

**Project Initiation Document (PID) Improvement Process
Public Engagement and Outreach Effort
Facilitated Session - December 17, 2009**

Study Team Meeting Summary

Prepared for:
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Introduction

On December 17, 2008, nearly 20 representatives from Caltrans Headquarters, various districts, and San Mateo County gathered to discuss opportunities to improve the Project Initiation Document (PID) and implementation process. The meeting was facilitated by Joan Chaplick of MIG, Inc. and notes were recorded by Andi Nelson, MIG, Inc.

This session focused on expressing expectations for improvements to the PID process; reviewing policy guidance; considering the needs of local partners; discussing the balance between Caltrans' and partner needs in PID development; exploring opportunities for change in the PID process; and, developing an action plan and next steps.

A PID is a Caltrans required engineering document that contains the cost, scope, and schedule for major projects in the State Highway System. Approved by the district director, a PID is required by the California Transportation Commission (CTC) before a proposed project can be recommended for programming. The requirement of having a PID approved by the Department has been instrumental in reducing post-programming scope, cost, and schedule changes on state highway projects.

As clarified by Terry Abbott, Chief, Division of Local Assistance, at the beginning of the working session, the intent of the PID is to provide each of the following elements:

- Purpose and need of the proposed project;
- Clear scope; and,
- Reliable cost estimate and schedule.

Curt Davis, Chief, Office of Projects/Plan Coordination, called the meeting to order, reviewed the agenda and meeting outcomes. Curt described the work of the PID Assessment Team, which is currently investigating the status of Project Study Reports (PSRs) by assessing internal and external perspectives. The investigation is meant to be a discussion among Caltrans, partners, and stakeholders.

Participants were asked to introduce themselves, identify their position and district or agency. To provide a frame for the discussion, Donna Berry, Special Projects Branch, Office of California Transportation Commission Liaison, introduced Problem Statement, #5, a summary document that identifies issues, unresolved questions, potential recommendations, and actions related to the Project Study Report (PSR) and PIDs.

Meeting Attendees

Headquarters Caltrans: Curt Davis, Rick Guevel, Lima Huy, Joyce Brenner, Terry L. Abbott, Donna Berry

District 1: Ilene Poindexter

District 2: Mark Miller

District 3: Chad Baker

District 4: Pat Prang

District 5: Kathy DiGarcia

District 6: Steven McDonald, Marco Sanchez

District 8: Greg Ramirez, John Pagano

District 12: Gary Slater, Ferdinand Agbayani

San Mateo County: Joe Hurley, Jim Porter

MIG: Joan Chaplick, Andi Nelson

Project Initiation Document (PID) Improvement Process Discussion

Expectations for Improvements to the PID Process

Joan Chaplick invited meeting attendees to express their expectations for improvements in the PID process. Each participant shared their primary expectations for improvement. These include:

- Understand partner and Caltrans' needs.
- Identify purpose and need early in process.
- Communicate openly within the project development team.
- Streamline process and remove unnecessary tasks.
- Ensure access to resources, such as surveys.
- Define the programming definition and establish delivery commitment early.
- Enhance recognition and integration.
- Agree on documents at beginning.
- Pull out mandated design exceptions.
- Maximize purpose of PIDs.
- Remove safety projects from PIDs.
- Exercise professional judgment to modify documents.
- Match resources to level of effort.
- Manage risk.
- Clarify design exceptions.
- Explore cost threshold.
- Consider federal highway expectations.
- Ensure PID identifies environmental risks.
- Ensure partners understand their responsibilities.
- Understand expectations at beginning.
- Define the PID purpose.
- Ensure value-oriented approach with flexibility.
- Minimize "Stop and Go" Phase.
- Allocate PID resources.

Review Legislative and Regulatory Requirements, and Policy Guidance

Curt Davis provided an overview of regulatory requirements for the PID process. In 1997, SB 45 was signed and includes PID content requirements. In 1999, the Project Study Report (PSR)

guidelines were developed, a report used for large project development. In 2008, the PID Assessment Report was produced, which initiated the PID Improvement Process. It was agreed that the statute related to PID is limited; there is little that is legally required for inclusion in the PID. Primary regulatory requirements for CEQA/NEPA and local agencies include: a need and purpose for the PID. Additional policy and varying district requirements have affected PID development for projects throughout the State.

Mark Miller, Advance Planning Chief, Caltrans District 2 reviewed policy requirements and implementation of the PID. Mark provided an overview of events that affected PID development. His research confirmed that little is legally required of the PID process and adopted PID Guidelines are part of a specific statute. A need and purpose statement is required of all PIDs and there are two PID development manuals. Meeting participants were asked to share their opinions on the presented policy guidance and provide any additional history they could on PID development.

