



# Stewardship & Oversight Report – Fiscal Year 2020

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Federal Highway Administration,  
Texas Division

December 2020

## Stewardship & Oversight Agreement

On December 8, 2015, the Federal Highway Administration, Texas Division (FHWA Texas Division) and the Texas Department of Transportation (TxDOT) executed a Stewardship & Oversight Agreement on Project Assumption and Program Oversight (S&O Agreement). This agreement sets forth the roles and responsibilities of the FHWA, Texas Division and TxDOT with respect to Title 23 project approvals and related responsibilities and Federal-aid Highway Program (FAHP) oversight activities. In early 2016, in accordance with the agreement, new TxDOT Executive Director James Bass affirmed his endorsement of the agreement by letter.

Section XI, Subsection A, of the S&O Agreement describes the TxDOT oversight and reporting requirements, including submission of a summary report within two months of the end of the federal fiscal year of all significant stewardship and oversight activities conducting during the previous fiscal year. This report is the fifth of the annual reports under the S&O Agreement and provides summary information on TxDOT's Federal Fiscal Year 2020 stewardship and oversight activities. It provides data related to all TxDOT activities during the fiscal year and not only activities within which FHWA is participating.

In summary:

- TxDOT let \$7.511 billion in Federal Fiscal Year 2020 for 1,030 projects.
  - 782 Statewide Lets (\$5.971 billion)
  - 51 Local Public Agencies (LPAs) Lets (\$386 million)
  - 1 Design Build Lets (\$677 million)
  - 196 Other Lets (\$477 million)
- TxDOT processed 797 construction project preliminary engineering plan sets for letting in Fiscal Year 2020
- TxDOT managed approximately 1,819 active construction projects during Fiscal Year 2020

### Local Public Agencies (LPAs)

Section XI, Subsection B, of the S&O Agreement also requires that TxDOT provide an annual report documenting its fulfillment of responsibilities as a pass-through entity of FHWA funds on projects performed by local public agencies (subrecipients). TxDOT submitted the latest edition of that report, entitled "Fiscal Year 2020 Annual Report to FHWA-Texas - Local Government Projects Program (Local Public Agencies)," to the FHWA-Texas on December 2, 2020.

Federal government laws, rules and regulations refer to local government entities as local public agencies (LPAs). TxDOT refers to LPAs as local governments (LGs) since the state of Texas laws related to LG entities are codified in the Texas Local Government Code. For this report, the use of LGs is to be considered interchangeable with LPAs. TxDOT defines a LG project as a transportation project for which at least one phase of project development (environmental, design, right of way, utility relocation or construction) or the program is managed by a LG entity and is reimbursed with FHWA or TxDOT funds. Even though projects being reimbursed with FHWA or TxDOT funds are considered LG projects by TxDOT, only projects that include reimbursement with FHWA funds are included in this report.

In summary:

- The latest FY 2020 report (data collected at the end of August 2020 from the TxDOTCONNECT database) includes 553 active LG projects with total funding in the amount of \$3.40 billion. The total amount of federal funds committed to these projects is \$1.45 billion (57.2 percent).
- Entering FY 2020, 65 projects with federal funds were scheduled for letting by LGs during FY 2020 with estimated total funding of \$448 million.
- LGs actually let 41 projects with federal funds in FY 2020 and awarded 35 of those projects totalling \$264 million in construction cost. TxDOT provided concurrence in the award of these 35 contracts during FY 2020.
- During FY 2020, LGs were reimbursed approximately \$80.2 million in FHWA funds on highway planning and construction projects.

In accordance with federal regulations, TxDOT is ultimately responsible for LG compliance with applicable federal laws, rules and regulations on LG projects. FHWA issues a Federal Project Authorization Agreement (FPAA) for each project to TxDOT. TxDOT has a funding agreement with a LG for each project. FHWA has no agreement with each LG. Therefore, FHWA holds TxDOT accountable for LG compliance with all applicable federal regulations. Additional information on TxDOT's oversight of this program is included in the Subsection B report.

## Key Aspects of TxDOT's Stewardship & Oversight of the Federal-Aid Highway System in Texas

### Overview

During Fiscal Year 2020, TxDOT has provided effective stewardship of the Federal-aid Highway System in Texas and responsible oversight of the project delivery programs that affect the condition and performance of that system across the state. TxDOT continued to make progress in providing quality stewardship of the system.

TxDOT presents key performance indicators for the Stewardship & Oversight Agreement in the [Stewardship and Oversight Indicators section](#) of this report. TxDOT will continue to work with the FHWA Texas Division to ensure that these performance indicators provide meaningful information on our efforts to effectively and responsibly manage the Federal-aid Highway Program in Texas.

### TxDOT's COVID-19 Pandemic Response

During the COVID-19 pandemic, the Texas Department of Transportation (TxDOT) has remained committed to serving the people of Texas and meeting the state's transportation needs. TxDOT is continuing to deliver on our mission of "Connecting You With Texas." Daily safety measures are in place to protect our TxDOT crews working in person on projects. For instance, employees undergo temperature checks upon arrival to any TxDOT facility, practice social distancing, and wear face masks, especially when social distancing is harder to maintain. Additionally, employees are riding in separate vehicles whenever feasible. TxDOT is monitoring the situation closely and is in contact with state health and emergency management officials to follow all applicable health and safety guidance issued.

Due to several weeks of below normal traffic levels earlier this year, TxDOT has been able to accelerate and even complete portions of projects in our metro areas where traffic is typically heavier. For example, in Austin, where there was a decrease in traffic by as much as 49 percent during the stay-at-home orders, TxDOT was able to complete a portion of construction activities on FM 2222, initially scheduled for 15 weeks, in just 6 weeks. Additionally, a part of a project to construct a flyover along I-35, from Rundberg Lane to US 290 – originally planned for 94 days – was completed in just 71 days. In the Houston District, repaving a stretch of Westheimer went from an originally planned 11 months down to 3.5 months, and the timeline for the entire project went from an originally planned 13 months down to an estimated 4.5 months and wrapped up in August.

It is important to note that despite lower traffic volumes during stay-at-home orders that occurred early in the pandemic, the need to continue to remind drivers to be safe behind the wheel remained critical. Texas still has not experienced a single deathless day on its roadways since November 7, 2000. TxDOT continues to urge all Texans to help #EndtheStreakTX by making better choices while driving. This includes following traffic laws, not driving distracted, wearing a seat belt, and never drinking and driving.

