



# Mn/DOT Research Peer Exchange

Pooled Fund Financial Management  
August 20 – 23, 2007

## Final Report





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## Acronyms

AASHTO – American Association of State Highway Transportation Officials  
ConnDOT – Connecticut Department of Transportation  
DOT – Department of Transportation  
FHWA – Federal Highway Administration  
FMIS – Financial Management Information System  
Mn/DOT – Minnesota Department of Transportation  
NCHRP – National Cooperative Highway Research Program  
NH DOT – New Hampshire Department of Transportation  
RAC – Research Advisory Committee  
RFP – Request for Proposal  
SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users  
SP&R – State Planning and Research  
TPF – Transportation Pooled Fund  
TXDOT – Texas Department of Transportation  
UTC – University Transportation Center  
WSDOT – Washington State Department of Transportation





# Mn/DOT Research Peer Exchange

August 20 – 23, 2007

## Introduction

The Minnesota Department of Transportation Research Services Section hosted a peer exchange on August 20-23, 2007 in Bloomington, Minnesota. Representatives from five state DOTs and FHWA-Headquarters joined representatives from Mn/DOT and FHWA-Minnesota to share experiences and best practices in the area of pooled fund financial management. The exchange consisted of presentations, roundtables and active discussions as the group worked to share key information about their involvement in the Transportation Pooled Fund (TPF) program.

This report highlights the key observations and action items that came out of the peer exchange discussions, including the next steps for effective implementation of the new FHWA pooled fund procedures.

## Objectives

The overall theme for the peer exchange was pooled fund financial management. The meetings were structured around six main focus areas: Solicitation, Authorization and Obligation, Partnerships, Administration and Tracking, Contracting, and Closeout, Reporting and Implementation. Participants received the following list of questions associated with each focus area in advance of the meeting to help them prepare. Each participant provided a brief overview about their practices at the beginning of each topical session. This was followed by questions and discussion.

### Solicitation

- How do you decide when to pursue a pooled fund project versus a single state project?
- What are the financial pros of leading pooled fund projects?
- What are the financial cons of leading pooled fund projects?
- How will these pros and cons change if the lead state becomes responsible for managing the funds instead of FHWA?
- What has been your experience with in-kind contributions?
- How do you encourage other states to participate?
- Should there be an absolute limit (or at least a firmer one) on how long a solicitation can remain open?
- If a solicitation remains open for at least 2 years without being "cleared", should / could there be some automated way to either cancel or reconfirm the commitments?
- Can there be some clearer method established for annual solicitations of on-going long-term projects?

### Authorization and Obligation

- What is your process for submitting, updating and getting approval for your annual work program as it relates to pooled fund projects? Are pooled fund projects approved on a project basis or as a group? How do you incorporate new pooled fund projects (leading or participating in) that come up throughout the year?
- What is your process for obligating funds? How often do you do it?
- What challenges and opportunities do you see with states being able to transfer obligation authority to the lead state? Have you tried this process yet? How do we inform states that they can use it?

### Partnerships

- What is the involvement of your local FHWA office in approval, monitoring and tracking of pooled fund project information?
- Could local FHWA division offices be delegated the authority to approve pooled fund projects?
- Could we get the "cleared by FHWA" and approval for 100% SP&R funding better coordinated?
- Could we establish a time limit on FHWA review / response on a project, such that if no response - project & 100% SP&R is assumed approved?
- Do you partner with others (universities, consultants) in the management of single or multiple projects that you lead?

### Administration and Tracking

- How do you keep track of all of the project details, including state commitments and obligations, expenditures, approval status, etc. for projects your state leads? Who is responsible in your organization and how is this information shared?
- What information will be available on the pooled fund web site regarding obligation of funds when states are transferring their obligation authority to the lead state?
- How do you track the status of the pooled fund projects you participate in?
- How accurate and accessible is FMIS info?
- Can we override some of the TPF Web site automation emails?
- Should there be prompts for information that would make some solicitations more complete?

### Contracting

- How do you contract with universities/consultants?
- Do you use pre-qualification lists?
- Do you send out problem statements to universities based on their expertise?
- How do you handle time extensions?