PID Guidelines

The PID Guidelines focus on PID contents. It was agreed that the PID Process Improvement largely concerns the guidelines and how they are implemented by the districts. PID processes, such as Project Preliminary Environmental Analysis Report (PEAR), design exceptions and Advanced Planning Study (APS), have developed over the PID's lifetime.

Meeting participants inquired about PID Guidelines implementation and procedures at the district level. Certain requirements, such as the constructability of a project, are required at the district level and are implemented as such. The implementation of certain guidelines and other requirements, however, vary between districts. Different district PID requirements result in procedural issues at Caltrans Headquarters. Although the guidelines reflect an expectation that there be flexibility in the PID process, district staff expressed concern that if they do not meet the guidelines or if costs and schedules change, they will be criticized by Caltrans Headquarters. There was general agreement that the guidelines need to be consistent statewide.

Project Preliminary Environmental Analysis Report (PEAR)

Participants asked about the implementation of PID and how it developed into a complex process. There was a request to explain the original and current intent of PEAR. The PEAR process is a work in progress that Caltrans recently started to develop by building on existing guidance. There is a shift to have more accurate cost estimates and a commitment to project delivery. Meeting participants expressed concern for the development of an additional and unnecessary process by developing the PEAR.

PSR and PSSR

Caltrans Headquarter representatives asked meeting participants if the Project Study Report (PSR) has added complexity and increased the value of the product or if it is an extraneous piece of the PID process that is too extensive for locally funded projects. One meeting participant expressed that the PSR includes certain conditions that relieve the pressure placed on local districts. Another participant suggested that the Project Scope and Summary Report (PSSR) is easier to move forward in certain cases, such as the development of a single change (e.g. adjust the position of a lane). PSSR is intended for projects with a more concise project scope, such as urban freeway access and pavement rehabilitation.

Meeting participants provided suggestions for PSR improvements. Participants concluded that the safety review for small projects does not add value at the PSR stage. The safety review should be applied later in the process for some smaller projects. If there is a significant safety issue, such as the presence of hazardous waste, the safety review could add value. One participant suggested streamlining the number of pages required from each team or division and exploring opportunities to shift certain tasks to other phases in the project process.

Additional processes, such as the safety review, constructability review, Stormwater Data Report (SWDR), and life cycle cost analysis require additional resources to produce the PID and projects. Meeting participants commented that in the past, these additional processes and exceptions would have received additional resources. Previously, Caltrans Headquarters and districts would allocate more resources to delivering the State Transportation Improvement Program (STIP). Over time, the costs to pay for developed processes have increased, and it is a growing challenge to find additional resources. Policies have developed in reaction to cost increases and in some cases, created unintended consequences.

Resources

The availability of resources for projects during necessary stages in the PID process was discussed in length. One district representative reflected that the bulk of resources are directed towards the State Highway Operation and Protection Plan (SHOPP), which impacts the availability of resources for the STIP PID process. Several participants commented on the need for local project funding. The SHOPP appears to be receiving the bulk of the resources, while non-SHOPP projects, such as the STIP and locally funded projects, are receiving fewer resources. Caltrans inherently implements a larger number of SHOPP projects than non-SHOPP projects. Each district has discretion over how resources are allocated between SHOPP and non-SHOPP projects. Districts are required to justify resource allocations.

There was an interest in understanding the ten-year SHOPP process and to reprioritize SHOPP projects as conditions change. One meeting participant suggested that not all projects that are PID-ready are included in the SHOPP. There are no requirements to have at least one project from each district. Each project competes statewide for SHOPP funds allocated by the Executive SHOPP Committee. Meeting participants suggested exploring opportunities to meet the SHOPP, while supporting all district and PID-ready projects.

Extensive discussion was dedicated to certain PID activities that are front loaded from subsequent Capital Overlay Program (COP) phases, such as Project Approval/ Environmental Documentation (PAED), and Plans, Specifications and Estimates (PS&E). Front loaded PID activities are resourced from the limited PID program; and, therefore, resources tend to be insufficient to complete these processes.

Discussion Framework

Participants explored possible structures for the meeting's discussion. One participant asked: "What box should contain the conversation?" Possible frameworks suggested included: the PID Guidelines, Chapter 9 Project Development Procedures Manual (PDPM); and, PID processes involving local resources. It was agreed that the initial purpose of the meeting was to improve the PID process in order to complete projects in time and with reduced cost. The intention of the

meeting was to decipher what adds value to the purpose of the PID and what does not. There was agreement to move forward in the PID Improvement Process discussion by identifying aspects of the process that do not add value.

