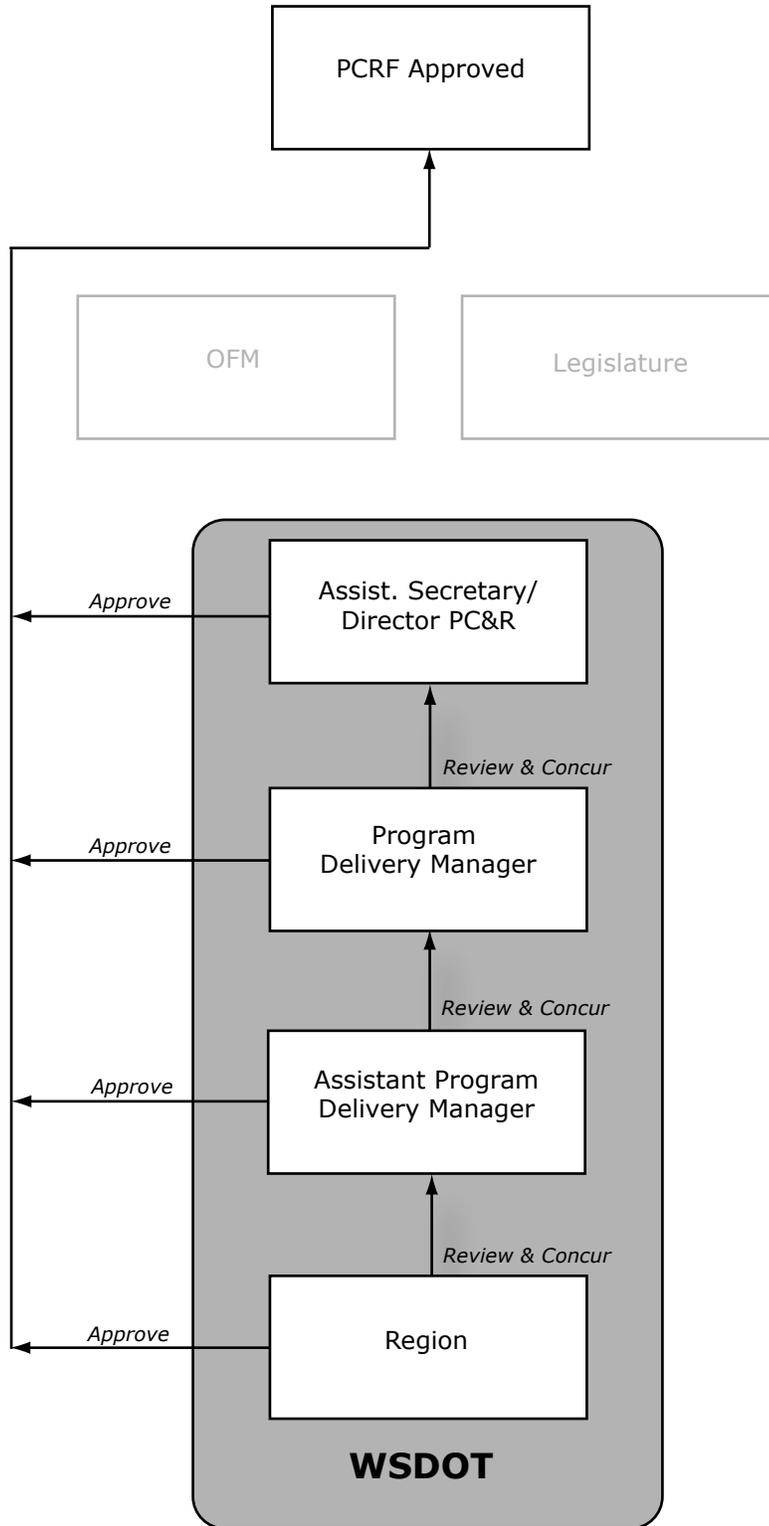
Analysis: The cost of state labor-furnished materials and state labor is exempt from RCW funding limitations because this project site is off of the existing state highway right of way.

PRF Process

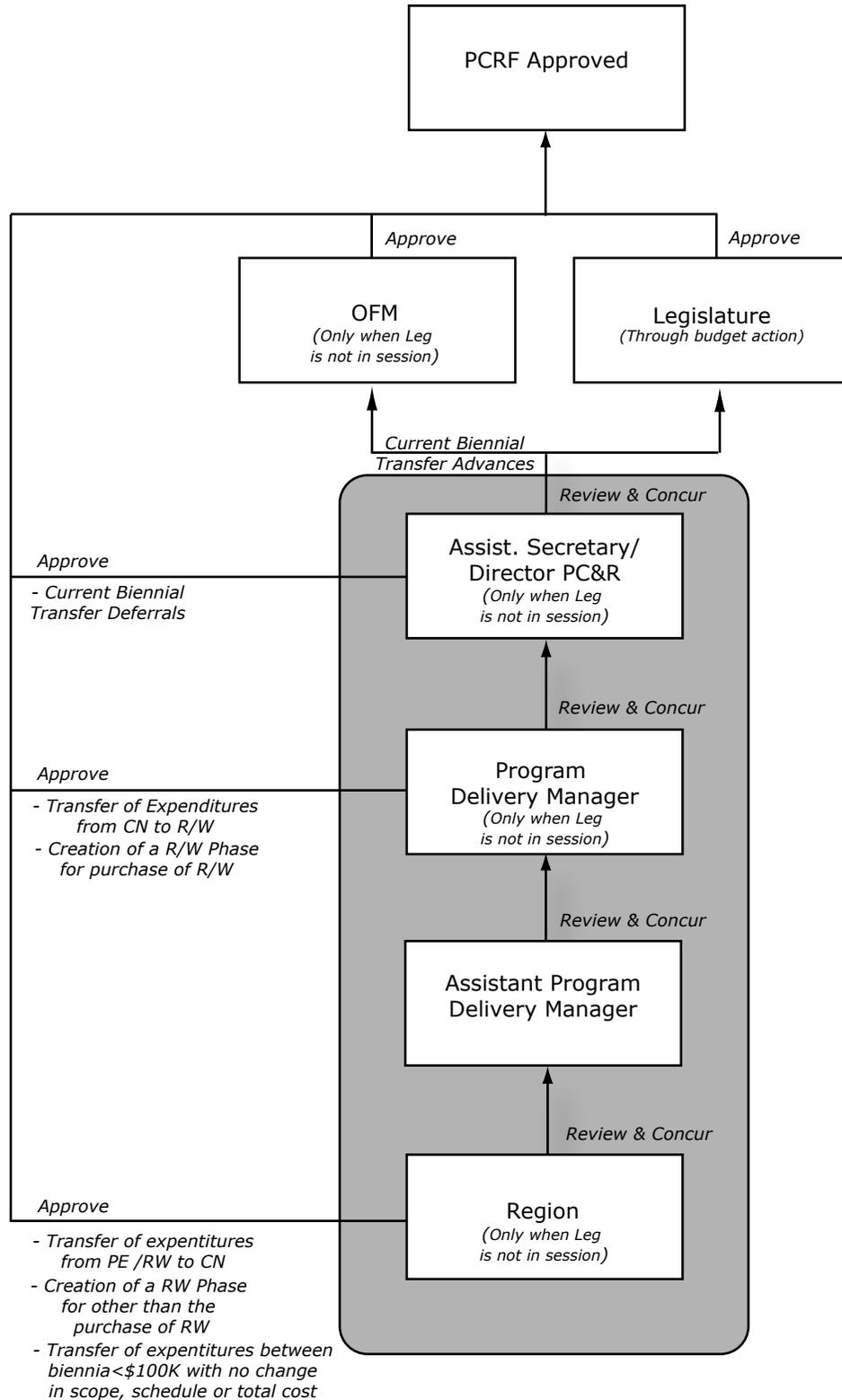
The [Project Change Request Form](#) (PCRf) is the key source document within the Washington State Department of Transportation (WSDOT) for approving and documenting project changes in scope, schedule, and budget. The process is the backbone of the department's accountability, assuring all changes to projects are reviewed to ensure that all projects are delivered as committed. It explains the reason for a change, the impacts of the change on the project and the overall program, and why the change is the most prudent course of action. It is a concise public document and the primary record that substantiates the need to deviate from prior commitments regarding scope, schedule, and the budget change is legal and within current policies. After award of the contract, the Construction Change Order is the key source document for the approval of project changes affecting scope, schedule, and budget. However, the PCRf is still used to elevate funding and schedule issues associated with approved construction project changes. Changes deviating from the legislatively approved scope or exceeding the legislatively approved budget require coordination with the region Program Management Office and the Project Control and Reporting Office (PCRO) through the PCRf approval process.

The PCRf approval thresholds vary depending on whether the project is a line-item budget project such as Nickel/Transportation Partnership Account (TPA), or a programmatic funded project such as Preexisting Fund (PEF) projects. For line-item budget projects, any change in scope, schedule, or budget will require the submittal of a PCRf to PCRO for approval by WSDOT Executive Management, the Office of Financial Management (OFM), or the legislature (through a budget action) depending on when the change occurs and the type of change requested. For PEF projects, approval of changes in project scope, schedule, and budget above the regional approval threshold level will require the submittal of a PCRf to PCRO for approval at the appropriate level.

It is important to note that there is only one PCRf and one PCRf process, whether the change requested is for a programmatically budgeted project, such as a PEF project or a line-item budget (Nickel/TPA) project. The PCRf serves as the formal request to change all projects as well as the official documentation of the action taken on the request. The primary differences between how PCRfs for PEF, Nickel and TPA projects are approved are who approves the change and when. In the case of programmatically-budgeted projects (PEF), all approvals are within WSDOT at various threshold levels. In contrast, line-item budget projects are approved outside the department at given thresholds. These are illustrated in Figures [C-1](#) and [C-2](#).



PCRf Approval Flow for PEF Projects
Figure C-1



PCRf Approval Flow for Nickel and TPA Projects Projects
Figure C-2

It is important to understand that the signature on the PCRf signifies the actual approval of the request. All verbal “approvals” should be considered as an agreement with the proposed change and direction to proceed with processing the PCRf for formal approval. Even though the proposal may be agreed to in principle and direction may be given to proceed with the course of action before a PCRf is processed, the signature on the PCRf is the actual approval. As such, it is imperative that the PCRf is submitted as early as possible and accurately reflects the proposal given at the time of the verbal approval. This keeps the documentation in sync with the management expectation. If the PCRf is not the same as the change presented at the time of the verbal approval, additional review and research is necessary and will slow the approval process greatly.

Historically, budget language has placed tight limitations on the department’s approval authority for project changes on line-item budget projects such as Nickel and TPA projects. Project scope changes, cost increases, and deletions must be approved by the legislature as part of an approved budget. The PCRf signatures within WSDOT only signify agreement with the proposed change(s) and approval to proceed to the next level of review and concurrence. Once signed by the Director of PCRO or the Chief Engineer, Assistant Secretary for Engineering and Regional Operations, the request is approved to proceed to the budget. The actual approval of the PCRf occurs with the signature of the budget itself. At that point the PCRf is noted to be approved and the region is notified of the approval. Because of this, no action should be taken on the PCRf if the action commits the department to the requested course of action in the PCRf.

When to Submit a Project Control Form

A PCRf (see [Figure C-4](#)) is a request from the region to change a project commitment for cost, scope, or schedule and is required for all proposed changes that fall outside the region’s approval level. Although most PCRfs are generated in the regions, there are cases where a PCRf may be generated by Headquarters or a technical specialty office to make changes to the scope, schedule or budget of a project or group of projects.

A PCRf is not required for changes that are directed by Headquarters or the legislature, such as program-wide inflation adjustments, program-wide cost escalation adjustments, reappropriation, or legislatively added projects or adjustments. Although a PCRf is not required, these changes must be well documented in CPMS with the following:

- Who directed the change,
- The date the direction was given,
- Who entered the change in CPMS,
- A short description of the reason for the change, and
- The amount of change.

All project changes that fall above the regional threshold levels established for cost, scope, and/or schedule must be documented in CPMS on the PX screen. The PX screen documentation needs to include the date the change was made, who entered the change, who directed the change, what the change was, and why the change was needed. See examples below:

Cost Change

(8/14/07, J. DOE): PER 8/13/07 EMAIL FROM TIM SMITH, APPLIED UPDATED INFLATION RATE AND INFLATED CN PHASE DOLLARS BY \$1,785,675.