In addition to its own safety messaging for drivers, TxDOT has also served as a partner to state agencies working to educate the public about COVID-19. For example, TxDOT has

shared health messages on social media, incorporated them into news releases where appropriate, and has displayed critical COVID-19 safety reminders on its Dynamic Message Signs (DMS) across the state. These DMS messages included information on travel restrictions and quarantine requirements for those traveling from other states into Texas early in the pandemic.

Effective March 16, 2020, TxDOT's office-based workers began mandatory telework and TxDOT office facilities were closed to the public. Because TxDOT has had a telework practice in place prior to the pandemic, the move to mandatory telework for office-based employees was not an impairment to day-to-day operations. TxDOT's Information Technology Division enhanced TxDOT's VPN capabilities and provided increased support for employees who were working remotely.

Though TxDOT temporarily closed the lobbies of its Travel Information Centers, the outside public restrooms remained opened as did TxDOT's safety rest areas, which provide important stops for the traveling public and commercial truckers. TxDOT's ferry operations also continued. As the state began reopening in late May and June, TxDOT began reopening some of its Travel Information Centers lobbies to the public with enhanced safety protocols. TxDOT also implemented these enhanced protocols at the TxTAG (toll) customer service centers, including plexiglass shields at customer service desks and signage regarding the requirement for face masks.

TxDOT also quickly adapted by transitioning its public meetings, hearings, and events into a virtual format. This included conducting the monthly Texas Transportation Commission meeting telephonically and over the web when feasible to ensure transparency and participation from the public via phone. In many cases, virtual options have increased public participation in meetings and hearings. Virtual options also have provided new ways for TxDOT's transportation partners and other state agencies to connect with each other remotely in new and enhanced ways. This has benefitted collaboration and information sharing. Because of early planning and proactive communications, TxDOT has been able to relatively seamlessly adjust to the new realities introduced by the COVID-19 pandemic while still serving the public in an effective and efficient manner.

TxDOT has made its Continuity of Operations Plan (COOP) a priority to ensure that TxDOT could adapt to scenarios that may impact operations. As part of this strategy, TxDOT re-initiated its internal Pandemic Task Force in early February 2020 to update TxDOT's pandemic response plan as an appendix to the COOP in response to early reports regarding COVID-19. The task force represented key functions across TxDOT and provided updates and recommendations to TxDOT's executive administration in preparation for a potential global pandemic.

This strategy also included a robust internal communications plan to keep TxDOT employees informed of the rapidly-evolving COVID-19 situation beginning in March. This included creating an internal resource web page, sending weekly email updates, creating a series of educational materials and videos, and regular communication via email and videos from the executive director.

TxDOT leaders have adjusted the way day-to-day business is conducted. As noted, TxDOT management directed office-based workers to telework in March to continue their work remotely. TxDOT remains productive and has grown its ability to collaborate and communicate effectively via technology as well its ability to conduct virtual meetings, hearings, and events. TxDOT has seen participation in public meetings and hearings frequently increase in the virtual setting as this medium provides more flexibility for participants. Training for TxDOT employees also shifted to primarily virtual training. This included rethinking how to onboard new employees safely and successfully.

TxDOT has not waited to begin assessing its response to COVID-19, and its internal audit team initiated an after-action survey of TxDOT leaders in April 2020 to assess strengths and lessons learned as well as seek recommendations to continuing to improve response activities. Results reflected favorable opinions regarding TxDOT's initial response to help prepare and adapt to the pandemic. TxDOT also planned a thoughtful and informed return of office workers to TxDOT facilities over time. This planning resulted in TxDOT's Playbook for Safely Returning to In-Office Operations, which was first issued in May 2020 and continues to be updated as situations warrant. The Playbook was also informed via a survey sent to all TxDOT employees to gauge concerns and better understand precautions employees hoped to see in place.

Under this Playbook, as of November 2020 TxDOT is operating under Phase 1 of the Playbook, which is a voluntary return to in-office work at no more than 25 percent capacity of TxDOT's office facilities. As noted, TxDOT employees have been able to provide a high level of service throughout the pandemic, whether reporting in person or working remotely via telework.

In addition, with a determined emphasis on safety, TxDOT has made changes to the way our workers in the field conduct their daily activities, which was noted previously. The new safety measures, such as temperature checks, social distancing, mask usage, and enhanced cleaning practices, have kept our workforce safe. TxDOT also continues to work with the contracting community to adapt, develop, and share best practices and safety guidelines. Like others, TxDOT initially had some challenges acquiring the needed personal protective equipment (PPE), but this issue has since been resolved, and TxDOT ensures our employees have the equipment, information, and guidance to stay safe.

TxDOT continues to closely monitor guidance from state and federal health officials to remain responsive and adaptive with the safety of our employees and the traveling public top of mind.

### **Successful Project Delivery Optimization and PS&E Packages**

On an annual basis, FHWA Texas Division develops a list of TxDOT projects known as Projects of Division Interest (PoDI) to optimize the successful delivery of TxDOT projects and to ensure compliance with federal requirements. PoDI projects include Major Projects (both design-bid-build delivery and alternative delivery), as well as other projects that FHWA Texas Division selects based on elevated program risks or project level risks. The FHWA Texas Division also develops an individual PoDI Plan for each PoDI project to identify project risk areas, specific activities of project development/delivery that will require FHWA stewardship

& oversight, and the degree of required FHWA coordination and involvement for each specified activity. The Design Division, upon receipt from FHWA, coordinates the list with the respective district offices. TxDOT district and Design Division staff monitor projects on the PoDI to ensure appropriate coordination with the FHWA on any reviews or approvals identified by the PoDI Plans. All FHWA-defined Major Projects are on the PoDI. The Design Division has developed a preliminary Major Project inventory (outlining the status of Major Project documents); TxDOT will ultimately share the final inventory with the FHWA to better monitor and coordinate Major Project status statewide.

All TxDOT district offices submit their plans, specifications, and estimate (PS&E) packages for all state-let projects to the Design Division for final processing prior to letting. The districts submit these PS&E packages electronically through a PDF Portfolio process (ePS&E). The submitted PS&E package includes plan sheets, standard drawings, specifications, engineer's project estimate, general notes, and supporting documentation certifying the completion or conditional completion of right of way acquisition, utility work, relocation work, and railroad work. The Design Division has been sharing the above described project oversight information with the FHWA regional office since April 2016 to assist in their project authorization process.