Expectations and Needs of Local Partners

Jim Porter, San Mateo County Department of Public Works, and Joe Hurley, San Mateo County Transportation Authority (SMCTA), presented their expectations and needs in the PID process.

Jim Porter highlighted the differences between local agencies and Caltrans. Local agencies embark on a project with well-defined ideas of the project's direction and tasks, since most projects are funded by voters. The county needs to have a clear project description in order to get funding support. Local partners benefit from streamlining the level of risk and from an efficient process. Scope agreement during the initial stages of the process can minimize the number of reviews, for example. A process to streamline the level of risk can take time and resources since local partners are responsible for funding. If there is a higher level of risk for Caltrans on a project, then more resources are invested.

Joe Hurley, SMCTA Director expressed the need to define the roles and responsibilities of each member of the project partnership. It is also important to use the same PID process with each project to insure efficiency. There is often a disconnect between the needs and the amount of resources available in the PSR process. The need for resources is generally in the initial stages when resources are minimal.

Local partner representatives underscored the high financial costs of PIDs. Ideally, a PID should be no more than three percent of the project's total cost. Partner representatives suggested developing a databank and comparing the costs of PSRs statewide. It was agreed that it would be helpful to local partners to compare costs between different agencies.

Joe described the relationship between San Mateo County and District 4 as an example of a successful partnership between Caltrans and local partners. The local agency meets with the district division chief once per month to maintain clear communication. The relationship between the consultant and District 4, however, needs improvement. San Mateo County serves as a mediator between the two entities. A suggestion was made to include Caltrans on the consultant selection panel to establish a relationship with the consultant in the beginning.

Opportunities for Change in the PID Process

Value of PID Components

Participants were asked to comment on the added value of PID components as they are currently implemented. The following is a summary of participant's assessments of the different components. Note that one element was considered both positively and negatively.

Adds Value to the PID Process	Doesn't Add Value to the PID Process
<ul style="list-style-type: none"> ▪ Need and Purpose ▪ Design Exceptions ▪ Charter (in certain circumstances) ▪ Risk Management Plan ▪ Traffic Data and Studies ▪ Photo Layout Sheets ▪ Work Plans ▪ APSs 	<ul style="list-style-type: none"> ▪ Design Exceptions ▪ Co-ops ▪ Stormwater Data Report ▪ Value Engineering ▪ Review Process ▪ Work Plan Products ▪ Lifecycle Cost Analysis ▪ Safety/ADA Projects ▪ Environmental Engineering/ PEAR Development

Advanced Planning Study (APS)

There was disagreement among meeting participants regarding the value added to the PID process by APSs, as currently implemented. While one participant suggested it added little value, others responded that it had a positive contribution to the process. Key points of discussion regarding the value of APSs include:

- Identify important risks in the PID process.
- Inexpensive and cost-efficient, since costs can be absorbed
- High dollar value items.
- Address cost, type, and impact of project.
- Helpful for older projects.
- Contain critical information to the project.

There was agreement and discussion regarding the necessity of cost estimates in the K Phase. Overall, participants agreed that the APS adds value to the PID process.

Design Exceptions

Design exceptions are required in the PID process, although several districts neglect to include them. Meeting attendants discussed design exceptions and opportunities for improvement in effort to add value to the PID process. Key opportunities for change to design exceptions include:

- Eliminate or augment fact sheet content requirements.
- Eliminate appeal process.
- Address local partner needs, while supporting district capacity.
- Eliminate from PID phase.
- Address unfavorable design exceptions and issues upfront.
- Provide additional resources to support the cost of required reports.
- Build on the conceptual approval process by identifying risks and flaws.
- Keep reviewer involved throughout process.
- Include all partners in agreement document.
- Encourage early decision and include information.
- Identify environmental risks.

- Address the discrepancy between the availability of information available and the weight of decisions.
- Address the discrepancies between the districts and design standards.
- Look at items early and put qualifiers on them.

One meeting participant identified design exceptions as an example of front loading the initial phases of the PID process.

Stormwater Data Report (SWDR)

SWDRs were identified as an element of the PID process that did not add value and could be streamlined. Several attendees commented on the unnecessary amount of detail required to complete these reports. Since conditions change over the course of the project, many participants expressed the extraneous aspect of providing detail upfront that will change as the project progresses over time. Since project footprints change, the cost of the SWDR increases. Additionally, recommendations included in reports are often not implementable and these reports do not impact whether or not a project is approved.

Joyce Brenner, Office Chief, Office of Environmental Engineering, South, provided a brief history of the SWDR. The Los Angeles settlement and the Clean Air Act lead to the requirement of these reports. Caltrans is working with the 1999 permit and new regulations are currently being developed. Participants questioned the necessity of regulation at the conceptual level of the process.