Schedule Change

(5/10/07, J. DOE): CONTRACT AD DATE DELAYED FROM 6/4/2007 TO 10/8/07 DUE TO PENDING RIGHT-OF-WAY AND ENVIRONMENTAL ISSUES, PER PCRf SUBMITTED 4/24/07

Scope Change

(9/19/07, J. DOE): SCOPE CHANGE...PER PCRf SUBMITTED DATE 4/24/07.

If more than one project is included in the directed change, the CPMS documentation must make clear which projects are included in the directed change: each project must carry the same explanation for documentation. See [Table C-1](#) for the change approval threshold levels for all projects.

Highway Preservation and Improvement for Line-Item Budgeted Projects (Nickel and Transportation Partnership Account)

A PCRf (see [Figure C-4](#)) will be prepared as soon as scope and schedule changes, or budget changes impacting line-item budgeted projects are identified in CPMS. A PCRf is required for most project changes for line-item budgeted projects. There are very few PCRf submittal exceptions for these projects. A PCRf is not required for the following changes:

- Cash flow adjustments less than \$100,000 that cross biennial lines and that do not involve a cost, scope, or schedule change (re-aging a project expenditure plan);
- Transfers of expenditures from a preliminary engineering or right of way phase to the construction phase;
- Creation of a right of way phase to fund real estate services (purchase of easements and permits) that do not involve a real estate purchase.

The PCRf for Nickel/TPA projects will be submitted directly to the Headquarters Delivery Branch in PCRO that supports the submitting region for processing. For the most part, approval authority for Nickel/TPA funded project changes rests with either OFM or the legislature depending on when the change is requested during the biennium and the type of change.

		Threshold	Approval Level	PCRF Required	
COST	Minor PEF	Changes < \$200K for PEF projects < \$2M Changes < 10% for PEF projects > \$2M & < \$10M Changes < \$1M for PEF projects > \$10M Transfer of appropriation from PE/RW to CN Creation of a RW Phase for other than purchase of real estate	HQ Approval not required	No*	
		Changes > \$200K & < \$400K for PEF projects < \$2M Changes > 10% & < 20% for PEF projects > \$2M & < \$10M Changes up to \$2M for PEF projects > \$10M	Asst. Program Delivery Mgrs (APDM)	Yes	
		Changes to PEF projects above Headquarters APDM Level < \$3M Transfer of appropriation from CN to PE/RW Creation of a RW phase for purchase of real estate	Program Delivery Managers (PDM)	Yes	
	Major PEF	Changes to PEF projects > \$3M	Director, PC&R/ Chief Engineer	Yes	
	Nickel & TPA	Cash Flow Changes < \$200K for subprojects* Transfer of appropriation from PE/RW to CN Creation of a RW Phase for other than purchase of real estate	HQ Approval not required	No*	
		Cash Flow Changes > \$200K & < \$400K for subprojects*	Asst. Program Delivery Mgrs	Yes	
		Cash Flow Changes to subprojects* > \$400K & < \$3M Transfer of appropriation from CN to PE/RW Creation of a RW phase for purchase of real estate	Program Delivery Managers	Yes	
		Cash Flow Changes to subprojects* > \$3M Transfers of appropriation into the future biennium	Director, PC&R/ Chief Engineer	Yes	
		Transfers of approp. into the current biennium for all project changes not included in a Supplemental Budget	OFM	Yes	
		All Nickel/TPA project cost increases Transfers of appropriation into the current biennium for projects under construction (BIN level)	Legislature	Yes	
	SCHEDULE	Minor PEF	Ad date changes that do not impact biennial expenditures	HQ Approval not required	No**
			Advances or delays of PEF project ad dates that change construction seasons within the current biennium	Program Delivery Managers	Yes
Major PEF		Advances that cannot be accommodated by current biennial cash flow and delays that defer the ad out of the current biennium.	Director, PC&R/ Chief Engineer	Yes	
Nickel & TPA		Nickel/TPA projects delayed from the current biennium	OFM	Yes	
		Nickel/TPA projects advanced into the current biennium	Legislature	Yes	
SCOPE	Minor PEF	Changes to original planned improvements of PEF projects that do not alter the functional intent of the project as funded by the Legislature	Program Delivery Managers	Yes	
	Major PEF	Changes to original planned improvements on PEF projects that significantly alter the functional intent of the project as funded by the Legislature	Director, PC&R/ Chief Engineer	Yes	
	Nickel & TPA	All changes to original planned improvements of Nickel/TPA projects	Legislature	Yes	

Approval Thresholds for All Projects
Table C-1

		Threshold	Approval Level	PCRF Required
PROGRAMMING	Major PEF	Programming of new PEF projects***	Chief Engineer	Yes***
	Nickel & TPA	Programming of new Nickel/TPA projects***	Legislature	Yes***
	Major PEF	Deleted PEF projects	Chief Engineer	Yes
	Nickel & TPA	Deleted Nickel/TPA projects	Legislature	Yes

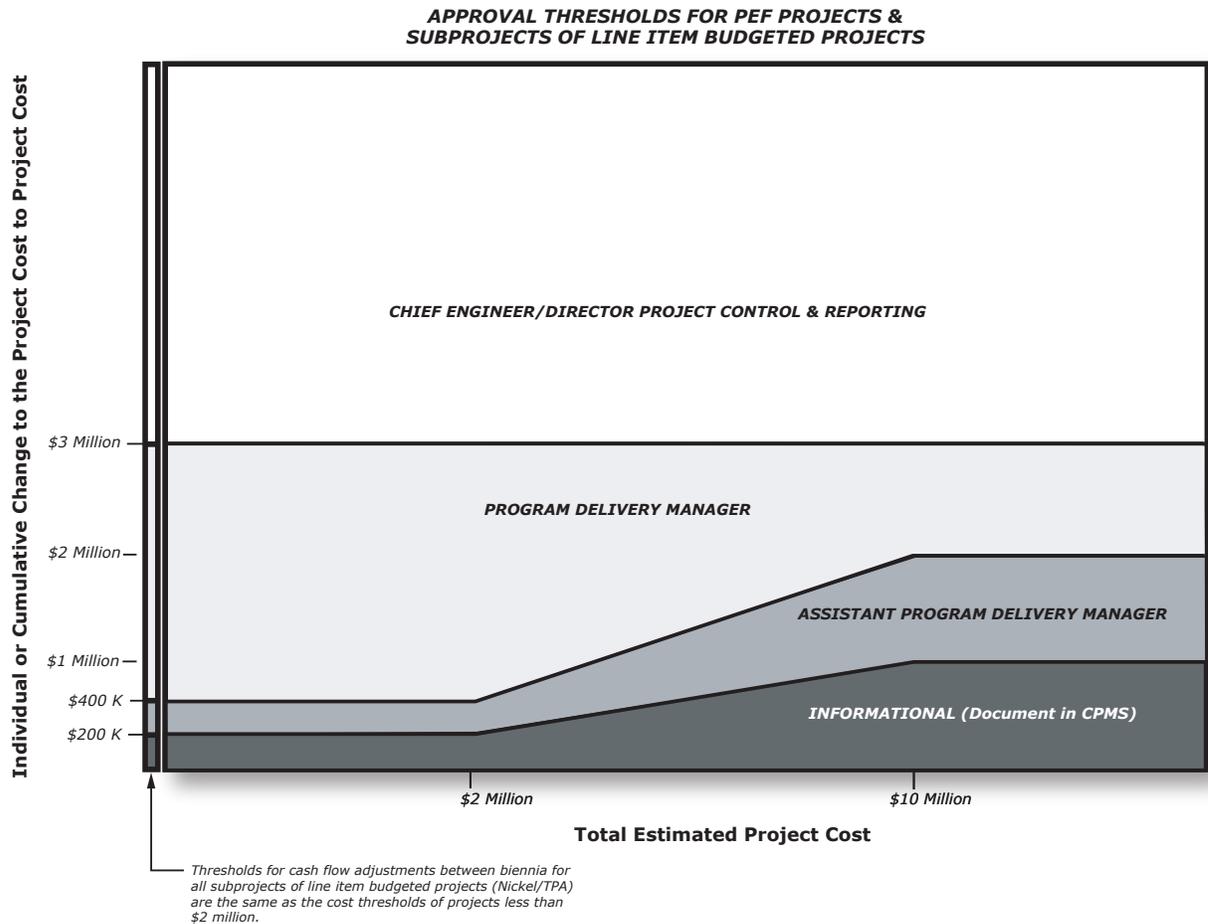
* PINs within a BIN or under a parent PIN

** Informational; Fully document in CPMS

*** A Project Adjustment Form (PAF) is submitted to SAPD rather than a PCRF

NOTE: Although some of these thresholds may not require a PCRF, there may be circumstances in which PCRO will require a PCRF for a change that falls under these threshold levels.

Approval Thresholds for All Projects (continued)
Table C-1



OFM only has authority to approve cash flow adjustments into and out of the current biennium when the legislature is not in session. OFM has delegated cash flow adjustments out of the current biennium to WSDOT (Director PCRO/Chief Engineer, Assistant Secretary for Engineering and Regional Operations) when the legislature is not in session. Also, WSDOT has maintained the ability to move expenditures between phases. All other project changes for these projects must be approved by the legislature through the budget process.

For line-item budget projects (Nickel/TPA) that also have PEF funding, changes affecting Nickel or TPA funding will take precedence in determining the PCRf submittal and approval process. For example, if a proposed project schedule change would increase both the Nickel/TPA and PEF funding on a project, a PCRf would be submitted to PCRO reflecting both funding increases. Even if the PEF funding increase is within the region or Headquarters program manager's approval level, the PEF funding increase will not be acted on until a determination is made on the Nickel or TPA funding increase. For projects funded with Nickel/TPA and PEF funding where a proposed change does not affect Nickel or TPA funding or a reportable Nickel/TPA project schedule milestone, the PCRf will be processed in the same manner as a PEF funded project (see following paragraph).

Highway Preservation and Improvement for Non-Line-Item Nickel and TPA Projects

This is a special case, since most Nickel/TPA projects have line-item budgets. Non-line-item Nickel and TPA projects include those that are rolled up at a programmatic level over a geographic area, usually statewide, are called *pooled fund projects* or *lump sum projects*. Examples of projects budgeted programmatically include rock slope scaling projects and projects included in the Roadside Safety Improvements, Guardrail Retrofit, and Bridge Rail Retrofit programs.

These programmatic projects are also referred to as a Budget Identification Number (BIN). The department hopes to use the BIN concept more in the future. A BIN may contain several subprojects (PINs) that are logically related. BIN is a term for combining projects programmatically, but also applies to combining projects within a corridor for budgeting. Corridor groupings include corridor projects or projects that are staged over a period of time to accomplish one specific objective. Examples are the Alaskan Way Viaduct Replacement Project and the I-5/Mellon Street Interchange to Grand Mound Interchange Lane Addition Project. Both of these projects have multiple subprojects.

Subprojects, not budgeted as line-items, do not fall under the fund transfer requirements of Section 603 of the current Transportation Budget Bill. Nevertheless, the department has implemented change management procedures that ensure accountability at the subproject level.

Change management for non-line-item projects includes the following:

- Use of the PCRf.
- Modified use of PEF thresholds to define the level of approval needed for a change.
- Streamlined review and approval processing.
- Controlling biennial expenditure changes and total project cost change.
- Regional approval of fund type transfers and fund transfers between project phases.
- Continued application of standard line-item controls at the BIN level.

When Is a PCRf Required for a Non-line-Item Project?

Use the PEF criteria in [Table C-1](#) and [Figure C-3](#) to determine when a PCRf is required. The cost change thresholds in those tables apply to total project (PIN) cost. To manage biennial changes in these Nickel and TPA projects within the current legislative intent, an additional concept is implemented. The lower region of the approval range is used for managing biennial change. As with PEF projects, the thresholds are applied to individual and cumulative changes. At the subproject level, all fund types are combined when evaluating a threshold break. Regional approval is allowed for biennial changes up to \$200,000. Changes of \$200,000 or more require submittal of a PCRf to Headquarters for approval.