TxDOT continues to successfully process final PS&E in accordance with the August 27, 2018 policy memo to all TxDOT District Engineers, which outlines requirements and expectations of the PS&E package submittal and PS&E processing schedule deadlines. The policy requires the District Engineer to request approval from TxDOT's Chief Engineer for any projects where complete packages cannot be submitted to FHWA prior to the deadline. TxDOT's Chief Engineer then officially notifies FHWA Division headquarters. This policy is to 1) encourage accountability and consistency on the requirements of complete PS&E packages, 2) enforce deadlines and 3) improve coordination with FHWA in advance to ensure successful project authorization. To improve communication and implementation of this policy, TxDOT holds monthly meetings with Design Division, Financial Management Division, Right of Way Division, Railroad Division, Construction Division, and members of TxDOT administration to perform a 3-month lookahead and review critical issues that may affect projects on the letting schedule and to decide the best course of action. The Design Division also hosts quarterly meetings with FHWA staff involved in both preliminary project development and final PS&E reviews and authorization to identify and discuss any issues, as well as to provide status on TxDOT efforts regarding statewide guidance and standard operating procedures (SOPs) and other guidance in development.

During this reporting period, TxDOT released the following SOPs (with process flow charts) and other guidance for statewide use: Addendum SOP (8/2019); Major / Other Project Webinar (11/2019); TxDOT Policy on Access to the Interstate System / Interstate Access Justification Report SOP (4/2020); Roadway Design Manual (Revised 7/2020); Value Engineering Statewide Program Webinar (7/2020); and Access Management (Release of Access SOP, Driveway Permitting & Appeals SOP, and updates to the TxDOT Driveway Permit request form, 8/2020).

### Railroad Agreements in PS&E Packages

The Rail Division is responsible for providing information to the districts regarding the status of the execution of the railroad agreements, which are required in the PS&E packet. This certification is done by the District and submitted to the Design Division. The districts prepare railroad certification letters for the PS&E packet, which are required for each project, whether there is a railroad within the project limits or not. There are four (4) possible Railroad certification types: 1 *No Railroad Work*, 2 *Agreement Executed-Work prior to Construction*, 3 *Agreement Executed- work during construction* and 4 *Agreement not Executed- work during construction*. In Fiscal Year 2019, TxDOT executed a total of 137 railroad agreements in support of construction and maintenance projects.

Under Item 4 in the certification letter, “Agreement not Executed- Work during Construction,” the Rail Division will determine how quickly the railroad agreement can be executed, and the district engineer will confirm that the contractor can work outside of railroad right of way until the agreement is executed without any delay to the contractor. For situations when the estimated execution date of the Railroad agreement is beyond the three months after letting, the district works with the Design Division and prepares and submits to TxDOT’s Administration a construction management plan for approval to proceed to letting with the unexecuted agreement. This standard operating procedure will confirm approval with administration prior to letting the projects and issuing a notice to proceed.

Of the 152 projects that TxDOT certified in Fiscal Year 2020, TxDOT let eleven (11) projects without associated agreements. The status of these eleven projects is included below:

CSJ	Road Name	Expected Agreement Execution Date	Actual Agreement Execution Date
0018-06-136	IH 35	5/1/2021	TBD
0039-07-256	IH 69E	11/15/2020	TBD
0089-08-098	US 59	5/31/2020	1/13/2020
0111-01-096	FM 521	10/31/2019	6/18/2019
0500-04-103	IH 45	10/30/2020	TBD
0508-01-355	IH 10	11/4/2019	7/8/2019
0517-06-036	SH 16	9/1/2020	7/16/2020
0610-07-113	IH 30	8/31/2020	6/11/2020
1835-02-059	FM 1741	5/29/2020	6/12/2020
3158-01-043	FM 3083	1/31/2020	12/9/2019
3559-02-007	SH 170	9/1/2020	TBD



The individual projects that are not cleared as of 11/2/2020 are summarized below:

- 0018-06-136: There are two locations in this project that require a Construction and Maintenance (C&M) Agreement with the Union Pacific Railroad. The agreements are both on target to be executed by the expected 5/1/2021 date.
- 0039-07-256: A railroad agreement has been submitted to Rio Valley Switching Co. (RVSC) and is awaiting approval. The construction timeline allows for an additional seven (7) months for execution of the RVSC railroad agreement beyond the expected 11/15/2020 clearance date without causing a delay to the construction project or the contractor's work.
- 0500-04-103: To be determined due to ROW issues.
- 3559-02-007: The railroad agreement with the Union Pacific Railroad is currently not expected to be executed until December 2020 or later.

### Construction Oversight and Inspections

Continued efforts in this area include periodic in-depth project reviews and central monitoring of contract administration requirements.

Based on a TxDOT district best practice, the Construction Division (CST) developed a new tool for statewide use to provide district staff an at-a-glance summary of the status of all contracts under their purview. The new report includes summaries at the district, area office, and project level. Implementation efforts included individual meetings with each district to demonstrate the report's functionality and answer questions.

CST continues to drive improvements through training opportunities for engineering, inspection, and recordkeeping staff. New and refreshed training courses released in FY 2020 include:

- Dispute Resolution (CON209)
- Inspector Development Workshop (CON305) and
- Construction Recordkeeper Bootcamp (CON320).

As an additional learning opportunity, in compliment to ongoing in-depth change order reviews at the TxDOT division level, CST has begun peer reviews between districts, facilitating discussion of strengths and weaknesses for a specific sample of change orders.

CST also continues its monthly and quarterly reporting to TxDOT administration and the Texas Transportation Commission to provide routine oversight opportunities and elevate awareness of significant issues that may require high-level intervention. A specific focus for FY 2020 has been review of significant change orders on completed projects not meeting the On-Time/On-Budget definitions.

### Materials Testing and Quality Assurance

The Materials and Tests Division's (MTD) 132 employees help ensure quality construction and maintenance of transportation facilities by testing material for compliance with specifications; developing and maintaining TxDOT's test procedures and specifications; and administering the Quality Assurance Programs.

MTD performs testing of material samples taken from ongoing TxDOT projects, as well as quality monitoring samples, to assess quality of materials being provided to TxDOT projects. During Fiscal Year 2020, MTD's central laboratories tested more than 23,000 samples and performed more than 75,000 tests to determine conformance of roadway material with established specifications. MTD's Flexible Pavements Section field offices oversaw the testing and production of over 1.6 million tons of materials used on TxDOT's roadways. In addition, MTD's Prefabricated Structural Materials Section performed on-site Quality Assurance inspections encompassing more than 98.1 million pounds of steel bridge girders, 1.4 million linear feet of prestressed concrete bridge girders, and 11.7 million square feet of concrete wall and bridge deck panels.