Key opportunities for improvement to SWDRs include:

- Develop SWDR only when a project's footprint will be affected.
- Reduce the amount of requirements.
- Evaluate what information is provided in early phases of the project.
- Provide resources for reports upfront; add three percent to the total project cost to cover the SWDR.
- Explore opportunities to include the report as a section in PEAR.
- Clarify information needed.

Cooperative Agreement (Co-ops)

Cooperative agreements are agreements between Caltrans and local partners that allow for the transfer of funds and resources. They are required to be completed within 60 days. It is mandatory to identify the future date of the cooperative agreement within six months prior to cooperative initiation. The timely implementation of these agreements is a priority for Director Kempton. Currently, several districts are not completing the cooperative agreement portion of the PID process and attendees agreed that cooperative agreements, as they are currently implemented, do not add value to the PID process. Several participants questioned the necessity of the requirement in the K Phase. Completed by the cooperative agreement unit, these agreements add time to the process, but are needed to acquire resources. Key opportunities for improvement to cooperative agreements include:

- Move to later phase of the process, such as the capital or project development phase.
- Explore Memorandum of Understanding (MOU) opportunities.

- Explore opportunities for reimbursements if the work is pulled to the front end of the process.

Value Engineering

Value engineering is a systematic method, which identify the function of a product or service, and provide the necessary function reliably at lowest overall cost. Most meeting participants agreed that value engineering does not add value to the PID process. In general, value engineering can waste time and valuable resources. This aspect of the process formerly took place in a later phase; now, it is required during the PSR phase. Federal projects above \$25 million are required to undertake value engineering. Participants suggested the following opportunities for improvement:

- Require value engineering during the project report, design or construction phase.
- Explore opportunities to reduce the number of alternatives and add value.

Environmental Engineering and Preliminary Environmental Analysis Report (PEAR)

There was agreement that environmental engineering and the PEAR do not add value to the PID process. The information contained in the PEAR is meant to serve as the foundation for the environmental team to begin studies in the PAED phase and to provide recommendations for inclusion in subsequent CEQA/NEPA documents. Participants raised concern that PEAR documents have become too extensive and lengthy. Currently, the PEAR costs as much as it costs to attain an environmental clearance. The environmental engineering requirement includes a large amount of data requiring significant time to obtain, such as the parcel numbers of all adjoining properties. Several meeting participants questioned if environmental engineering is necessary during the K phase of the PID process.

The PEAR poses several challenges expressed by meeting participants. Although the guidelines do not require extensive reports to complete the PEAR, consultants and internal staff often provide extensive documentation. While the intention of the first phase of this analysis is to determine if additional studies are necessary later in the project process, current practice includes extensive environmental analysis at the beginning stages. However, sometimes it is difficult to conduct analysis during the beginning phases. Noise walls, for example, cannot be environmentally assessed during the beginning stages of a project; noise testing must happen while preparing the environmental document. Meeting attendees suggested that the Categorical Exclusion (CE) and Negative Declaration (ND) are easier to achieve than the PEAR. The PEAR is often discarded at subsequent levels in the process, deeming it potentially unnecessary.

Suggestions to improve these aspects of the process include:

- Condense PEAR to hit the essential environmental issues.
- Assess the value of the required data.
- Provide clear guidelines for consultants and internal staff to ensure that analyses and reports are condensed and effective.
- Explore opportunities to include as a line item during the PID phase to be completed in subsequent project phases.
- Explore opportunities to create a department with resources to undertake environmental analysis.

- Establish boiler plate requirements.

Review Process

The PID review process involves a number of review stages and reviewers. Consequentially, it is a time consuming aspect of the PID process that includes two milestones. Reviewers often change during the process and, as a result, reviews are inconsistent among projects and over time. The number of PID copies and signatures vary among districts.

Key suggestions for improvement to the review process include:

- Formalize the review process and requirements statewide.
- Establish additional milestones.
- Create construction and safety panels to review PIDs.
- Enhance the matrix review format.
- Clearly communicate approval expectations.
- Establish a project review schedule and formal scope.

Work Plan Process

The work plan process ensures transparency and accountability in the PID process. However, current plans include overinflated hours and high level work cost. It is important to have a reliable schedule and cost estimates. Meeting attendees suggested that work plans do not add value, but provide usable information. There are a number of ways to build on and refine the existing work plan process. There are efforts to tailor units and review processes. As work plan guidelines are refined, it will be important to explore opportunities to improve plan accuracy, while ensuring flexibility (e.g. Central Region work plan).