Transfers between fund types (Nickel, TPA, or PEF) are not measured individually for subprojects. Fund type changes are managed at the BIN level. Nickel and TPA funds can be moved between subprojects, as approved by region management in accordance with guidelines and direction provided by the Systems Analysis and Program Development Office and consistent with the biennial restrictions at the BIN level. The PCRf will not have separate tables for Nickel, TPA, and PEF. Unlike other Nickel and TPA projects, they will only have one funding table per PCRf. To ensure that changes at the subproject level do not have an impact on the BIN, a comment is to be included in Section 6 of the PCRf by the initiator explaining how adjustments were made in other subprojects in the BIN to accommodate the change while avoiding a change request at the BIN level. If a BIN change is required, the PCRf for it should accompany the subproject PCRf.

Reductions to a subproject biennial or total cost do not require Headquarters' approval via a PCRf as long as there is no scope change. Scope and schedule changes require a PCRf as outlined in [Table C-1](#) for PEF projects. Proper notation is required in CPMS even when a PCRf is not required.

To streamline the review of subproject changes at Headquarters, PCRfs will normally be routed to subject matter experts outside PCRO on an informational basis. Upon receiving the PCRf, PCRO will distribute copies

to SAPD, Design, the Bridge Office, Geotech, or EAO as informational documents if PCRO believes there may be an interest in any of those offices. External reviewers will be given respond-by dates. Concerns or objections must be raised in a timely manner to be considered in PCRO's review.

Programmatic Funded Projects

For PEF funded projects, a PCRf (Figure C-4) is required for all proposed changes to the project scope, schedule, or budget that fall outside the region's approval level for any project with an active phase (PE, R/W, CN) within the current biennium (no matter what biennium the construction occurs). See wwwi.wsdot.wa.gov/ppsc/pgmmgt/CPMS/working/working6.pdf for the change approval threshold levels. A PCRf is submitted as soon as an emergent change occurs, a potential change becomes an actual change, or when planned revision is vetted at the region level. CPMS should be updated prior to submission of the PCRf.

A PCRf for a PEF project will be submitted directly to the Delivery Branch in Headquarters PCRO that supports the submitting region (Figure C-1). While not required, regions are highly encouraged to use the PCRf to internally document and approve informational changes within region authority. All changes approved within the region must be well documented in CPMS to clearly explain the conditions on the project that cause the change, when the change occurred, who directed the change, and who made the change. Keep in mind the explanation needs to satisfy those holding the department accountable—the legislature, Governor's Office, OFM, and Executive Management.

For PEF funded project phases, there are two change thresholds major and minor. The Director PCRO or Chief Engineer, Assistant Secretary for Engineering and Regional Operations, approve major threshold breaks. Minor threshold breaks are divided further into two categories: the program delivery manager approval level and assistant program delivery manager approval level. Minor breaks are approved within PCRO, depending on the type and magnitude of the minor change. Changes below the minor level are classified as information changes that do not require PCRO approval and can be implemented immediately by the region. These must be well documented in CPMS.

Either a single change or a series of smaller changes can add up to break a threshold. The amount of the latest change, the accumulation of several changes, the current legislative budget amount, and the last approved level are all factors in determining the level of approval required for a change request.

Example C-1: The following example is designed to help illustrate when a PCRf is required and how the approval level is determined based on these factors for a PEF funded project. The example is a hypothetical, new PEF funded project for the current biennium that has had seven cost changes in the current biennium.

_ 1- _ 3 Biennium (Current Biennium)		
PCRF Cost Fields	Project Cost/ Change	PCRF Requirement
New Project in the Budget		
_ 1 LEGFIN Last Approved	\$20,000,000 \$20,000,000	The baseline is the last legislative expectation which is the current legislative budget amount. The "Last Approved" is equal to the current LEGFIN amount.
Proposed Change #1	\$1,000,000	A PCRF required because the accumulative change is \$1,000,000 which breaks a minor approval threshold. PCRO APDM approval required.
_ 1 LEGFIN Last Approved	\$20,000,000 \$21,000,000	After Change #1 is approved, the baseline remains unchanged. "Last Approved" is updated to reflect the approved amount.
A Supplemental Budget is Passed Establishing a New Legislative Expectation		
_ 2 LEGFIN Last HQ Approved	\$21,000,000 \$21,000,000	The baseline is reset to the new legislative expectation, the supplemental budget. The "Last Approved" equals the new baseline LEGFIN amount.
Proposed Change #2	\$1,000,000	A PCRF is required because the accumulative change is \$1,000,000, which breaks a minor approval threshold. PCRO APDM approval required.
_ 2 LEGFIN Last HQ Approved	\$21,000,000 \$22,000,000	After Change #2 is approved, the baseline LEGFIN remains unchanged but "Last Approved" is updated to reflect the approval.
Proposed Change #3	\$500,000	A PCRF not required since the change is less than \$1,000,000 from the last approved PCRF and the cumulative change of \$1,500,000 (\$1M + \$500K) compared to the supplemental budget does not break a new minor approval threshold. This is an informational change. Although HQ approval is not required the reason for the change needs to be well documented in CPMS.
_ 2 LEGFIN Last HQ Approved	\$21,000,000 \$22,000,000	The baseline remains unchanged and "Last Approved" amount because no PCRF was approved through HQ.
Proposed Change #4	\$500,000	A PCRF is required since the total change from the last approved PCRF by HQ is \$1,000,000 (\$500K + \$500K) which breaks a new minor approval threshold. PCRO program delivery manager approval is required since the accumulated change from the supplemental budget breaks the APDM approval threshold of \$2,000,000.
_ 2 LEGFIN Last Approved	\$21,000,000 \$23,000,000	After Change #4 is approved, the baseline remains unchanged and "Last Approved" is updated to reflect the HQ approval.

When a PCRF is Required (page 1 of 2)
Example C-1

Proposed Change #5	\$850,000	A PCRf not required because the change since the last HQ approved PCRf (\$850K) is less than \$1,000,000 and the cumulative change of \$2,850,000 (\$1M + \$500K + \$500K + \$850K) from the supplemental budget does not break a new threshold. This is an informational change. Although HQ approval is not required the reason for the change needs to be well documented in CPMS.
_ 2 LEGFIN	\$21,000,000	Baseline remains unchanged and the "Last Approved" amount is not updated because a PCRf was not processed for HQ approval.
Last HQ Approved	\$23,000,000	
Proposed Change #6	\$300,000	A PCRf required since the total change from the last HQ approved PCRf (\$850 + \$300K = \$1.1M) is over \$1,000,000 which breaks a new approval threshold. However, Dir. of PCRO or Assistant Sec. approval is required because the accumulated change of the estimate from the Supplemental Budget (\$1.0 + 500K + \$500K + \$850K + \$300K = \$3.15M) breaks the change cost threshold of \$3,000,000.
_ 2 LEGFIN	\$21,000,000	After Change #6 was approved, the baseline remains the same and "Last HQ Approved" updated to reflect HQ approval.
Last HQ Approved	\$24,150,000	
Proposed Change #7	(\$100,000)	A PCRf is not required because the change is less than \$1,000,000 (region approval) since the last HQ approved PCRf of the \$3,150,000 accumulative change. Informational change. Although HQ approval is not required the reason for the change needs to be well documented in CPMS.
_ 2 LEGFIN	\$21,000,000	Baseline remains the same and "Last HQ Approved" not updated because no PCRf was processed for HQ approval.
Last HQ Approved	\$24,150,000	
_ 3- _ 5 Biennium (Next Biennium)		
_ 3 LEGFIN	\$24,050,000	A new legislative expectation is set through the new legislative budget that reflects the accumulated HQ approvals since the last supplemental budget. The new baseline and "Last Approved" now match.
Last HQ Approved	\$24,050,000	

When a PCRf is Required (page 2 of 2)
Example C-1

**WSDOT
Project Change Request Form**

Project Number: _____ **Subprogram:** _____

Project Title: _____

State Route: _____ **Region/Office Submitting:** _____

City/County: _____ **Management Region:** _____

Legislative District: _____

Legislative Members: _____

Date of Request: _____ **603 Funding Request:** Y/N

Source of Funds:

<input type="checkbox"/>	Y/N	Transportation Partnership Funds
<input type="checkbox"/>		2003 Nickel Funds
<input type="checkbox"/>		Pre-Existing Funds
<input type="checkbox"/>		Federal Funds
<input type="checkbox"/>		Other

Project Description:

Vicinity Map:

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Figure C-4.doc

Project Change Request Form (page 1 of 6)
Figure C-4

WSDOT Project Change Request Form

PIN: **Title:**

Project budget from current LEAP list (\$ in thousands):

Show all fund sources	Prior	05-07	07-09	09-11	11-13	13-15	Future	Total
PEF-State	-	-	-	-	-	-	-	-
PEF-Federal	-	-	-	-	-	-	-	-
PEF-Local	-	-	-	-	-	-	-	-
Nickel	-	-	-	-	-	-	-	-
TPA	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Nickel Funding (\$ in thousands):

Phase	Cost	Prior	05-07	07-09	09-11	11-13	13-15	Future	Total	Variance
Prel. Engineering.	06 LEGFIN	0	0						0	
	Last Approved	0	0						0	0
	Current Request	0	0						0	0
Right of Way	06 LEGFIN	0	0						0	
	Last Approved	0	0						0	
	Current Request	0	0						0	0
Construction	06 LEGFIN	0	0						0	
	Last Approved	0	0	0					0	
	Current Request	0	0	0					0	0
Total	06 LEGFIN	0	0	0	0	0	0	0	0	
	Last Approved	0	0	0	0	0	0	0	0	
	Current Request	0								
Total Variance	Current Request vs. 06 LEGFIN	0								
For Approval	Current Request	0								

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Figure C-4.doc

Project Change Request Form (page 2 of 6)
Figure C-4

**WSDOT
Project Change Request Form**

TPA Funding (\$ in thousands):

Phase	Cost	Prior	05-07	07-09	09-11	11-13	13-15	Future	Total	Variance
Prel. Engineering.	06 LEGFIN	0	0						0	
	Last Approved	0	0						0	0
	Current Request	0	0						0	0
Right of Way	06 LEGFIN	0	0						0	
	Last Approved	0	0						0	
	Current Request	0	0						0	0
Construction	06 LEGFIN	0	0						0	
	Last Approved	0	0	0					0	
	Current Request	0	0	0					0	0
Total	06 LEGFIN	0	0	0	0	0	0	0	0	
	Last Approved	0	0	0	0	0	0	0	0	
	Current Request	0	0	0	0	0	0	0	0	0
Total Variance	Current Request vs. 06 LEGFIN	0	0	0	0	0	0	0	0	
For Approval	Current Request	0	0	0	0	0	0	0	0	

Pre-Existing Funding (\$ in thousands):

Delete Project:					
Change Threshold Approval Level:	Major	Minor		Region Approval	No Change
		PDM	APDM		
Scope Revision					
Cost Revision					
Schedule Revision					

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Figure C-4.doc

**Project Change Request Form (page 3 of 6)
Figure C-4**

**WSDOT
Project Change Request Form**

Phase	Cost	Prior	05-07	07-09	09-11	11-13	13-15	Future	Total	Variance
Prel. Engineering.	06 LEGFIN								0	
	Last Approved								0	
	Current Request								0	0
Right of Way	06 LEGFIN								0	
	Last Approved								0	
	Current Request								0	0
Construction	06 LEGFIN	0	0	0					0	
	Last Approved	0	0	0					0	
	Current Request	0	0	0					0	0
Total	06 LEGFIN	0	0	0	0	0	0	0	0	
	Last Approved	0	0	0	0	0	0	0	0	
	Current Request	0								
Total Variance	Current Request vs. 06 LEGFIN	0								
For Approval	Current Request	0								

1. Was this proposed change presented during a Quarterly Executive Review Meeting? Yes___ No___
 - a. If yes, which Quarterly Executive Review Meeting?
 - b. Summarize all approved changes or changes submitted awaiting approval since the last legislative budget (baseline):

2. The reasons for this change request.
 Identify the milestone, deliverable, task, or issue that this request will be addressing. Explain why this request is critical in directly meeting the milestone, deliverable, task deadline.