MTD manages the development of TxDOT's Special Specifications and Provisions to modify TxDOT's Standard Specifications, as well as provides oversight for one-time use provisions submitted by districts. During Fiscal Year 2020, MTD implemented 32 special specifications and provisions and over 1,200 one-time use special specifications and special provisions. MTD also establishes TxDOT's test procedures as a standard of practice for performance of material tests. MTD developed or revised 19 test procedures and department material specification (DMS) during Fiscal Year 2020.

#### *Quality Assurance Program for Design-Bid-Build Projects*

MTD maintains the TxDOT Quality Assurance Program (QAP) for Design-Bid-Build (DBB) Projects. The QAP for DBB Projects has been published at:  
<https://www.txdot.gov/business/resources/materials.html>

MTD also maintains the Guide Schedule of Sampling and Testing for Design-Bid-Build Projects (DBB Guide Schedule). The DBB Guide Schedule has been published at:  
<https://www.txdot.gov/business/resources/materials.html>

#### *Quality Assurance Program for CDA/Design-Build Projects:*

- MTD maintains the TxDOT "Quality Assurance Program for Comprehensive Development Agreement (CDA)/Design-Build Projects" (the "DB QAP"). The DB QAP has been revised and published with an effective date of October 27, 2020.
- MTD also maintains the "Guide Schedule of Sampling and Testing for Design-Build Projects by the Independent Quality Firm (IQF)" (the "DB Guide Schedule"). The DB guide schedule has been revised and published with an effective date of May 27, 2020.

These two documents are available at the following link:

<https://www.txdot.gov/business/resources/materials.html>

MTD provides oversight for CDA/DB projects by conducting training, participating in inspection/material risk workshops, and reviewing quality management plans and reports, including:

- Conducting Quality Management Training on alternative delivery projects for project personnel, including DB contractors' Quality Control and Independent Quality Firm; TxDOT's General Engineering Consultant; Independent Assurance Firm; Owner Verification Firm; and TxDOT project personnel. Training addressed TxDOT's DB QAP,

including federal and state requirements, quality roles and responsibilities, and the QAP implementation process.

- Participating in DB project Inspection/Material Risk Workshops in conjunction with FHWA to review project-specific risks and identify appropriate levels of TxDOT verification for testing as well as assessment of high-risk items/elements for inspection oversight.
- Reviewing and approving Construction Quality Management Plans and Owner Verification Testing and Inspection Plans for DB projects.
- Reviewing and approving Owner Verification (OV) reports for federal funded projects prior to submission to FHWA by the DB project team. Also, reviewing and approving OV reports for non-federal funded projects.
- Reviewing project-specific deviations on DB Specifications.

As part of MTD's new role to provide oversight for OVTI Services Contracts for all Design-Build projects to ensure consistency across all DB projects in the state, MTD revised the Standard Scope Owner Verification Testing and Inspection (OVTI) – Attachment C, "Services to be Provided by the Engineer."

MTD reports to FHWA annually on the Independent Assurance Program, a component of the Quality Assurance Program used by districts to test and approve materials at the district level. TxDOT submitted the annual report for 2019 (the most current) to FHWA for approval.

### Right-of-way Acquisition; Business, Residential, and Utility Relocation

The Right of Way Division continues to further its mission: *Proactively engage and collaborate with our district partners to provide all of our stakeholders and customers with timely and professionally delivered right of way solutions for TxDOT and the citizens of Texas.*

There are 213 employees in the Right of Way Division (ROW) and in the TxDOT districts who are responsible for the delivery of State right of way. ROW has established protocols for training and taken measures to ensure compliance with state and federal laws and regulations, including the Uniform Relocation Assistance and Real Property Acquisition Act (Uniform Act). ROW personnel monitor Local Government Agencies and consultants acquiring right of way for compliance with the Uniform Act in acquisitions, relocations, and eminent domain.

Utility accommodations are a cost of right of way acquisition. Therefore, ROW is also responsible for developing policies and procedures related to the reimbursement of utility accommodation costs, as well as ensuring compliance with state and federal laws and regulations. Training is provided to stakeholders in the areas of utility conflict management, utility accommodation policies and procedures, and Buy America compliance.

ROW continues training utility company representatives, TxDOT staff involved in utility coordination activities, and consultants across the state on the latest Buy America guidelines as well as utility conflict management procedures.

During Fiscal Year 2020, ROW accomplished the following:

#### Acquisition

- 1,629 parcels acquired:
  - 1,408 acquired by negotiation
  - 221 acquired by condemnation (13.6% eminent domain rate)
- 483 relocation displacees:
  - 165 residential
  - 168 Business/Farm/Non-Profit Organization
  - 150 personal property moves

#### Utility Accommodations

- 233 Standard Utility Agreements executed
- 100% of utility relocations reviewed were Buy America compliant

#### Commercial Signs

- 15 Commercial Sign permits were issued for relocation (does not include number of commercial signs impacted by highway projects)
- 21 impacted signs on highway construction projects
- 184 new permits issued
- 19 illegal signs removed
- 15 enforcement cases with the Office of the Attorney General
- ~ 193K miles regulated
- ~13,885 active permits
- 30 certified cities
- ~7K signs in certified cities

#### Real Estate Dispositions

- 25 disposals (Non-Interstate) approved

#### *ROW Use Agreements*

From October 2019-September 2020, TxDOT executed 33 ROW use agreements (non-interstate). Right-of-way use agreements, also known as Multiple Use Agreements (MUAs), are agreements TxDOT executes with local and federal governments for the use of state right-of-way for a non-highway purpose that serves a public interest. Some examples of right-of-way use agreements include parking facilities, shared use pathways, boat ramps, and law enforcement functions. These agreements stipulate that the local or federal government is responsible for the construction and maintenance of the facility at hand.

#### **Performance-Based Planning and Programming**

The Texas Department of Transportation uses performance-based planning and programming to help inform decision making throughout the development and delivery of transportation programs and projects. The department is focused on delivering the right projects – on time and on budget – to improve the lives of Texans.