Lifecycle Cost and Analysis

Participants discussed the value of lifecycle cost and analysis in the PID process. Lifecycle cost and analysis is necessary for PID projects when choosing between two alternatives. PIDs are required to assess the lifecycle of the project's paving. The source and implementation of the lifecycle cost and analysis information is necessary. Yet, it is an added step in the PID process. In order to improve this aspect of the PID process, meeting participants discussed providing resources in the SHOPP for lifecycle and cost analysis.

SHOPP Projects Under \$1 Million

There was agreement to pull SHOPP Reservation projects under \$1 million, such as safety and ADA projects, from the PID process. These projects are highest priority and funding is certain. Given the specific nature of these projects, it is common that there is minimal discussion of alternatives since the project alternative is identified at the outset. Also, at the district level in some places, such as District 12, the Planning Department no longer has control over PID resources for the small SHOPP projects.

It should be noted that there is now a new process that can be used for safety and ADA projects under \$1 million called the Small Capital Value Project template. Rather than be processed in the standard PID process, safety and ADA projects under \$1 million can now be evaluated in the Design or Advanced Planning Departments by using the new Small Capital Value Project template,

or another appropriate PID document before proceeding to the project report and/or design phase.

Meeting participants suggested that there is no way to distinguish between the K Phase or the O Phase charge. Suggestions were made to assess safety and ADA projects during the K Phase exclusively. There was agreement to conduct a pilot program experiment which would look at pulling safety and ADA projects below \$1 million from the PID process. If this experiment proves successful, then higher value safety and ADA projects can be pulled out of the process as well.

Other Opportunities

Participants explored other opportunities for improvement in the PID process. Additional next steps in the PID improvement process could include:

- Review PID outline.
- Survey the customers' need and evaluate if needs are being met.
- Rewrite and update Chapter 9 of the guidelines.
- Review local planning policy.

Problem Statement #5 Discussion

Problem Statement #5 assesses aspects of the PSR and PID. Produced in November, 2008, the document explores the background of PSR and PID development; identifies issues and unresolved questions; and, provides a recommendation and actions to improve these processes. Meeting members discussed the issues and questions identified in Problem Statement #5. These items were matched against suggestions for process improvement to make certain that all PID process issues were identified over the course of the meeting.

Participants inquired about resource needs during the PID process. Since targets are shrinking, it is increasingly difficult to conserve resources. There was agreement that more resources are not needed. Rather, resources need to be shifted to the front end of the process. Once this is accomplished, then resource sponsorship could be addressed. It is in Caltrans' interest to invest more resources at the PID phase.

Caltrans representatives felt strongly that Caltrans should be the consultant of choice. Caltrans has the expertise on delivering such a document and would save resources that are used in communication between consultant, local agency and Caltrans.

Session Agreements and Next Steps

Participants agreed that some topics needed focused discussion by a topic "champion" supported by a small working group. Each champion or work group agreed to convene at least once before January 30, 2009, and report their progress or accomplishments to Curt Davis. A final report documenting these actions will be completed by MIG. The following assignments were agreed to for each of the topics listed below:

Next Steps

Design Exceptions

- ✓ Finalize interim and long-term improvement concepts.

- Task partners: Terry Abbott (Task Lead), Joe Hurley, 2-3 district representatives (TBD), Tim Huckabay (TBD).

Co-ops

- ✓ Revisions pending deputy district director.
 - Task lead: Terry Abbott.

Stormwater Data Report

- ✓ Assess appropriate level of information.
 - Task partners: Joyce Brenner (Task Lead), Tim Sobbleman, Ilene Poindexter.

PEAR and Environmental Engineering

- ✓ Assess appropriate level of information contained in PEAR.
 - Task partners: Joyce Brenner (Task Lead), John Pagano, Gary Slater, Ilene Paindexter.

Value Engineering

- ✓ Review and assess current process.
 - Task partners: Terry Abbott (Task Lead), Joe Hurley, Marco Sanchez, 1-2 district representatives (TBD).

Review Process

- ✓ Review standard requirements.
 - Task lead: Lima Huy.

Work Plan Process

- ✓ Report on Central Region work plan analysis process
 - Task lead: Marco Sanchez.

Lifecycle Cost Analysis

- ✓ Report Central Region.
 - Task partners: Donna Berry (Task Lead), Rick Guevel.

Safety and ADA Projects

- ✓ Small capital improvement project PID process.
 - Task lead and partners were not assigned.

MIG

- ✓ Transcribe wallgraphic and meeting notes into a meeting summary report.

Agreements

- ✓ APS adds value to the PID process and, therefore, no additional action is needed at this time.