**WSDOT
Project Change Request Form**

3. Why the change request needs to be considered now.

a. Can this request wait until the next biennial budget process? If not, identify immediate consequences to this project's scope, schedule, or budget if the request is denied this quarter. Are there consequences to other projects? (Is this affecting a future phase, a corridor? Consider inflation, real estate prices, local politics, timing of environmental analyses on corridor or phased projects, litigation, etc.)

b. Explain the benefits to this project's scope, schedule, budget if the request is approved this quarter. (Is this affecting a future phase, a corridor? Consider inflation, real estate prices, local politics, timing of environmental analyses on corridor or phased projects, litigation, etc.)

4. Impact of the proposed change on the project's schedule:

Project Milestones						
Project Timeline	Project Definition Complete	Preliminary Engineering (Start)	Environmental (Prior to Ad)	Right of Way Certification	Project Advertised	Operationally Complete
06 LEGFIN						
Last Approved						
Current Request						
Net Change in Months (Proposed vs. Baseline)	0	0	0	0	0	0

5. Impact of the proposed change on the project's scope.

What is the current scope? What will the project's revised scope be, if request is approved?

Will the request substantively change the project's scope and require legislative approval? (If yes, proceed no further.)

6. What action has been taken to mitigate the need for the change request?

7. Other comments (Proviso restrictions, legislative concerns, etc.):

8. WSDOT Proposal Concurrence:

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Figure C-4.doc

**Project Change Request Form (page 5 of 6)
Figure C-4**

**WSDOT
Project Change Request Form**

	Name	Date
Region/Office Program Manager	_____	_____
Region Administrator/Director	_____	_____
Assistant Project Delivery Manager, PCRO	_____	_____
<input type="checkbox"/> HQ ASDE	_____	_____
<input type="checkbox"/> Priority Manager	_____	_____
<input type="checkbox"/> Materials Lab	_____	_____
<input type="checkbox"/> Other: _____	_____	_____
Project Delivery Manager, PCRO	_____	_____
Director Project Control and Reporting	_____	_____
Asst Secretary, Engineering & Regional Ops	_____	_____

a. WSDOT Concurrence Comments:

9. OFM 603 Concurrence:

	Name	Date
Senior Budget Assistant, OFM	_____	_____
Director, OFM	_____	_____

a. OFM Concurrence Comments:

Note: For Project Change Requests requiring OFM approval, Project Phase funding information is provided for information only. To meet project delivery needs, the Department may adjust phase funding at a future date without OFM approval as long the approved Project Change Request total does not change.

Project Change Request Form (page 6 of 6)
Figure C-4

Preparing a Project Control Form

Once it has been determined that a PCRf needs to be prepared to obtain approval for a project change prior to or at contract award or to elevate funding/schedule issues associated with approved construction project changes, the initiator needs to complete the PCRf using the following guidelines:

Project Number: This is the Program Item Number (PIN)

Subprogram: I1, I2, I3, P1, P2, P3, et al

Project Title: This should be the current PIN title. To help those outside the department identify the project, if the project title has changed since the last legislative expectation the original title should be also listed in italics and parenthesis below the current PIN title with the budget identified.

State Route: To assist those outside the department in recognizing the highway where the project is located, use the classification title for the highway designation: Interstate (I-5), U.S. Highway (US 12), state route (SR 395)

Region/Office Submitting: This is the region or mode submitting the request i.e., WSF, NWR, NCR, OR, SWR, SCR, ER, Rail.

City/County: To assist in identifying the affected areas in the state, input the city or county where the project is located.

Legislative District: List all of the affected legislative districts by the legislative district number.

Legislative District: List all of the legislative representatives in the listed legislative districts.

Date of Request: The calendar date the submitting region or office submits the PCRf in the format *mm/dd/yy*.

603 Funding Request: This field identifies PCRfs that need to proceed to OFM for approval or legislative budget action under the Section 603 budget language. Section 603 provides change management approval thresholds for line-item budget projects tied to revenue packages, such as Nickel and TPA projects, and often change with new budgets. These PCRfs are placed on hold after being signed by the Chief Engineer, Assistant Secretary for Engineering and Regional Operations, or the Director of PCRO until OFM signs it or the legislature includes the request in a budget. Currently, mark this as “Y” (Yes) for Nickel and TPA project requests for:

- Advancement of expenditures into the current biennium
- Increase of the project’s estimated cost

Mark all other requests for PEF, Nickel, and TPA projects as “N” (No).

Source of Funds: Place a “Y” (Yes) for each fund source used on the project and a “N” (No) for those that do not apply.

Description: This is to describe the purpose of the project and match the description in CPMS and the last approved scope of work.

Vicinity Map: A vicinity map is required for all line-item budget projects included in budget packages (Nickel/TPA). The map only needs to have sufficient detail to provide a reference of the project’s beginning and ending points to the closest city/cities and other state highways. Although not required for other projects (PEF), vicinity maps are recommended since they are very useful to the reviewer/approver in understanding the project. If a map is not provided for these projects, a written description is required referencing the location from the nearest city or intersection of another state highway i.e., *This 4.3-mile long project begins 2.3 miles east of Little City and ends approximately 1.4 miles west of the intersection with SR 77.*

Project Budget from the Current LEAP List: This is a summary of the project’s fund sources and their aging based on the last legislative budget (the current legislative expectation). The dollars should be in thousands rounded to the nearest thousand. For example, \$1,345,567.23 would be shown as \$1,346 and \$5,567.23 would be shown as \$6.

Nickel/TPA/PEF Funding: These three matrices provide a summary of the project estimate changes and their aging by phase (PE,R/W,CN). They compare the proposed phase and total project cost to the last legislative expectation (approved budget) and the last approved PCRf for each of the funding packages (PEF, Nickel, and TPA). The dollars should be in thousands rounded to the nearest thousand. For example \$1,345,567.23 would be shown as \$1,346 and \$5,567.23 would be shown as \$6. Remove (delete) any matrix for funding not used on the project.

The Approval Threshold Summary Matrix: This section provides a quick view at what levels need to review and take action on the request. If this request is to delete a project from the program, place a check mark in the “Delete Project” box. Place a check mark in the appropriate approval level for each type of request being submitted for this PCRf. There should be a check mark for cost, scope, and schedule revisions based on the threshold level of the requested revision. If there is no change for a specific revision type, place a check mark in the “No Change” box.

Explanation of the Requested Revision: The following sections are intended to provide the reviewer/approver the information to understand the following:

- The purpose of the project;
- The history of previous changes from the initial expectation of the project;

- The proposed change currently being requested;
- The impacts on the cost, scope, and schedule of the project itself;
- The impacts on other projects; and
- The impacts on the overall Highway Construction Program.

When writing these sections, it is important to understand the perspective of the reviewer/approver so that adequate information is provided to expedite action on the request. The reviewer/approver's role is to ensure that the requested change is legal, meets legislative intent, fits within departmental policies, and conforms to best management practices. State law requires projects be selected based on priorities using benefit-cost. Legislative expectation is that the department will deliver all projects listed to support the budget at the time the last budget was approved, and the department's commitment is to deliver all projects on schedule, within scope, and on budget as approved by the legislature, within best management practices, at the lowest possible cost.

Given WSDOT's policy to deliver, within the department's control, all projects within budget, scope, and schedule based on the last legislative expectation, the reviewer/approver needs to verify the department has done everything reasonably possible to maintain the cost, scope, and schedule of the project. If external influences or internal errors have made this impossible or a change provides a significant benefit to the state that outweighs the impacts on the project, the delivery of the overall program, and/or the priorities of the program, the reviewer/approver looks to see that the optimum solution is being proposed.

When PCRFs go to OFM for approval, OFM will also verify that the revision requested meets the OFM approval threshold as defined in the Section 603 language of the current budget and that the timing of the change can't wait until legislative session for legislative review and budget action.

When projects go the legislature for budget action the legislative staff will also focus on the cost effectiveness and priorities statewide.

The majority of the time taken for review of a PCRf is spent researching the necessary information to satisfy these concerns. So, the more clearly these points can be addressed and verified with facts in the PCRf explanations, the more quickly an approval can be reached.

- 1. Was this proposed change presented during a Quarterly Executive Review Meeting ? Yes__ No__**
 - a. If yes, which Quarterly Executive Review Meeting?**
 - b. Summarize all approved changes or changes submitted awaiting approval since the last legislative budget:**

The intent of this section is to provide the reviewer a feel for the change history of the cost, scope, or schedule from the original project. Provide the date each prior PCRf was approved and a brief description of the changes that were approved. If the project is a line-item budget project such as a Nickel/TPA project, also include the date the request was presented to the Chief Engineer, Assistant Secretary for Engineering and Regional Operations, at the Quarterly Review(s).

2. The reasons for this change request:

This section should describe the factors that have changed making revisions to the project necessary. It should also explain why these changes can't be accommodated within the current cost, scope, and schedule.

3. Why the change request needs to be considered now:

This section provides the time sensitivity of the request. It is particularly useful to OFM in verifying that OFM has the authority to approve the PCRf based on current budget language in Section 603. If it is possible for the request to wait for a budget, it should. If not, this needs to be clearly explained why it can't wait.

Explain the consequences to the project cost, scope and schedule if the request is not approved. Also explain the impacts on other projects, such as stages on the same project or related projects within the same corridor. Take into consideration such impacts as inflation, real estate costs, local politics, timing of environmental analysis, litigation, etc.

Also explain the corresponding benefits to the project, related projects, and the program.

4. Impact of the proposed change on the project's schedule:

This section provides a quick summary of the impacts of the current request on the project as a result of the current request. It compares the proposed milestones to the milestones that were approved in the previous request and the milestones that existed in the last budget.

After putting the dates into the appropriate boxes, calculate the number of months the current request will change each milestone from the milestone when the budget was approved if the PCRf is approved by subtracting the budget milestone date from the proposed milestone date. In this case, a negative change indicates an advancement of a milestone and a positive change indicates a delayed milestone. Zero indicates there is no change.

5. Impact of the proposed change on the project's scope:

The purpose of this section is to explain the impact on the scope of the project as result of this request. Briefly explain the original functional intent of the project including a clear description of the deficiencies

that were originally to be addressed, any previously approved changes in scope, and the proposed change if approved. The description of the new scope of work needs to be detailed enough to establish a clear, well defined new expectation of what the project will provide.

If there is no change in scope, this should be clearly stated.

6. What action has been taken to mitigate the need for the change request?

Since it is the department's commitment to deliver all projects within cost, scope, and schedule as budgeted, the intent of this section is to describe why the factors and circumstances described in Section 1 could not be handled within the project and why this proposed strategy was chosen over others. Since cost, scope, and schedule are the project elements that are adjusted to accommodate change, this section should describe why the specific strategy was selected over the others. For example, if the request is for a cost increase, the explanation should include why it was not acceptable to reduce the work on the project to stay within budget and maintain the functional intent of the project.

7. Other Comments (proviso restrictions, legislative concerns, etc.):

This section provides a space to add general comments and clarification and highlight unusual conditions, circumstances, or restrictions.

8. WSDOT Proposal Concurrence:

The region initiates a PCRf. At that time, the program manager in the region will need to review and sign concurrence for the request and forward to the Regional Administrator (RA) for signature. Once the RA has signed and dated concurrence, the request should be submitted to the Headquarters Program Delivery Branch supporting that region. The assistant program delivery manager (APDM) will assess if any support offices need to be included in the review. If so, the APDM will place a check mark in the appropriate offices check boxes and route copies for review and signature in a parallel process. Once the APDM has received comments from the support groups the APDM will review, sign, date and either approve or forward to the program delivery manager (PDM) with a recommendation. The PDM will do the same, forwarding to the Director of PCRO who will either take approval action or forward to the Chief Engineer, Assistant Secretary for Engineering and Regional Operations.

With each concurrence or approval, the reviewer/approver can add any comments, recommendations, or restrictions in the "WSDOT Concurrence Comments" section. When a comment is added, the person adding the comment is to initial and date the comment.

If the PCRf needs OFM approval, the Director of PCRO will submit the request to OFM for approval. The senior budget assistant will review the request. Once concurrence is signed and dated, the PCRf is forwarded to the Director of OFM for approval with any comments, guidance, or restriction noted in the “OFM Concurrence Comments” section.

9. OFM 603 Concurrence:

This section is provided for the Director of OFM to make any comments, guidance, or restrictions with regard to the approval action.

