



MEMORANDUM

**To:** UWP Committee

**From:** Angela Manning-Hardimon  
Deputy Executive Director, Finance and Administration

**Date:** September 1, 2021

**Re:** FY 2023 New UWP Competitive Program Summary

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During the planning of the FY2022 budget process, the UWP Committee, FHWA, FTA and IDOT voted to recess the FY2022 UWP Competitive program to explore opportunities to enhance the program with the focus of exploring barriers to starting projects, strategically funding projects in light of declining UWP competitive funding, developing a process for managing the performance of projects to achieve maximum benefits for the region, and developing a process for evaluating and selecting projects based on criteria that: aligns with ON TO 2050 priorities; implements goals, objectives, strategies and performance measurements identified in the state's Long Range Transportation Plan; moves agencies towards implementing performance-based programming; benefits disadvantaged/economically distressed communities; and demonstrates highest and best use of federal funding through efficient project management.

During CMAP's 2018 US Department of Transportation Certification Review for the Chicago, Illinois Transportation Management Area, it was noted by FHWA and FTA that "the UPWP Committee regularly revisits how planning funds are evaluated and allocated. As financial resources become more strained it is critical that the committee continue to evaluate and improve these processes while incorporating performance based planning principles." The process developed by the UWP Committee to evaluate the current UWP Competitive program and develop a new program for FY2023 that explored best practices and process improvements achieves these objectives.

Over the course of spring 2021 (February through May), the Committee convened four working group meetings to discuss the critical areas and objectives identified above. Each meeting focused on one of the four specific areas with the goal of evaluating the current UWP Competitive program and attributes of a new program using the SWOT methodology (Strengths, Weakness, Threats and Opportunities) to capture the Committee's feedback. In addition, agency presentations related to the focus area of the meeting were conducted to

provide insight on lessons learned during the project and best practices implemented to keep the project moving forward.

### **Barriers to Starting Projects**

In February, the Committee met to discuss “Barriers to Starting Projects” with the goal of identifying what obstacles and challenges impacted agencies’ ability to advance projects to “project ready” (similar to “shovel ready” in construction) at the beginning of the fiscal year and upon award and execution of an agreement. The Committee noted the following:

- Stakeholder engagement and support is completed before the project is submitted to the UWP Committee for consideration. *No material impact to project timeline.*
- Scope of work for the project is considered final at submission of the proposal for the UWP Call for Projects. However, once a vendor is selected for the project, the scope of work is subject to change based on vendor/agency discussions. *Could materially impact project timeline.*
- Projects can’t be released for competitive bid without a funding commitment in the form of a fully executed agreement from CMAP. *Could materially impact project timeline.*
- Committee agencies utilize shared procurement resources and have no control over those procurement resources to maintain project timelines. *Could materially impact project timeline.*
- Committee agencies use pre-qualified vendors/task order processes whenever possible. However, this process does not necessarily reduce the procurement timeline. *No material impact to project timeline.*

During this meeting, FHWA advised that scope of work should be complete and fully defined at the submission of the proposal for the UWP Call for Projects. Scope of work should not be modified once the project is selected and funding awarded. FHWA also advised that the timeline of current projects, greater than 3 years, was no longer sustainable due the nature of the projects (planning, studies, research and analysis, etc.), value-add of lengthy projects, and federal fiscal obligation considerations.

### **Strategic Funding of Projects**

In March, the Committee met to discuss the topic of “Strategic Funding of Projects” with the goal of identifying different sources of funding, strategies, and the benefits, obstacles and challenges inherent in each funding source/process. With UWP and State Planning and Research (SPR) grants being the current funding available for these projects, these grants were the only two sources discussed during this meeting. Committee members noted competitive funding under the UWP is declining and state and federal partners encouraged the committee to consider other sources of funding for projects. IDOT advised the project types typically submitted to UWP are eligible. In previous years these projects been awarded SPR grants. IDOT encouraged the committee to consider SPR as a funding option.

The Committee noted the following:

- Available project funding under the UWP program is declining year over year.
- The application and selection process for projects under the UWP program is not administratively burdensome.
- Funding projects under the UWP program using a spend plan appropriation model could be challenging based on the available funding under the program in future fiscal years. Submitting future project proposals may be limited based on available funding and previous years' funding obligations.
- The SPR program is a similar resource and due to the size of the fund, more projects can be funded under this source.
- UWP projects are eligible for SPR funding.
- The Call for Projects under the SPR program could align with the UWP budget development process.
- The SPR grant reporting requirements under GATA (GATA budget template, quarterly BOBS reports, programmatic risk assessments (PRA), and internal control questionnaire (ICQ)) are administratively burdensome.