### Closeout, Reporting and Implementation

- How do you handle the financial and administrative closeout of the completed projects you lead? What process do you follow for notifying FHWA and/or other states of remaining funds that will be returned to them?
- How do you obtain your state's portion of the unspent funds from a completed pooled fund project? What can be done to improve this process?
- How do you report on your investment in pooled funds and the benefits from your investment?
- How do you use the results of the pooled fund projects you participate in?

## **Participants**

### Visiting team members

- Bob Buendia, California Department of Transportation
- Jim Sime, Connecticut Department of Transportation
- Glenn Roberts, New Hampshire Department of Transportation
- Charmaine Richardson, Texas Department of Transportation
- Leni Oman, Washington State Department of Transportation
- Bill Zaccagnino, FHWA – McLean, Virginia

### Peer exchange planning team

- Sue Lodahl, Minnesota Department of Transportation
- Carole Wiese, Minnesota Department of Transportation
- Ann McLellan, Minnesota Department of Transportation
- Deb Fick, Minnesota Department of Transportation
- Kim Linsenmayer, CTC & Associates LLC
- Kirsten Seeber, CTC & Associates LLC

### Other peer exchange participants

- Cindy Holmquist, Minnesota Department of Transportation
- Maureen Jensen, Minnesota Department of Transportation
- Cory Johnson, Minnesota Department of Transportation
- Brad Kennedy, Minnesota Department of Transportation
- John Lindemer, Minnesota Department of Transportation
- Duane Leurquin, Minnesota Department of Transportation
- Debbie Sinclair, Minnesota Department of Transportation
- Phil Forst, FHWA - Minnesota
- Sheri Koch, FHWA - Minnesota
- Linda Preisen, Center for Transportation Studies

## Key Observations and Practices Discussed

### Solicitation

- In deciding to pursue a project as a pooled fund, focus on projects that address issues of high priority to the state, those that have strong national or regional need and those that need more funding than the state can cover alone.
- Benefits to leading projects include more fiscal control and oversight, easier project tracking, the ability to initiate a project in response to an internal need and a faster funding and turnaround of the project as a whole (sometimes).
- Make sure there is a hand off from technical contact when there is a staff transition—both FHWA and the states.
- Use the “No thanks” response feature on the TPF Web site. Lead states won’t waste their time pursuing states they know are uninterested and other states won’t need to respond about the same project multiple times.
- Reach out through the AASHTO RAC listserv to market projects or keep states updated about the status of pooled fund solicitations. However, states that replied “No Thanks” will be among those contacted, so keep that in mind. Maybe acknowledge those that have replied “No Thanks” in the e-mails.
- There is a need to post links to research reports produced by pooled fund projects led by other states where contributing agency staff can find them. Agency Library Web sites may be a good place to post these.
- Submit the 100% SP&R waiver request when posting the solicitation on the TPF site.
- Use panels for review/selection of projects to help ensure they address high priority topics and have advocates for later implementation.
- Year-round solicitations make TPF nimble, so match this with a nimble state DOT decision-making process.
- Consider allocating funding (budget) for TPF projects annually, which can be committed by the research manager year round as needed.
- FHWA uses pooled fund projects to solve funding problems due to SAFETEA-LU earmarks.
- When lacking participation in a pooled fund project it is better to push the project cost down to allow the project to clear and get started. Consider phasing the project.
- Mn/DOT requires a letter of support from an internal division office when staff request participating in or leading pooled fund projects.
- Caltrans requires Division Chief approval of projects for inclusion in the project action list.
- Contacting potential partners during the project conception (before solicitation) helps facilitate timely commitments.
- NHDOT distributes solicitations for consideration quarterly.

### Authorization and Obligation

- Involve FHWA in development of the research program to help approval of the final plan go smoothly.
- Consider approving and funding projects throughout the year as solicitations are posted.

### Partnerships

- A good relationship with FHWA division office is worth the effort.
- Mn/DOT pays lump sum amounts per task on research projects.
- WSDOT has an intern program.
- WSDOT sits on the UTC (TransNow) advisory committee.

- WSDOT research advisory committees are based on business goals (such as project delivery and system operations) rather than being subject specific (such as materials research).
- The New England Transportation Consortium pooled fund (SPR-3(089)) has voluntary involvement from the universities in selecting/developing/scoping projects. They aren't guaranteed any research when it's awarded.
- Partnerships/good working relationships are crucial to success in many projects.
- Mn/DOT has a unique partnership with the locals. They are involved in developing research ideas.
- Mn/DOT has a department wide stewardship agreement with their FHWA division office.
- Mn/DOT relies on the university's resolution tree to help resolve conflicts on research projects.
- The University of New Hampshire's Office of Sponsored Research has put on two workshops that have introduced NHDOT to the resources available through the university including non-traditional research topics.