PCRf Workflow for Construction Projects

After construction contracts are awarded, changes to scope of work, working days, or quantities will be approved through the Change Order process as defined in the WSDOT *Construction Manual* M 41-01. The PCRf will not be used to approve construction contract changes. However, if Change Orders cannot be accommodated within established project contingencies and break project cost thresholds as described in this Appendix, then the region must submit a PCRf to Headquarters addressing how the funding impacts will be accommodated. Additionally, if approved Change Orders will impact the Operationally Complete milestone (“Open to Traffic” or “Substantial Completion”), then the region needs to submit a PCRf to the Headquarters addressing the change. For other construction project changes, such as the need to increase construction engineering costs, the region needs to submit a PCRf to PCRO for approval.

Region Buckets (RA Discretionary, Unstable Slope Minor Cap, SRA Minor Cap, or Scoping Buckets)

Funding buckets are considered special operational budgets that are allocated to the regions. Regions cannot approve any minor increases for these buckets and must submit any additional needs to the appropriate Headquarters program delivery manager in PCRO for consideration.

Approval to Award Based on Project Budget

Due to the very short timeframe between the advertisement, the bid opening, and the award of a contract, PCRO uses a streamlined tracking and approval form for changes to the estimate during the period between contract advertisement and award. The form provides information at the time the CCFA is approved and when the low bidder is confirmed at the bid opening. It provides a means of comparing the project cost to the legislative budget and the last approved amount, to determine at the PIN level whether a cost threshold has been broken requiring a higher approval authority or a formal PCRf. Although this form is used by most program delivery managers, some regions opt to revise the CCFA during this period instead.

Figure C-5 is an example of a completed Approval to Award Form.

Approval to Award Based on Project Budget

Ad Date: 10/16/2007		Bid Opening: 11/16/2007			
Title: US 2/Bugs Bunny to Wiley Coyote - Paving		Fund Type - PEF/ Nickel		Sub Pgm - P1, I2	
Contract # 007218					
WIN#	B00204M	Eng. Estimate Ebase #07B006 as of 10/12/2006	CCFA	Low Bid	Difference CCFA vs. Low Bidder
Contract Total		\$3,920,866	\$4,220,812	\$3,319,480	-\$901,332
WS Sales Tax	8.0%	\$313,669	\$0	\$265,558	\$265,558
01 - Work Done Contractor		\$4,234,535	\$4,220,812	\$3,585,038	-\$635,774
02 - Agreements		\$1,735	\$3,915	\$1,735	-\$2,180
03 - Engineering	10.0%	\$423,627	\$422,473	\$8,500	-\$413,973
04 - State Force Work		\$8,500	\$12,500	\$358,677	\$346,177
05 - Materials Furnished		\$0	\$0	\$0	\$0
06 - Contingencies	4.0%	\$169,451	\$168,989	\$143,471	-\$25,518
99 - Vendor Supplied Materials & Services		\$0	\$0	\$0	\$0
Total		\$4,837,848	\$4,828,689	\$4,097,421	-\$731,268
% Under/Over CCFA vs. Engineers Estimate		7.65%			
% Under/Over Low Bidder vs. Eng Est		-15.34%			

Project Budget at Advertisement (CCFA)

PIN - Fund Type (Fund Type)	07DOTLFC	Last HQ Approved	Current PIN total @ Advertisement Date	Project Budget Difference at CCFA	% Over/Under Budget
PIN - 900206F (PEF)	\$3,653,548	\$4,192,000	\$4,663,486	\$471,486	11.25% Over
PIN - 900251H (PEF)	\$5,445,000	\$5,445,000	\$5,766,000	\$321,000	5.90% Over
PIN - 900251H (Nickel)	\$376,000	\$376,000	\$355,203	-\$20,797	-5.53% Under
Total	\$9,474,548	\$10,013,000	\$10,784,689	\$771,689	7.71% Over

CCFA Justification: 900206F PIN total is \$471K above the last approved amount and 900251H (PEF) PIN total is \$321K above the last approved amount. Region is currently \$3M under their P1 and \$1.5M under their I2 biennium budget amount. Requested PCRFS to document project budget change pending bid opening outcome. 900251H PIN total Nickel funds are under the 07-09 biennium appropriation and last approved amount. Recommend approval.

Project Budget at Bid Opening

PIN - Fund Type (Fund Type)	07DOTLFC	Last HQ Approved	PIN total of Curr PE, RW, CN (Other WINs) and Low bid as of DATE	Project Budget Difference at Bid Opening	% Over/Under Budget
PIN - 900206F (PEF)	\$3,653,548	\$4,192,000	\$3,684,338	-\$507,662	-12.11% Under
PIN - 900251H (PEF)	\$5,445,000	\$5,445,000	\$5,766,000	\$321,000	5.90% Over
PIN - 900251H (Nickel)	\$376,000	\$376,000	\$413,084	\$37,084	9.86% Over
Total	\$9,474,548	\$10,013,000	\$9,863,422	-\$149,578	-1.49% Under

Justification to Award: 900206F PIN total project budget change is within Region approval level. 9002501H PIN (PEF) total Project budget change is a minor cost change - requested PCRf for documentation. 9002501H PIN (Nickel funds) total Project budget change is \$37K above last approval however, it is within the 2008 Supplemental budget and will not exceed the 07-09 biennium appropriation amount. Recommend approval.

_____	_____	<input type="checkbox"/> Concurrence <input type="checkbox"/> Approved <input type="checkbox"/> Recommend Approval <input type="checkbox"/> Not Approved	_____	
SAPD	Date		Comments:	
_____	_____		<input type="checkbox"/> Approved <input type="checkbox"/> Recommend Approval <input type="checkbox"/> Not Approved	_____
Program Delivery Manager	Date			Comments:
_____	_____	<input type="checkbox"/> Approved <input type="checkbox"/> Recommend Approval <input type="checkbox"/> Not Approved	_____	
Director PC&R	Date		Comments:	
_____	_____	<input type="checkbox"/> Approved <input type="checkbox"/> Recommend Approval <input type="checkbox"/> Not Approved	_____	
Asst. Secretary, Environmental & Eng. Programs	Date		Comments:	

Awarded to: Road Runner Paving, Inc. Eng Est @ Award: \$ 3,920,866.20

Date Awarded: 11/20/07 Award Amount: \$ 3,319,470.45

I:\INDIVIDUAL FOLDERS\Dan's Team\Monday Ad's\PCRO Manual Template

Approval to Award Form Based on Project Budget
Figure C-5

Preparing an Approval to Award Form

General Contract Information

Advertisement Date: Use the proposed Ad Date from EC Screen in CPMS for CCFA; Update to actual when attained notification has been received from the State Construction Office (i.e., e-mail each Monday listing number of new projects advertised).

Bid Opening: Use pending the Bid Opening Date provided from the State Construction Office (i.e., e-mail from Kerri Andrews - Date Bid Opening Schedule), and update to actual when attained

PIN Title: From the CPMS PI Screen – “Project Title”

Fund Type: Include all fund types associated with the PIN (CPMS and/or TEIS)

Sub Pgm: Include all subprograms associated with the PIN (CPMS and/or TEIS)

Contract # C0000: From the CPMS HC screen – the contract number is assigned after the project has been advertised

WSST, CE, and Cont %: Insert the percentage for each of the following from the locked EBASE (informational)

- WSST (Washington State Sales Tax)
- CE (construction engineering)
- Cont % (percentage of the contract amount for contingencies)

Engineering Estimate: Manually add all group categories dollars from the locked EBASE (current versions) used to develop the CCFA

CCFA: From Stellant (Acorde), manually add all group categories dollars from the CCFA

Low Bid: Locked EBASE – Version 99 (Awarded) when it is made available from the State Construction Office (i.e., e-mail for verified bids)

Project Budget at Advertisement (CCFA)

PIN – (Fund Type): Repeat program item – (fund type) for projects with multiple fund types

07DOTFIN: Last legislatively approved budget baseline – PIN/fund type (Source: TEIS 07LFGFIN or 07DOTLFC)

Last Headquarters Approved: Last Headquarters Approved – PIN/fund type (i.e., Approved PCRf)

Current PIN Total at Advertisement: Total PIN (PE, RW, and CN) cost in production CPMS. Do not include unprogrammed phases or WINS, i.e., “U” in the stage of estimate located on cost maintenance screen (i.e., HP, HR, and HC) or Approval Code (blank or not one of the following: “L”, “X”, “Y”, “S”, “C”, and “A”) on approval maintenance screen (i.e., “UP”, “UR”, “UC”).

Project Budget Difference at CCFA: Calculation field – This is the difference in project dollars between last Headquarters Approved and CPMS at advertisement.

% Over/Under Budget: Variance

CCFA Justification: Provide any clarifications, justifications, or recommendations to subsequent reviewers/approvers and any notes-to-file.

Project Budget at Bid Opening

PIN – (Fund Type): Repeat PIN – (fund type) for projects with multiple fund types

07LEGFIN: Last legislatively approved budget baseline – PIN/fund type (Source: TEIS __LFGFIN or __DOTLFC files)

Last Headquarters Approved: Last Headquarters Approved – PIN/fund type (i.e., approved PCRf)

Current PIN Total Based on Lowest Bid: The total PIN (PE, R/W) cost in production CPMS plus CN revised per low bid. Do not include unprogrammed phases or WINS, i.e., “U” in the stage of estimate located on cost maintenance screen (i.e., HP, HR, and HC) or Approval Code (blank or not one of the following: “L”, “X”, “Y”, “S”, “C”, and “A”) on approval maintenance screen (i.e., “UP”, “UR”, “UC”).

Project Budget Difference at Bid Opening: Calculation field – This is the difference in project dollars between last Headquarters approval and low bid amount.

% Over/Under Budget: Variance

Justification to Award: Comment

SAP: Attain SAPD concurrence if necessary

Program Delivery Manager: Approve if within PDM approval threshold level. Recommend approval to PC&R Director, and/or not approve if higher approval needed.

Director PC&R: Approve if within PC&R Director approval threshold level. Recommend approval to Assistant Secretary, and/or not approve if higher approval needed.

Assistant Secretary, Environmental and Engineering Programs: Approve if within Assistant Secretary approval threshold level. Recommend approval to OFM and/or not approve if higher approval needed.

Awarded to: Enter the low bidder's company name as shown on "Consideration of Award" attachment in the e-mail announcing the award results from the State Construction Office.

Engineering Estimate at Award: Enter the department estimate (engineer's estimate) as shown on "Consideration of Award" attachment in the e-mail announcing the award results from the State Construction Office.

Date Awarded: Enter the notification date from the e-mail announcing the award results from the State Construction Office.

Award Amount: Enter the bid amount as shown on "Consideration of Award" attachment in the e-mail announcing the award results from the State Construction Office.

Project Reporting Process

The department's policy is to report program and project delivery transparently and timely with no surprises. The department has established, and is continuing to develop, methods and tools to insure this. To help the Executive Management Team to keep abreast of ongoing project issues, the PCRO Program Delivery branches attend regional Project Development status meetings and provide monthly project status reports. The regions conduct Quarterly Project Review meetings to provide details on issues and discuss strategies to mitigate them.

Both of these activities, the PCRO monthly visits and the quarterly reviews, provide early identification of project issues as they begin to develop, and provide the primary sources for the department's "no surprise" external reporting mechanisms of the *Gray Notebook*, the project Web pages and the Quarterly Project Review Web pages.

As the primary communication mechanisms of the department's due diligence and accountability, it is critical that the information provided in the *Gray Notebook* is current, accurate, and consistent between each edition. This requires data collection and storage procedures that capture information as it occurs, updates data routinely, and crosschecks data between sources.

Besides consistency of data, it is just as important to maintain accuracy and consistency in the use of terminology between reports as well as within each report. For example, if an Environmental Impact Statement is being conducted, do not refer to this in another report as an Environmental Review. They are different processes and have different legal definitions and requirements.

When preparing or presenting reports, it is important to remember that there are audiences coming from two different perspectives in evaluating delivery performance of projects: the legislatively approved budget perspective and the construction contract delivery perspective. The project engineer tends to present project delivery information from the contract delivery perspective. This information is relative to where the contract is in the delivery process, the total work included in the contract irrespective of program items, and what was last approved. Whereas, the legislature, Governor's Office, and OFM assess the department's project delivery performance from the legislative budget perspective, that is based on what was committed to at the time the budget was signed including all phases.