Key approaches that the department is developing and implementing include:

- a macroscopic-level investment scenario dashboard to evaluate potential system performance outcomes of program area investments for long-range and mid-range planning (See Figure 1,)

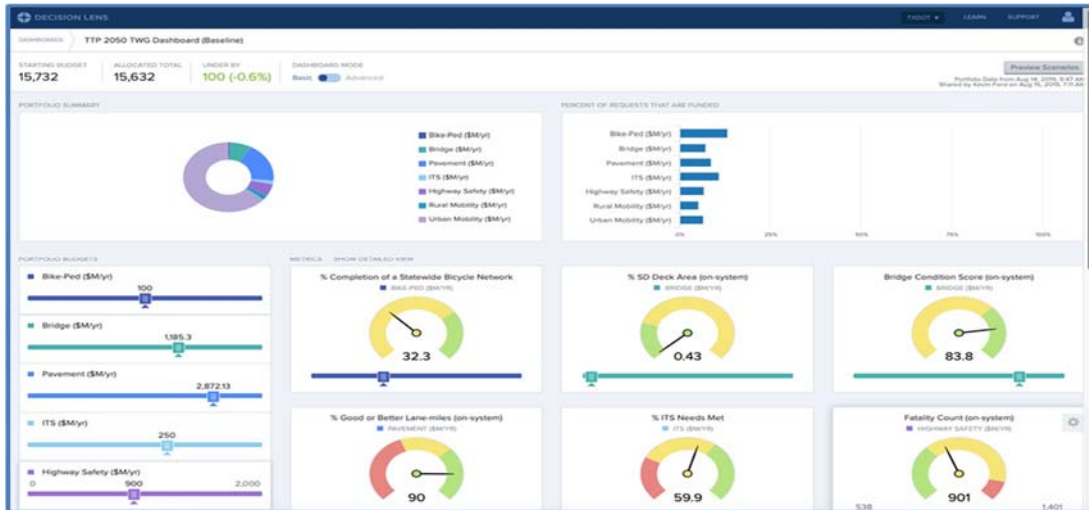


Figure 1: Sample Investment Performance Dashboard

- a corridor prioritization tool (CPT) to evaluate the statewide highway system and prioritize investments by considering the needs of key areas such as safety, system preservation and mobility (See Figure 2,)

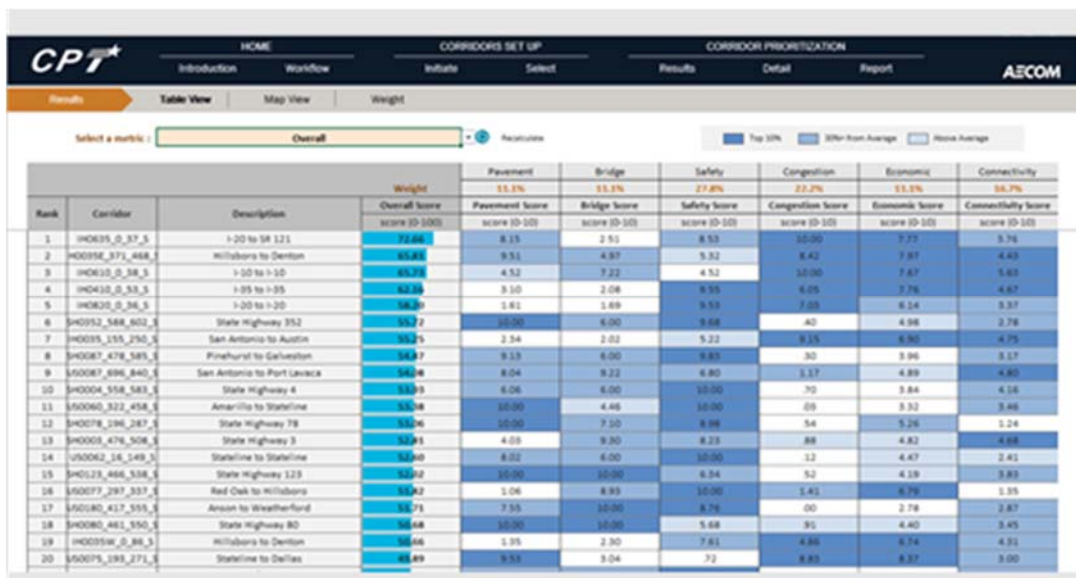


Figure 2: Sample Statewide Corridor Needs Prioritization

- a corridor evaluation tool (CET) to prioritize segments within a given corridor for investment in preliminary project development (See Figure 3,)

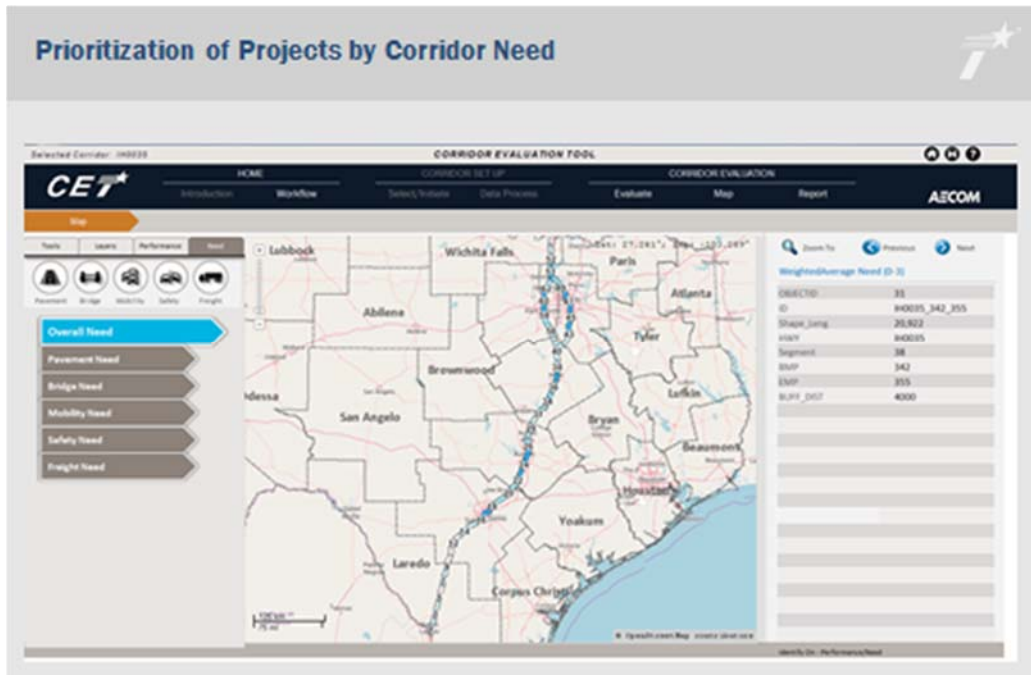


Figure 3: Sample Corridor Evaluation Tool - IH 35 Corridor

- an approach to estimate how investments in program areas translate to effective investments in key performance areas of safety, preservation, congestion and connectivity (See Figure 4,)