## **Project Performance**

In April, the Committee met to discuss "Project Performance" with the goal of identifying best practices in managing and monitoring the performance of projects. During the meeting it was discussed that effective performance management is an important component of any project as it provides parameters and mechanisms to monitor project progress, transparency, and accountability about project performance, but most importantly, demonstrates that state and federal funds are being expended towards the timely completion of scope of work that have immediate, tangible benefits to stakeholders. Managing project performance is pivotal to expending federal funds in a timely manner. At this meeting CMAP staff presented the four options below for the Committee to consider.

### **Target Based or Key Performance Indicators (KPI) Approach**

Under a target based or KPI performance management program, project performance can be managed based on achieving targets or KPIs identified in the competitive proposal. Targets or KPIs may be most relevant in projects where the goal is quantifiable. Examples could include projects that support achieving federal performance measures related to asset condition or safety. The targets for these projects have clear numbers, percentages, and other measurable KPIs that can be used towards tracking progress. The goal is to achieve the target or KPI within a defined timeline with interval tracking towards that target(s).

### **Milestones (or Deliverables) Approach**

Probably the most popular method of tracking project performance are milestones (can be interchangeable with deliverables). Important milestones or deliverables are denoted in a project plan because they are critical activities required to be completed for the project to progress to the next level or phase. This date driven approach identifies

milestones that represent the completion of a task or deliverable within the plan. One example could be completing an Existing Condition Report for a Comprehensive Study in accordance with a timeline or receiving municipal adoption (milestone) of the Comprehensive plan.

### **Spend Plan (Budget) Approach**

The basis of this approach requires project sponsors develop a plan that outlines project spending over the course of the project by months or by quarters. Project performance is tracked against how sponsors spend against the plan. Spend plans were mentioned during the Committee's discussion on strategically funding as a possible option to funding projects. This approach can serve dual purposes. An example of a project using this approach could be a transit study where it was determined to be a 3-year project where Year 1 was focused on data collection, 40% of the budget, Year 2 was focused on data analysis 50% of the budget, and Year 3 was focused on drafting a plan and recommendation, 10% of the budget. This could be the baseline budget for this project and performance would be tracked against this spend plan, monthly or quarterly.

### **Full Project Plan Approach**

This approach demonstrates performance through multiple benchmarks. This model may be most appropriate for projects where re baselining is often required. It highlights the areas that require re-baselining at the same time highlighting where the project is progressing successfully. For example, a project could require a modification in the date of a deliverable and still be spending in accordance with a spend plan. Many of the UPW Committee members may use this approach today with plans designed and managed in-house or by the consultants selected to do the project.

The Committee noted the following:

- KPIs maybe more difficult to develop and quantify based on the type of project.
- The Milestones (or Deliverables) and Spend Plan (or Budget) Approach are components tracked in the Full Project Plan Approach.
- The Full Project Plan Approach is currently being done by the Committee agencies and vendors. This approach was preferred by the Committee.
- Concerns with the Full Project Plan Approach was how to involve CMAP staff in the monitoring process without overwhelming CMAP staff.

### **Project Selection Criteria and Evaluation Process**

In May, the Committee conducted its final working group meeting to discuss "Project Selection Criteria and Evaluation Process" to explore best practices in evaluation processes and to discuss project selection criteria that should be factored into the UWP Competitive process. CMAP staff conducted research to identify models to present to the Committee for consideration. CMAP staff identified one commonly used model with calculation variations that was used for project selections and vendor competitive bid processes. Committee members were presented with a model that calculated scores based on weighted evaluation criteria and points, points assigned

to evaluation criteria, or points assigned based on a range of points (similar to how scoring for the TIP program is conducted).

**Sample Evaluation Model**

Evaluation Criteria	Weights or Range of Points	Points	Total
Aligns with ON TO 2050 Priorities	15%	10	1.5
Project Timeline	(5-15)	10	10
Funding Requirements			
Project Readiness			
Past Project Performance			
Regional Impact			
Completeness of Proposal			
Aligns with the State’s Long Range Transportation Plan			
Benefits Disadvantaged/Economically Distressed Communities			

The Committee noted the following:

- Model was similar to what is currently being used for the UWP Competitive program and agency projects/vendor selections.
- Committee preferred the use of “range of points” similar to how scoring for the TIP program is conducted.
- The weighted method was least favored as there were concerns that projects could be selected and “win” based on higher scores in lower weighted categories.
- The Committee also discussed what performance evaluation criteria could be considered for the new UWP Competitive program to ensure the best projects are selected that align with ONTO 2050 priorities.
- The Committee noted the performance evaluation criteria included in the sample evaluation model above.
- Evaluation process could follow selection process similar to LTA Call for Projects.
- Committee will evaluate criteria every four years to align with the regional goals that are adopted as part of a new regional plan or plan update. (Note the next plan update is October 2022)

ACTION: Discussion

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