For example, the legislature may approve several program items in the budget with PE, R/W, and CN phases, each program item with its own individual milestone and budget commitments. The project engineer, on the other hand, may be working on these program items as a single construction contract and focused only on the combined total of the construction phases and base the delivery status on the last approved construction estimate, award amount, or cost to complete.

Another common situation is where the legislature approves a single program item in the legislative budget with its own milestone and budget commitments. After the budget is signed, the Washington State Department of Transportation (WSDOT) decides to deliver the program item in multiple contracts with each contract having its own milestones and portion of the construction budget that the legislature budgeted.

Table D-1 shows examples of how common terminologies are defined differently and can cause miscommunication. It is important to recognize these differences when reporting.

Terminology Interpretations to Be Aware Of		
Terminology	Legislative Budget Perspective	Contract Delivery Perspective
Project	Program Item (PIN that includes PE, R/W, CN)	Contract (CN phase only and may include multiple PINs or be only part of a PIN)
Budget	Total PIN estimate (all phases) in the last leg approved budget	Last approved construction phase cost at completion for the WIN Or Current cost at completion
On Budget	The total PIN cost (all phases within 5% of the last leg approved budget at completion)	Engineer's estimate is at or below the last approved cost at completion for the WIN Or Cost at completion for the contract is at or below the award amount
On Time	PIN Ad Date within quarter schedule in the legislative budget PIN Operationally Complete Date within quarter schedule in the legislative budget	Last approved contract Ad Date for this WIN within the quarter Last approved contract Operationally Complete Date for this WIN within quarter

Examples of Terminology Differences
Table D-1

Historically, the lack of understanding, clear communication, and translation of the two perspectives has caused confusion and miscommunication when using terms such as “on budget,” “on schedule,” and “project” with various audiences. Because of this, the Executive Management Team needs enough information conveyed in a clear manner for them to understand the delivery status with respect to both perspectives and how they relate. The Governor’s Office, OFM, and the legislature need project delivery status presented in the legislative budget perspective. To help avoid this problem, reports shall include all phases—not just construction.

Timeliness of data is also important. Current estimates need to be updated in CPMS production as the change in estimate occurs. All milestone accomplishments are to be reported to the PCRO Program Delivery branches no less than monthly and updated in CPMS as they occur, so they are included in CMPS production and in the month-end files.

External Reporting

Gray Notebook

Production Schedule

Figure D-1 illustrates the quarterly production schedule for publishing the *Gray Notebook*. Table D-2 describes the publishing schedule in more detail. Because the time to write, compile, and edit the report write-ups is compressed and controlled by the end of the quarter, it is important that as much work as possible be done as early as possible. Since most projects that require reporting are already known prior to the Management Quarterly Project Review (MQPR), it would be helpful to have as many articles as practicable submitted to Headquarters PCRO Program Delivery branches prior to the region’s meeting. As the end of the quarter, updates to the previous quarter’s Watch List articles and two Program Delivery Highlights submitted for consideration for publishing. These can be written and submitted to PCRO for editing prior to the MQPR. Likewise, most new Watch List projects are well defined and can also have articles written prior to the MQPRs with little risk of rewriting or a decision that the information is not ready to vet. The only projects requiring articles not known prior to the MQPR are those projects with issues the Executive Management Team identifies during the MQPR presentation. To meet the *Gray Notebook* publication schedule, project write-ups must be submitted by the regions to the PCRO Program Delivery branches within five working days of the region’s MQPR at the latest. The Headquarters program delivery managers must have the final write-ups to the PCRO Reporting Branch by the fifth working day after the end of the quarter (see Table D-2).

PROJECT CONTROL & REPORTING
QUARTERLY GRAY NOTEBOOK DATA UPDATE SCHEDULE
 (JANUARY, APRIL, JULY, OCTOBER)

WEEK 1 (First day of month) PDMS: Collect, review & edit previous month's write-ups from the regions	DAY 2 PDMS: Collect, review & edit previous month's write-ups from the regions	DAY 3 PDMS: Collect, review & edit previous month's write-ups from the regions	DAY 4 PDMS: Finalize GNB construction Highlights & Watch List write-ups	DAY 5
WEEK 2 Reporting & Analysis: Review & edit write-ups	(CPMS Month-end) Director PCRO: Review & edit write-ups	(CPMS Month-end) Reporting & Analysis: Revise for final draft to Asst. Secretary for review	(CPMS Month-end)	PDMS: Review & validate previous month's cost data Reporting & Analysis: • Revise GNB Construction Highlights & Watch List • Final to Director for approval
WEEK 3 PDMS: Review & validate previous month's cost updates by regions Reporting & Analysis: • Finalize GNB construction Highlights & Watch List write-ups • GNB Data Pages - compile, review, analyze	PDMS: Review & validate previous month's cost updates by regions Reporting & Analysis: • Finalize GNB construction Highlights & Watch List write-ups • GNB Data Pages - compile, review, analyze	PDMS: Review & validate previous month's cost updates by regions Region: Program Managers review & comment Reporting & Analysis: Finalize GNB & submit Construction Highlights & Watch List write-ups to SAO • GNB Data Pages - compile, review, analyze	PDMS: Review & validate previous month's cost updates by regions Region: Program Managers review & comment Reporting & Analysis: Finalize GNB & submit Construction Highlights & Watch List write-ups to SAO	Region: Program Managers review & comment
WEEK 4 Reporting & Analysis: GNB Data Pages finalized	Director PCRO & Asst. Sec.: Review & comment – final draft GNB Data Pages	Reporting & Analysis: Revise GNB Data pages based on comments	Reporting & Analysis: Submit Final GNB Data Pages to Director PCRO for approval	(Last day of month) Reporting & Analysis: GNB Data Pages to SAO (Executive Review to follow)
WEEK 5				Reporting & Analysis: OFM 603 package finalized
NOTE: The quarterly schedule will be adjusted to meet the Transportation commission schedule for review and Region MQPR schedules. The schedule above does not include schedule details for the Executive Wall Graphics, TEIS Milestone Report, or all other ancillary quarterly reports.				

Gray Notebook Publication Schedule
Figure D-1

PROJECT CONTROL & REPORTING
MONTHLY DATA UPDATE SCHEDULE

WEEK 1 (First day of month)	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5	DATA USED FOR REPORTS: (Including Highways, Rail, Ferries)
<p>WEEK 1 (First day of month)</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 1</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 2</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 3</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 4</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DATA USED FOR REPORTS: (Including Highways, Rail, Ferries)</p> <ul style="list-style-type: none"> • PIN (# & title) • WIN (# & title) • Project Title • Project Description • Region • SR Number • Project Definition Complete • PE Start • Environmental Doc. Complete • RW Cert. • Ad • Operational Complete (OC) • Project Expend Plan • Subprogram Code • County • City • Leg District/Members • Vicinity Map • Narrative History (including risks) • Phase, Stage • Contract Info: <ul style="list-style-type: none"> - Contract Number - Contract Name - Engineer's Estimate - Award Amount • ID (parent/child) • Fund Type (s)
<p>WEEK 2</p> <p>Regions: Update CPMS daily/PDMs review & validate</p> <p>Reporting & Analysis:</p> <ul style="list-style-type: none"> • Draft Exec. Tracking Report – QA/QC • Submit to Director for review/comment 	<p>DAY 2</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 3</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 4</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DATA USED FOR REPORTS: (Including Highways, Rail, Ferries)</p> <ul style="list-style-type: none"> • PIN (# & title) • WIN (# & title) • Project Title • Project Description • Region • SR Number • Project Definition Complete • PE Start • Environmental Doc. Complete • RW Cert. • Ad • Operational Complete (OC) • Project Expend Plan • Subprogram Code • County • City • Leg District/Members • Vicinity Map • Narrative History (including risks) • Phase, Stage • Contract Info: <ul style="list-style-type: none"> - Contract Number - Contract Name - Engineer's Estimate - Award Amount • ID (parent/child) • Fund Type (s)
<p>WEEK 3</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 2</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 3</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 4</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DATA USED FOR REPORTS: (Including Highways, Rail, Ferries)</p> <ul style="list-style-type: none"> • PIN (# & title) • WIN (# & title) • Project Title • Project Description • Region • SR Number • Project Definition Complete • PE Start • Environmental Doc. Complete • RW Cert. • Ad • Operational Complete (OC) • Project Expend Plan • Subprogram Code • County • City • Leg District/Members • Vicinity Map • Narrative History (including risks) • Phase, Stage • Contract Info: <ul style="list-style-type: none"> - Contract Number - Contract Name - Engineer's Estimate - Award Amount • ID (parent/child) • Fund Type (s)
<p>WEEK 4</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 2</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 3</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 4</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's cost updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DAY 5</p> <p>PDMs: Review & validate previous month's milestone updates by regions</p> <p>Regions: Update CPMS daily/PDMs review & validate</p>	<p>DATA USED FOR REPORTS: (Including Highways, Rail, Ferries)</p> <ul style="list-style-type: none"> • PIN (# & title) • WIN (# & title) • Project Title • Project Description • Region • SR Number • Project Definition Complete • PE Start • Environmental Doc. Complete • RW Cert. • Ad • Operational Complete (OC) • Project Expend Plan • Subprogram Code • County • City • Leg District/Members • Vicinity Map • Narrative History (including risks) • Phase, Stage • Contract Info: <ul style="list-style-type: none"> - Contract Number - Contract Name - Engineer's Estimate - Award Amount • ID (parent/child) • Fund Type (s)
<p>Deliverables:</p> <ul style="list-style-type: none"> • Monthly Reports: JC Tracking Report, Ad/OC (Gov's Goals) List, FTE, Adv. Schedule of Projects • Quarterly Reports: GMAP, GNB, QPR Summary Report, OFM Sect. 603 Requests, OFM Sect. 603 Decisions, Wall Graphics, Milestone Rep., RW Cert Rep, ESA Rep., Webpage updates 						

Gray Notebook Delivery Schedule
Table D-2

How to Write a Watch List Article

The purpose of the Watch List section of the *Gray Notebook* is to report emerging issues on line-item budgeted projects (and a few selected programmatically budgeted projects) that have the potential to impact the delivery of the project cost, scope, or schedule. Through the Watch List, the department explains how it is doing due diligence. Through the Watch List the department explains how WSDOT is taking the right action to address the emerging need in an honest and transparent way.

The audiences for the Watch List are the general public and the legislature so the articles need to be written accurately, concisely, and at a non-technical, layman's level, avoiding the use of abbreviations and acronyms.

The primary concern of these audiences is WSDOT accountability with regard to delivering projects on time, on budget and within scope. Their point of reference is the last approved legislative budget and the LEAP List identified in that budget. All write-ups need to address the current status of the project at the PIN level with respect to being on budget, on schedule, and within scope. The audience also wants to know why the issue is occurring, not just what is occurring, so include the reason behind what is happening. If a milestone is impacted, provide a statement describing impacts on all subsequent milestones. Clearly state if there is no impact to subsequent milestones. If the project cost has changed, please provide the dollar amount and percent change based on the total project cost.

Once an issue is identified and vetted through the Executive Management Team at a MQPR, it is written up for the first time in the "New to the Watch List this Edition" section of the *Gray Notebook*. Each subsequent quarter, the project status is updated and included in the "Updated Since the Previous Quarter" section of the Watch List, explaining what has occurred during the current quarter. The write-up is updated each quarter until the issue is resolved. Either the issue goes away or the project's cost, scope, or schedule is adjusted. Once the Watch List issue has been resolved, a last write-up is included in the "Removed from Watch List This Quarter" section explaining the outcome.

"New to the Watch List this Edition"

Purpose: To explain a potential or actual emergent problem that could impact the delivery of a project within its committed cost, scope and/or schedule. It discusses the cause of the problem, and what the department is doing to mitigate it.

Structure:

Title: LEAP List Title (PIN)

PIN-WIN Relationship: If the current work reported is a major stage (WIN/contract) of a multicontract LEAP List project, please provide the contract title currently being reported and describe the contract relationship with respect to the other contracts and the project as a whole. For example: “This is the second of two major contracts for this project. The first contract, SR 999/ Up Hill Rd NW to NW Down Hill Rd was completed on time and on budget 10/00.”