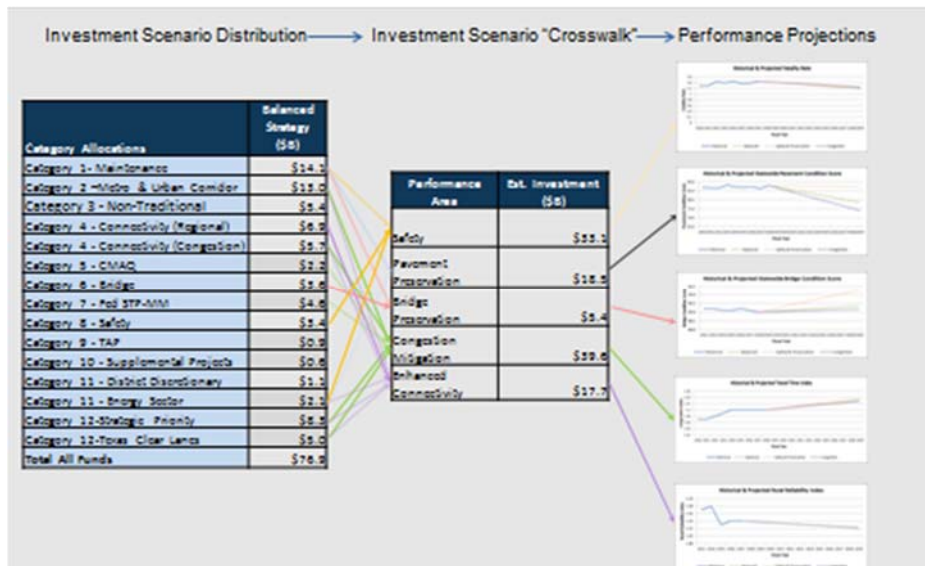


Figure 4: Sample 10-Yr Investment Performance Outcome Projections

- a process and set of tools to make informed decisions about specific investments within project portfolios (See Figure 5,) and



Figure 5: Sample Project Portfolio Scoring

- the Quarterly Review Process, described below, to monitor and track portfolio performance and provide communications and data to support project investment decision making.

### Quarterly Review Process

As part of its performance-based planning and programming, TxDOT applies a portfolio management process to comply with Federal and State legislation. A major element is the Quarterly Review Process (QRP), a rigorous four stage process involving monthly data collection, data analysis and quarterly meetings between TxDOT Divisions and Districts to monitor the agency's performance in terms of budgeting, planning, and programming the department's project portfolio within a 10-year window that is aligned with its Unified Transportation Program (UTP). (See Figure 6.) The objective of the QRP is to develop a healthy statewide portfolio supported by the right projects, developed in individual districts, and given resources provided by divisions to meet TxDOT's strategic initiatives. Specifically, the QRP aims to ensure:

- Portfolio health - Deliver TxDOT's strategic initiatives per latest financial forecast through building the right volume and mix of projects with cleared milestones;
- Project health - Monitor progress towards clearing milestones to ensure letting projects on time; and
- Resource health - Coordinate resource budgets and future staffing needs.

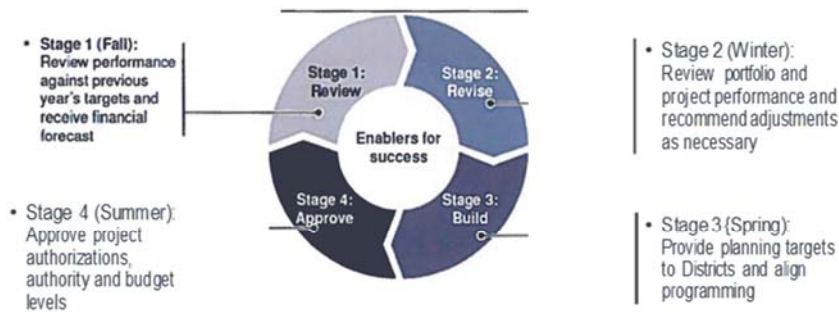


Figure 6: Phases of Quarterly Review Process

The process

- facilitates the timely request and accurate planning for centralized resources;
- provides early guidance and approved strategic guidance to districts on their volume and mix of projects, enabling improved planning;
- is used to engage stakeholders, including Metropolitan Planning Organizations (MPOs); and
- provides transparency to TxDOT leadership on their role and required decisions.

**Statewide Transportation Improvement Program (STIP)**

In Fiscal Year 2020, there were three quarterly revisions applied to the 2019-2022 STIP. These are scheduled each year in November, February, May. All revisions received FHWA approval. The new 2021-2024 STIP is currently under development to meet state and federal requirements, which includes fiscal constraint.

**Environmental Compliance**

TxDOT is in its first year working under the First Renewed NEPA Assignment Memorandum of Understanding (MOU) between the FHWA and the department concerning State of Texas' participation in the Project Delivery Program pursuant to 23 U.S.C. 327, commonly known as the National Environmental Policy Act (NEPA) Assignment Program.

Classes of Actions	Fiscal Year 2019	Fiscal Year 2020
Categorical Exclusions	4,049	2,657
Environmental Assessment/FONSI	22	22
Environmental Impact Statement/ROD	1*	0



\* All environmental assessment projects were started after NEPA Assignment (12/16/2014). The one environmental impact statement that received a ROD in Fiscal Year 2019 (12/12/2018) began prior to NEPA Assignment.

**Key Assignment Metric:** Key to the foundation of the Assignment Program is streamlining and shortening the environmental review and approval process for federal aid projects while assuring projects are environmentally compliant. Although the average time to complete an environmental assessment increased in Fiscal Year 2020 over Fiscal Year 2019, since the effective date of Assignment (December 16, 2014) the days to complete environmental assessments has decreased significantly. The Environmental Affairs Division (ENV) attributes the increase to a heavier workload and the ever-increasing complexity of projects. To date, there have been no environmental impact statements either started or completed during assignment.