County: All counties the project encompasses

Project Description: One to two sentence description of the project purpose, size, and current delivery status.

Description of the Issue: Two to three sentence description of the emergent condition and potential impacts to the project scope, budget (with respect to the last legislative approved budget), and schedule (on all milestones with respect to milestones at the time the last budget was approved by the legislature).

Mitigation: Two to three sentence description of WSDOT actions.

“Updated since the Previous Quarter”

Purpose: To explain what has occurred on the project during the past quarter with regard to resolving issues reported in the previous edition of the Watch List. It discusses the change in status, issues that continue to exist, and what the department has done to keep the project moving forward.

Structure:

Title: LEAP List Title (PIN)

PIN-WIN Relationship: If the current work being reported is a major stage (WIN/contract) of a multicontract LEAP List project, provide the contract title currently being reported and describe the contract relationship with respect to the other contracts and the project as a whole. For example: “This is the second of two major contracts for this project. The first contract, SR 999/ Up Hill Rd NW to NW Down Hill Rd was completed on time and on budget 10/00.”

County: All counties the project encompasses.

Project Description: One to two sentence description of the project purpose, size, and current delivery status

Description of the Issue: Two to three sentence description of the issue described in previous Watch List, referencing the previous article.

Mitigation: Two to three sentence description of any changes in the degree of risk to the project cost, scope, and schedule.

“Removed from Watch List This Quarter”

Purpose: To explain the final outcome of the potential impacts to the project with respect to its committed cost, scope, and/or schedule, as the result of problems and issues previously reported in the Watch List.

Structure:

Title: LEAP List Title (PIN)

PIN-WIN Relationship: If the current work being reported is a major stage (WIN/contract) of a multicontract LEAP List project, provide the contract title currently being reported and describe the contract relationship with respect to the other contracts and the project as a whole. For example: “This is the second of two major contracts for this project. The first contract, SR 999/ Up Hill Rd NW to NW Down Hill Rd was completed on time and on budget 10/00.”

County: All counties the project encompasses

Project Description: One to two sentence description of the project purpose, size, and current delivery status

Description of the Issue: Two to three sentence description of the emergent condition and the adjustment to the project scope, budget (with respect to the last legislative approved budget), and the schedule (on all milestones with respect to milestones at the time the last budget was approved by the legislature).

Mitigation: Two to three sentence description of how the issue was resolved and summarize all impacts to the project’s budget, scope, and schedule.

How to Write a Project Delivery Highlight Article

Each quarter, the regions are to submit two projects for consideration for the “Project Delivery Highlights” section of the *Gray Notebook* Beige Pages. These are to be significant delivery events for the quarter, such as the advertisement of a high-profile project, a project where WSDOT has had to overcome significant issues to maintain the delivery, or projects that have exceeded delivery expectations. This is an opportunity to report good news items. During the publication process of the *Gray Notebook*, these projects will be selected for publication.

Purpose: To describe significant positive events and accomplishments in delivering the line-item budgeted projects such as the advertisement or completion of key projects, projects with performance exceeding legislative expectation, projects that have received positive feedback from the public or local agencies, etc.

Structure:

Title: LEAP List Title (PIN)

PIN-WIN Relationship: If the current work being reported is a major stage (WIN/contract) of a multi-contract LEAP List project, provide the contract title currently being reported and describe the contract relationship with respect to the other contracts and the project as a whole. For example: “This is the second of two major contracts for this project. The first contract, SR 999/Up Hill Rd NW to NW Down Hill Rd was completed on time and on budget 10/00.”

County: All counties the project encompasses.

Project Description: Two to three sentence description of the project purpose, size, and current delivery status including the bid/award amount, the contractor, and the planned Operational Complete Date for projects advertised or awarded.

Description of the Highlight: Two to three sentence description of the delivery performance with respect to the project scope, budget (with respect to the last legislative approved budget), and the schedule (on all milestones with respect to milestones at the time the last budget was approved by the legislature).

Internal Reporting

Management Quarter Project Review (MQPR) Meeting

At the end of each quarter, Ferries, Rail, the six state regions, and the Urban Corridors Office (UCO) hold quarterly meetings to present the current delivery progress of their projects for that quarter. During the regional presentation, projects with issues or concerns are discussed by the Executive Management Team and selected for reporting to the public through the *Gray Notebook*.

Management Quarterly Project Review (MQPR) Meeting Process

Following are the steps for the MQPR meetings and write-ups for the *Gray Notebook*.

Prior to the MQPR

1. Regions/Modes discuss and coordinate potential projects with PCRO program delivery managers (PDM) during the quarter to identify potential project issues that will require reporting and to identify projects requiring Watch List articles.
2. Regions/Modes prepare a draft agenda and conduct a telephone conference with the Director of PCRO and the PDM to discuss the meeting agenda and identify potential new Watch List projects.

3. Regions/Modes prepare and distribute the final agenda for the meeting.
4. Regions/Modes prepare and submit Project Change Management Request Forms (PCRFs) to PCRO for proposed project adjustments to be presented at the MQPR prior to the MQPR and early enough for PCRO review and concurrence.
5. PCRO reviews and prepares PCRF for presentation to Executive Management for approval.
6. Regions/Modes prepare Delivery Highlight and Watch List articles for updates from the previous quarter, projects that will be removed from the Watch List during the current quarter, and any new Watch List items.
7. Regions/Modes submit two project write-ups for consideration in the “Highlights” subsection and all anticipated Watch List articles to PCRO PDMs one week prior to the MQPR for review and editing.
8. Region/Modes prepare and distribute MQPR notebooks (see next section).

At the MQPR

9. Regions/Modes conduct the Quarterly Project Review meeting.
10. Executive Management and regions/modes will confirm and finalize the new “Watch List” projects during MQPR presentations.
11. Region/Modes and PDMs review decisions after each MQPR presentation.

After the MQPR

12. PDMs summarize the presentation.
13. The PCRO Strategic Analysis and Reporting Branch compiles and distributes statewide summary of MQPRs to executive management.
14. Regions submit two project write-ups for consideration in the “Highlights” subsection and all Watch List articles to the PCRO Program Delivery branches within three working days of the MQPR meeting.
15. PCRO Program Delivery Branches review and edit articles and submit to the PCRO Strategic Analysis and Reporting Branch for final edit and compilation in the *Gray Notebook* Beige Pages package within five working days of the MQPR meeting.
16. PCRO conducts a MQPR Summary Briefing to OFM and legislative staff.
17. The PCRO Strategic Analysis and Reporting Branch submits all write-ups to the Strategic Assessment Office (SAO) for review and approval by executive management.
18. SAO publishes and distributes the *Gray Notebook*.

Regional MQPR Presentation Notebooks

Each region prepares a notebook for each Quarterly Project Review Meeting. In order to provide the Executive Management Team consistency between regional and modal meetings, the MQPR presentation notebooks need to include the following information:

Section I Agenda

Section II Region Programmatic Review

- Projects to Advertisement
- Planned vs. Actual Expenditures Graph
- Project Budget Summary of Reported Projects
- TPA and Nickel Delivery Status

Section III Quarterly Project Report Updates

- *Project Title/Summary Page*: Include a PIN/WIN crosswalk and budget summary (legislative budget/last-approved estimate/current cost at completion by phase and total cost) and a project status summary with simple bullet statements for the major risks in each commitment area of cost, scope, and schedule.
- *Graphic*: Site map, conceptual drawings, aerial, elevation, etc. Include:
 - WSDOT Logo
 - Region
 - Project Title and Phase
 - Date Produced, Designed or Last Updated
 - Scale, North Orientation, Key
 - Description of what the graphic is communicating
- *One-Page Project Status Summary*
- *Risk Summary*: Reflect current risk summary update.
- *Confidence Report*: Current to last month of the quarter.
- *Construction Status Report*: Current to last month of the quarter.
- *Quarterly Project Report Web Page*: Current to last month of the quarter.
- *Photos*: (Optional—no more than two pages)

Presentation Consistency

- Make sure reports accurately reflect latest project information (financial information, decisions made, activity updates, financial impacts due to risk issues, etc.).
- Use consistent information across all reports presented for each project. Project estimate needs to be consistent between the Confidence Report, the Summary Page, and the MQPR Web page. The project title needs to be consistent and cross-referenced to the PIN.
- Use consistent terminology.
- Reports shall include all phases, not just the construction phase.
- Milestone performance is to be current to the end of the last month of the quarter.
- For consistency, provide follow-ups from quarter to quarter. If reporting that an important meeting is going to take place to achieve an objective, provide an update the next quarter on the results of the meeting.

Quarterly Project Report (QPR) Web Page Updates

Recent Progress

Activity shall reflect the quarter pertinent to the report. If the activity/ accomplishment/achievement occurred three quarters ago and is not relevant to current progress, do not include in reports.

- Progress should reflect activity that specifically contributes to the accomplishment of tasks, deliverables, and milestones in order to deliver the project. “Negotiations are underway” does not explain the critical activity impacted or delivery impacts. “Environmental document” does not indicate what it is critical to an Environmental Analysis (EA), Environmental Review (ER), or Final Environmental Impact Statement (FEIS). Each has different legal processes, definitions, and documentation.
- Provide the context. Are permitting delays going to delay the project? Clarify what permit it is, why it’s important to the project, who the stakeholders are, and the next steps in the project.

Changes to QPR/Web Page

Project Title, Description, Funding, PIN or WIN

Requests from regions for such changes are submitted to the PCRO Strategic Analysis and Reporting Branch. PDM will receive a copy of the request notification. Each request will be reviewed for consistency, and if legislative approval is not needed, the Communications/Web Team Office will be notified of the changes to be made.

Legislative Approval

- If a requested change reflects change to the project's scope, the scope changes (accompanied by the project title change) must be submitted to and approved by the legislature for all Nickel and TPA funded projects.
- If a title change reflects a formal change from the LEAP project title (legislatively-approved projects), then the change deletes the approved project title and replaces it with the proposed title.

Project Control and Reporting – Strategic Analysis and Reporting

- If a requested change does not reflect a change in scope, and is a response to the public request for a more “friendly,” community-specific project title, the approved LEAP project title is retained and referenced by a footnote. The informal project title is used for project Web pages and public communication.

Quarterly Financial Summary and Advertisement Record (“Wall Graphics”)

A quarterly status roll-up of highway construction performance, provided to executive management, involves two elements: (1) comparison between expenditures¹ and current appropriations and allotments by Nickel, TPA, and PEF funding, and subprogram; and (2) comparison between actual project advertisement dates and the planned project advertisement dates by Nickel, TPA, and PEF, and the managing region. This report is consistent with information provided for the *Gray Notebook*.

¹Expenditure information provided by SAPD.

Introduction

The Project Control and Reporting Office (PCRO) has led an agency-wide effort to improve program delivery processes, systems and reporting to meet legislative and public expectations. Over the past year, PCRO has worked with each region and modal office to understand existing program management and reporting needs and practices and to jointly develop statewide standard business processes and reports that serve the needs of all stakeholders and adhere to industry Best Management Practices (BMPs). This section provides detailed information on each of the key process components including:

- **Washington State Department of Transportation (WSDOT) Work Breakdown Structure:** The WBS will serve as the common structure for all WSDOT program management and reporting. Employing a common WBS facilitates consistency in reports statewide and the generation of reports by region/mode or agency as a whole.
- **Control Accounts:** The control account is a division of the contract, which is an agreement between a project manager and a group, discipline, organization or company (organizational unit) to perform all of the work for that organizational unit. The control account breaks up the contract into the major chunks of work performed by a specific organizational component, such as a division of an organization or an individual manager. The intent is to allocate a specific scope to an individual or group of individuals responsible for that scope and measure their cost and schedule performance against a plan. This enables the allocation of accountability and responsibility for delivery of specific scope items.
- **Project Management Process Maps:** Each major project management process has been mapped to show the major steps required. In each area more detailed step-by-step procedures are planned for development. These processes represent the implementation of a new process as well as refinements to existing processes that will be used to design the following PMRS tools:
 - Schedule development
 - Scheduling maintenance
 - Construction schedule review and update
 - Cost control / earned value process
 - Invoice tracking (cost-to-date)
 - WSDOT estimate creation, review and approval
 - Contract development – internal

- Contract development – external (non-construction)
- Contract management (non-construction)
- Project change management (non-construction)
- Project change management (construction)
- Program change process
- Activity and project code management
- **Enterprise Content Management (ECM) Process Maps:** The handling of each major project document has been mapped to show the major steps required. In each area, more detailed step-by-step procedures are planned for development. These processes represent the implementation of new processes as well as refinements to existing processes that will be used to design the following PMRS tools:
 - Audit and retention of records
 - Deliverable process flowchart
 - ECM add document process
 - E-mail add document procedure flowchart
 - Incoming mail process flowchart
 - Internal transmittal process flowchart
 - Meeting minutes process flowchart
 - Outgoing mail process flowchart
 - Public disclosure process flowchart
 - Technical memorandum process flowchart

Systems That Support Project Management

Capital Program Management System (CPMS)

CPMS is the primary system used by WSDOT to manage the development of the Highway Capital Improvement and Preservation Program (CIPP) budgets and track the status of all construction project costs and schedules during delivery. CPMS contains critical management information at the project level that is rolled up to the program level. Vital management and reporting data in the system includes the following:

- All highway projects and phases in the transportation program
- The region responsible for delivering the project
- Project delivery milestones
- Projects costs including the legislative expectation, last approved amount and current estimate by phase
- Project cost aging by month

- Work order authorizations
- Workforce estimates
- A history of project changes to the project cost, scope, and schedule
- Project approvals and the type of approval

CPMS also provides information to the Transportation Reporting Accounting and Information System (TRAINS), the department's enterprise accounting system, and the Project Control Reporting System (PCRS) — the department's primary project delivery reporting system. As the department's backbone information system, it is imperative that CPMS is kept current, maintained correctly, and used correctly. The usefulness and integrity of the system is only as good as the accuracy and timelines of the data in the system.

Management Regions

Although most projects geographically located within a region are managed by the region, there are times they will transfer projects to other regions to deliver the entire project or phase of a project. The region responsible for delivering the work is called the Management Region and is identified in CPMS. A Management Region will be assigned to every project that can be transferred at key points during the life of the project (phase, stage, budget cycle). The Management Region has sole stewardship of the project.

The Management Region field in CPMS is the key to process alignment for project delivery. It is a PIN-level designation that identifies the region with the ultimate responsibility for project delivery. The region assigned the Management Region designation is responsible for the following:

- The generation of Work Orders, their regional approval, and submittal to Headquarters for final approval.
- The generation and submittal of Project Change Management Request Forms (PCRFs) to Headquarters for approval
- Reporting of the project, when necessary, at the Management Region's Management Quarterly Project Review (MQPR) meetings.

It is important that the Management Region is input correctly and kept up to date since major management and reporting processes and reports depend on it.

Updating CPMS

Caution! The following activities will corrupt CPMS data and damage PCRO's ability to accurately report the agency's accomplishments as measured against legislative commitments for project costs and milestones. It is very important that the following activities are not done or authorized without seeking approval from the Director of PCRO.

1. **Remove or add an approval code that sets originals:** These approval codes are L, C, S, A, X, and Y. These codes may change over time. Be sure to check the current list of approval codes that set originals before you alter an approval code. This action requires approval by the Director of PCRO.

Why is this a problem? Removal of an approval code that sets originals will change the results in the agency's *Gray Notebook*, in the GMAP data that goes to the Governor, the status project lists that are fed into TEIS, and in the regional Confidence Report and the Construction Status Report among others.

2. **Change the selected Work Item Number (WIN) for any programmed Program Item Number (PIN) on the EC screen:** Although changing the commitment selection will not change the original value for the commitment milestone, it can create a situation where the WIN/milestone originally selected as the legislative commitment will be compared with the current milestone date on a completely different WIN. This action requires approval by the Director of PCRO.

Why is this a problem? It will cause misrepresentation and incorrectly report project delivery. A change of this kind alters the tracking mechanism for the *Gray Notebook* and in the GMAP process. It will change project counts in the *Gray Notebook* and GMAP and change the quarter in which a project is to be advertised or completed.

3. **Delete a WIN:** Only the CPMS System Administrator can do this activity. However, it is essential that you obtain approval from the Director of PCRO before you request this action.

Why is this a problem? This activity can destroy commitment tracking for dollars and dates that may be needed in PDIS, the new PMRS system, the regional Confidence Report, and the Construction Status Report. It seems counter-intuitive that removal of this information could create a problem when the WIN is being deleted. However, if the work on this WIN is being transferred to another WIN, it is important to set commitments for dollars and dates on the new WIN as appropriate.

Contact PCRO staff for assistance to do any of these three actions. They will find the correct person within the office to walk you through the change so the impact is understood, approved, and managed properly within CPMS.

Common Acronyms and Definitions

2003 Transportation Funding Package – The funding package that funded the Nickel project list.

2005 Transportation Funding Package – The funding package that funded the Transportation Partnership Account (TPA) project list.

603 Approval – Project change request approved through the authority provided by Section 603 language in the governing budget.

A2A – Adjust to Award (see Adjust to Award)

AC – Advanced Construction

ACORDE – Original name of the application used for the electronic Work Order Authorization System which is now Stellent.

Actuals – Expenditures or milestones that have occurred.

Ad – Contract Advertisement

Adjust to Award – The process of establishing the contract work order by modifying the construction amount approved in the CCFA to the amount awarded to the low bidder.

Aging – The distribution of planned project expenditures over the time duration of the planned work.

APDM – Assistant Program Delivery Manager

ASOP – Advance Schedule of Projects Report

Authorization – Approval of the Work Order

BASS-CBS – Budget and Allotment Support System-Capital Budget System

Beige Pages – Section of the *Gray Notebook* that provides project delivery reporting.

BIN – Budget Item Number

Book Building – The process of developing the Capital Improvement and Preservation Program.

Buckets – Program items budgeted as a lump sum level to be used to develop specific projects to address specified highway deficiencies.

CAPS – Contractor Administration and Payment System

CCFA – Construction Contract Funds Authorization

CCIS – Construction Contact Information System

- CPED** – Capital Program Expenditure Demand System (WSF)
- Checkbook** – Ferries Division Work Order Authorization System
- CIPP** – Capital Improvement and Preservation Program
- CLB** – Current Law Budget
- CN** – The construction phase of a project.
- Construction Season** – The period during the year that projects can be constructed.
- Cost at Completion** – The total estimated construction cost anticipated at the time of the final payment of the construction contract.
- Cost to Complete** – The estimated total expenditures needed to finish the remaining work on the contract.
- Consulting Region** – A region providing project delivery services for a Management Region.
- CPMS** – Capital Program Management System
- CRA** – Cost Risk Assessment
- DPS** – Direct Project Support
- E&E** – Environmental and Engineering
- E&RO** – Engineering and Regional Operations
- EBASE** – Estimate and Bid Analysis System
- ECM** – Enterprise Content Management
- EE** – Engineer’s Estimate
- ER** – Emergency Relief
- ER** – WSDOT Eastern Region
- Expenditures** – Expended funds.
- FAA** – Federal Aviation Authority
- FAPA** – Federal Aid Project Authorization
- FATS** – Federal Aid Tracking System
- FFY** – Federal Fiscal Year (October 1 through September 30)
- FHWA** – Federal Highway Administration
- FileMaker Pro** – Database application used to create WSDOT forms and tracking systems.
- FIRS** – Financial Information and Reporting System

Form 120 – The form used by the Federal Highway Administration to authorize federal funds.

GMAP – The Governor’s Government Management Accountability and Performance program.

GNB – The *Gray Notebook*

Gray Notebook – GNB or “Measures, Markers, and Milestones”

H&LP – Highways and Local Programs Office

HAC – High Accident Corridor

HAL – High Accident Location

HCB – Hood Canal Bridge

HOV – High Occupancy Vehicle

HQ – WSDOT Headquarters

HSP – Highway Systems Plan

I Program – Improvement Program

I1 – Improvement Subprogram – Mobility

I2 – Improvement Subprogram – Safety

I3 – Improvement Subprogram – Economic Initiatives

I4 – Improvement Subprogram – Direct Project Support/Program Management

I5 – Improvement Subprogram – Sound Transit

I6 – Improvement Subprogram – Tacoma Narrows Bridge

IT – WSDOT Information Technology Office

L&I – Washington Department of Labor and Industry

LEAP – Legislative E_____ and Accountability Program

LEGFIN – A TEIS file nomenclature for the file that represents the final legislative budget.

Legislature – Washington State Legislature

LQPR – Legislative Quarterly Project Review (meeting)

Management Region – The region that has ultimate responsibility for delivering a project. It is usually the region the project is located geographically but can be transferred to another region.

MDL – Master Deliverable List

Measure, Markers, and Milestones – The *Gray Notebook*.

Mode – The generic term for the modes and offices with capital construction program other than highways such as Ferries, Rail, Highways, and Local Programs, etc.

MQPR – Management Quarterly Project Review (meeting)

MTA – Multimodal Transportation Account

MVA – Motor Vehicle Account

NCR – WSDOT North Central Region

NEPA – National Environmental Protection Act

Nickel Projects – Projects funded by the 2003 Transportation Funding Package.

NLB – New Law Budget

NWR – WSDOT Northwest Region

OC Date – Operationally Complete Date

OFM – Office of Fiscal Management

O-Line – Overrun Work Order or an overstatement in CPMS.

OR – WSDOT Olympic Region

P Program – Preservation Program

P1 – Preservation Subprogram – Roadways

P2 – Preservation Subprogram – Structure

P3 – Preservation Subprogram – Other Facilities

P4 – Preservation Subprogram – Direct Project Support/Program Management

PCRf – [Project Change Request Form](#)

PCRO – Project Control and Reporting Office

PCRS – Projects Control and Reporting System

PDIS – Project Delivery Information System

PDM – Program Delivery Manager (PCRO)

PE – Preliminary engineering phase of a project

PE – Project Engineer

PEF – Preexisting Funded

PFE – Project Funding Estimate

Phase – One of three parts in the development and delivery of a project, preliminary engineering (PE), right of way (R/W), or construction (CN).

PIN – Program Item Number

PMP – Project Management Plan

PMRS – Project Management and Reporting System

Pool Funded Projects – Projects listed in the Transportation Budget and funded as a group under a Budget Item Number (BIN).

Program M – The Maintenance Program.

Programmed – The work is funded in the current biennium budget.

PSSR – Project Support Services Receivables

QPR – Quarterly Project Report web page

R/W – Right of Way Phase of a project

R/W Cert. – Right of Way Certification

RA – Regional Administrator

RCW – Revised Code of Washington

Regions – Six WSDOT regions (NWR, NCR, OR, SWR, SCR, ER) and the Urban Corridor Office (UCO)

RFP – Request for Proposals

SAFETEA-LU – The current Federal Authorization Act.

SAO – Strategic Assessment Office

SAPD – Systems Analysis And Program Development Office

SCR – WSDOT South Central Region

Section 603 – The section of the Transportation Budget that defines approval authority for changes on Nickel and TPA projects.

SEPA – State Environmental Protection Act

SFY – State Fiscal Year (July 1 through June 30)

SP&P – Strategic Planning and Programming Division

SPES – Statewide Preliminary Engineering System

SPMG – Statewide Program Management Group

STAR – Local agency project tracking system

Stellent – The current name of the electronic Work Order Authorization System (formerly ACORDE).

STIP – Statewide Transportation Improvement Plan

SWR – WSDOT Southwest Region

TEIS – Transportation Executive Information System

TNB – Tacoma Narrows Bridge

TPA – Transportation Partnership Account

TRAINS – Transportation Accounting and Reporting System

UCO – WSDOT Urban Corridors Office

USC – United States Code

USDOT – United States Department of Transportation

Watch List – The section for the *Gray Notebook* Beige Pages the department reports developing issues on Nickel and TPA projects that have potential of impacting delivery of the project.

WBS – Work Breakdown Structure

White Pages – The section of the *Gray Notebook* that WSDOT reports delivery at the program level.

WIN – Work Item Number

WOA – Work Order Authorization

WSDOT – Washington State Department of Transportation

WSF – Washington State Ferries

WSPMS – Washington State Pavement Management System

WSTC – Washington State Transportation Commission

WTP – Washington Transportation Plan

Y-Line – Placing a “Y” in CPMS to indicate a Work Order is approved and funds are authorized.