Assigned Federal Projects	Annual Average Time Fiscal Year 2019	Annual Average Time Fiscal Year 2020	Time Savings (days)
Environmental Assessment/FONSI	718 (days)	768 (days)	-50
Environmental Impact Statement/ROD	2,264**	0	n/a**

\*\*This value for a single record decision is not an annual average; it is the actual time to complete environmental analysis. Consequently, no time savings comparison can be made to Fiscal Year 2020. However, the time saving from the pre-NEPA Assignment baseline (2,934 days) is 670 days.

The Environmental Affairs Division (ENV) calculated the average number of days to complete environmental assessments (EA) with a project decision of a Finding of No Significant Impact (FONSI), and environmental impact statements (EIS) with a project decision of a Record of Decision (ROD). The reduction in time to develop and complete an environmental document is a direct result of improved efficiencies, guidance, training, and the authority assigned to TxDOT to make project decisions on assigned federally funded projects (NEPA Assignment). The environmental documents that had minimal environmental considerations had their respective environmental analyses conclude with open ended d-listed categorical exclusion (CE) determinations. This left the remaining environmental documents with the more challenging complex environmental issues which required longer time required to complete the analysis.

**Training:** ENV provides training to department staff as well as local government, consultant, and other agency staff. In Fiscal Year 2020, ENV provided training to 997 persons (1,338 in Fiscal Year 2019) through classes such as TxDOT Environmental Overview for Engineering Staff, Air Quality for Attainment and Non-Attainment Areas, TxDOT Environmental Procedures for Local Government Staff, USCG and USACE training, Texas Natural Diversity Database training, and ECOS training, among others. ENV typically hosts an Environmental Conference

each year; however, due to coronavirus concerns this conference was not held in 2020.

**Staffing:** ENV has a total of 65 technical subject matter experts and 14 business operations staff who guide overall program activities and assist district personnel on federal aid projects.

**Projects in Active Litigation on the Basis of NEPA Determination:** The department is currently in active litigation in one lawsuit on the basis of the NEPA determination: Save Barton Creek Association et al. v. Texas Department of Transportation et al., filed in the United States District Court for the Western District of Texas, Austin Division, on July 29, 2019. This lawsuit involves the Oak Hill Parkway Project in Austin. On August 30, 2020, the court referred the case to mediation.

### Changes or Enhancements to TxDOT's Organizational Structure

The following organization change, as depicted in the [organizational chart](#), took place in September 2019:

- TxDOT appointed a Chief Information Officer.

### Changes or Enhancements to Financial Management Systems

#### *Enhancements to TxDOT's Oracle PeopleSoft Financial Supply Chain Management System (FSCM) Application*

Through TxDOT's internal application request (AR) process, TxDOT implemented enhancements to the FSCM through a total of 46 ARs during 2020.

Module	Number of ARs
Accounts Payable (AP)	4
Accounts Receivable (AR)	1
General Ledger (GL)	2
Inventory (IN)	3
Commitment Control (KK)	1
Project Costing (PC)	1
Purchase Order (PO)	11
PR (Projects)	2
PeopleTools (PT)	19
Travel and Expense (TE)	2
<b>Total</b>	<b>46</b>

#### *Enhancements to Federal Authorization Funding Obligation System (FAFOS)*

FAFOS is an internal TxDOT application that serves as platform to facilitate electronic data sharing (EDS) efforts between TxDOT and FHWA's Financial Management Information

System (FMIS) 5.0. There were 3 application requests during Fiscal Year 2020. These enhancements to FAFOS during 2020 have increased system effectiveness and increased communication capabilities with FMIS 5.0.

#### *Enhancements to TxDOT Project Close-Outs with FHWA*

The Financial Management Division's Accounting Section has added additional steps on the project closeout process due to the performance end date (PED). If a project has an expired PED date, staff performs an analysis at the transaction level to make sure the billed cost occurred before the PED date. If there are any costs that were incurred after the PED date, TxDOT funds the costs with non-federal funds.

#### *Responding to Quarterly Audits of Inactive Projects*

TxDOT did not make any significant changes/enhancements to the process for responding to the quarterly audits of inactive projects in FY 2020.

#### **Key Findings Related to Delivery of the FAHP from Internal, State, or Federal Audits and Any Related Action Plans to Ensure Compliance**

The following audit reports and related action plans relevant to the delivery of the FAHP are available online at the locations listed below.

#### TxDOT Internal Audits Issued in Fiscal Year 2020

**TxDOT Internal Audit of Americans with Disabilities Act Goal Setting and Reporting** – Issued May 2020

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/ADA\\_Goal\\_Setting\\_and\\_Reporting\\_Audit\\_Final\\_Report.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/ADA_Goal_Setting_and_Reporting_Audit_Final_Report.pdf)

**TxDOT Internal Audit of Professional Engineering Procurement Services (PEPS) Prime Provider Performance Monitoring** – Issued February 2020

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/PEPS\\_Prime\\_Provider\\_Performance\\_Monitoring\\_Audit\\_Report.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/PEPS_Prime_Provider_Performance_Monitoring_Audit_Report.pdf)

**TxDOT Internal Audit of Performance Measures** – Issued May 2020

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/Performance\\_Measures\\_Audit\\_Final\\_Report.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/Performance_Measures_Audit_Final_Report.pdf)

**TxDOT Internal Audit of Project Prioritization Portfolio Analysis Tool** – Issued May 2020

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/Project\\_Prioritization\\_Portfolio\\_Analysis\\_Tool\\_Audit\\_Final\\_Report.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/Project_Prioritization_Portfolio_Analysis_Tool_Audit_Final_Report.pdf)

**TxDOT Internal Audit of Third-Party Website Administration** – Issued December 2019

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/ThirdParty\\_Website\\_Administration\\_Final\\_Report.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/ThirdParty_Website_Administration_Final_Report.pdf)

*TxDOT External Audits Completed in Fiscal Year 2020*

Audit of Regional Toll Revenue – City of Fort Worth

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/Regional\\_Toll\\_Revenue\\_-\\_City\\_of\\_Fort\\_Worth.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/Regional_Toll_Revenue_-_City_of_Fort_Worth.pdf)

Audit of Regional Toll Revenue – City of Dallas

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/Regional\\_Toll\\_Revenue\\_-\\_City\\_of\\_Dallas.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/Regional_Toll_Revenue_-_City_of_Dallas.pdf)

Audit of Regional Toll Revenue – City of Denton

[https://ftp.txdot.gov/pub/txdot-info/aud/reports/Regional\\_Toll\\_Revenue\\_-\\_City\\_of\\_Denton.pdf](https://ftp.txdot.gov/pub/txdot-info/aud/reports/Regional_Toll_Revenue_-_City_of_Denton.pdf)

State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2019

<http://www.sao.texas.gov/reports/main/20-555.pdf>

An Audit Report on Contract Change Management at the Department of Transportation

<http://www.sao.texas.gov/reports/main/20-027.pdf>

A Report on the Implementation Status of Prior State Auditor's Office Recommendations

<http://www.sao.texas.gov/reports/main/20-030.pdf>

## Stewardship and Oversight Indicators

This section provides performance indicator information as it pertains to the Stewardship and Oversight Agreement between the Texas Department of Transportation and the Federal Highway Administration. The FHWA will use these indicators to monitor the assumed project-level actions and to track statewide trends. The FHWA may also obtain and use the source data for these indicators to conduct data analysis at the district level to determine the health of the FAHP. This data analysis and visualization will also serve as the basis for gathering information from the districts to identify areas where the FHWA can provide services and technical assistance, as appropriate.

TxDOT, in coordination with the FHWA Texas Division, updates the set of stewardship and oversight indicators included in this report every three years. We may also modify the indicators when there is an update to the S&O agreement within the three-year cycle. The following indicators are effective for the Fiscal Years 2019-2021 reporting period.

Area of Focus	Assumed (Delegated) Actions per S & O Agreement Attachment A	S&O Indicator(s)	Fiscal Year 2020 Result
Structures	Provide approval of preliminary plans for unusual/complex bridges or structures (non-Interstate). [23 USC 109(a) and FHWA Policy]	Number of approved preliminary plans for unusual/complex bridge or structures.	4
		Number of significant design comments requiring resolution for an unusual/complex bridge/structure.	0
		Number of construction change orders attributed to the design of an unusual/complex bridge/structure.	21
Civil Rights	Acceptance of Bidder's Good Faith Efforts to Meet Contract Goal or of Prime Contractor's Good Faith Efforts to Find Another DBE Subcontractor When a DBE Subcontractor is Terminated or Fails to Complete Its Work. [49 CFR 26.53(g)]	Number of projects awarded utilizing Good Faith Efforts.	1
		Number of projects closed utilizing Good Faith Efforts.	0

Area of Focus	Assumed (Delegated) Actions per S & O Agreement Attachment A	S&O Indicator(s)	Fiscal Year 2020 Result
Construction	Concur in award of contract. [23 CFR 635.114]. Approve PS&E. [23 CFR 630.201]	Percent of projects with low bid within +/- 10% engineer's estimate.	47%
	Approve PS&E. [23 CFR 630.201]	Percent of construction projects completed on budget (within +/- 10% of awarded amount).	77.11%
	Approve PS&E. [23 CFR 630.201]	Percent of construction projects completed on time (within +/- 10% of the contract time).	65.92%
	Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work. [23 CFR 635.309(b)]	Number of projects with ROW/utility delay based on the Ready to Let Definition	ROW only – 8 (0 req. MP); Utility only – 83 (32 req. MP); Both – 12 (10 req. MP)
	Concur in award of contract/rejection of all bids. [23 CFR 635.114]	Average number of bidders per small, medium, and large projects (Small – Below \$15M; Medium in Between, Large - \$50M and Above).	Small – 4.90 Medium – 4.89 Large – 4.70
	Concur in settlement of contract claims. [23 CFR 635.124]	Number of contracts using Federal funds for settlement of contract claims.	2
	Approve cost-effectiveness determinations for construction work performed by force account or by contract awarded by other than competitive bidding. [23 CFR 635.104 & 635.204]	Number of Federal-aid projects by force account or by contract awarded by other than competitive bidding.	0

Area of Focus	Assumed (Delegated) Actions per S & O Agreement Attachment A	S&O Indicator(s)	Fiscal Year 2020 Result
Design	Approve Changes and Extra work. [23 CFR 635.120] Approve PS&E. [23 CFR 630.201]	Percent of change orders resulting in increased cost due to design errors.	28%
	Approve utility and railroad agreements [23 CFR 645.113 & 646.216]	Number of projects with railroad agreement not executed, work during construction certificates.	11 out of 152 (7.2%)
	Approve exceptions to design standards. (Interstate). [23 CFR 625.3(f)]	Number of Design Exceptions processed by TxDOT on the Interstate.	9
Emergency Relief	Approve emergency determinations for contracts awarded by other than competitive bidding. [23 CFR 635.104. & 204]	Number of Emergency Determinations (TxDOT's Certification of Emergency) approved per event.	0
		Number of Emergency Determinations (TxDOT's Certification of Emergency) per event that was Let 3 months after the event.	0
Right-of-Way	Ensure compliant ROW certificate is in place. [23 CFR 635.309.309 (c)]	Percent of projects with conditional ROW certifications.	103 out of 797 (12.9%)
	Approve disposal at fair market value of federally funded right-of-way, including disposals of access control [23 CFR 1.23(c)]	Number of Disposals approved. (Non-Interstate)	25
	Approve non-highway use and occupancy [23 CFR 637.207]	Number of ROW use agreement approved. (Non- Interstate)	33

Area of Focus	Assumed (Delegated) Actions per S & O Agreement Attachment A	S&O Indicator(s)	Fiscal Year 2020 Result
Pavement and Materials	Accept materials certification. [23 CFR 637.207]	Number and percentage of final accepted Federal-aid construction projects lacking a Materials Certification Letter.	17 (3%)
		Percentage of Materials Certification Letters with no exceptions to the plans and specifications.	82%
Utility	Approve utility and railroad agreements. [23 CFR 645.113 & 645.119]	Number of TxDOT reviews on utility projects (with executed agreements).	233
	Approve utility and railroad agreements. [23 CFR 645.113 & 645.119]	Percent of projects in compliance with Buy America requirements.	100%
Environment	All CE, EA/FONSI, EIS/ROD, 4(f). 106, 6(f), and other approval actions required by Federal environmental laws and regulations included in the FHWA-TX 327 NEPA Assignment MOU.	Average number of days of time savings/efficiency of TxDOT issuing NEPA approvals (CE, EA, EIS) from the prior year.	EA = -50 days EIS = n/a  See ENV section for more details