#### Administration and Tracking

- Maintain records on all pooled fund solicitations and reasons for participating or not participating.
- Mn/DOT took a strategic business approach to developing a research database by having a consultant develop a business model and needs assessment based on their current business processes.
- Caltrans maintains a table of functional/technical areas and names personnel to contact about TPF solicitations in each area.
- Because of limited funding but growth in interest of the TPF program WSDOT now limits SP&R funding of perpetual projects to three years. Exceptions must be approved by the Research Executive Committee.
- WSDOT and ConnDOT use a checkbook-style spreadsheet for tracking federal funds balances.
- WSDOT developed a formal process to acknowledge that travel for pooled fund participation is covered by the project and should not count against department limits on travel.
- The University of Minnesota will charge Mn/DOT the full overhead rate for federally funded projects, but on occasion this has been waived and considered an in-kind contribution to the project.
- Easy Reach software indexes documents on a shared drive from an individual's PC. It's inexpensive software. See [www.easyreach.com](http://www.easyreach.com).
- Some states track research activities funded by other areas of the department.
- Estimate travel costs for participation in project oversight meetings by looking at average number of meetings needed and average cost per meeting. California includes travel costs in the project's cost estimate shown on the solicitation.

#### Contracting

- Contracts should cover ownership or right-to-use provisions for final source code or software products in order to maintain sponsoring state's ability to use at no additional cost following the project. Pooled fund projects should include use by contributing partners as well.
- Master agreements with universities can relieve administrative costs and effort as well as shorten the time needed to contract for research.

- Contracting practices vary by state, depending on a variety of drivers—workforce development issues and some legislatures drive work with the universities; desire for increased competition drives RFP process; work required for securing consultant contracts drive pursuit of extended master agreements with universities.
- Texas signs multi-year contracts based on commitments rather than obligations and secures it with in-house funding. They require obligations to be in hand for the upcoming fiscal year only and include language in the contract that the right to work in future years is based on available funding. Other states require that money to cover the entire contract is in hand before moving forward with an investigator in case a state doesn't follow through with the obligation.

#### Closeout, Reporting and Implementation

- Marketing activities for research programs (research summaries, newsletters, articles, videos, Web sites, etc.) are worth pursuing. Some states use outside groups (universities, consultants) for these services.
- The New England Transportation Consortium (SPR-3(089)) has initiated a project to document implementation achievements for the past 12 years (about 42 research projects).
- Check in with the project manager regarding delivery of products and final invoices as an early step in the closeout.

### **Opportunities/Challenges**

#### Solicitation

- Varying timing of states' decision about pooled fund contributions can cause delays in the commitment of funds to the TPF project. In addition, states make obligations to projects on varying cycles. A national summary of decision making and obligation timing would be helpful for reference by states leading projects. Glenn Roberts volunteered to take the lead on developing this through the AASHTO RAC Program Management and Quality Task Group.
- States need to find ways to share information on the status of older solicitations.
- Better tools are needed for tracking in-kind contributions. In Caltran's new database, in-kind contributions are tracked with dollar values assigned.
- Add federal guidelines (law and rules) on in-kind contributions to guide the states.
- In-kind contributions help allow non-state organizations to participate in the projects.
- Find a way to better distinguish perpetual projects from short-term projects.
- Reminders to obligate to continuing projects would be helpful.
- FHWA headquarters office needs to provide more training/communication to division research contacts.
- Establish a backup/contingency plan for when technical leads move on. This will avoid project delays and ineffective project management.
- Consider funding TPF projects in a tiered system, allowing smaller states with smaller budgets to contribute less. FHWA could take the lead on inviting this kind of participation.
- Look for additional ways for smaller states to benefit from the TPF program—effectively sharing reports with them, inviting them to serve on panels even without contribution, etc.
- It's more difficult for states to track the progress of pooled fund projects they contribute to than the ones they lead.

- FHWA should consider instituting a routine reminder to lead state during the solicitation stage that asks if the state anticipates submitting a formal request to utilize 100% SP&R funds for the TPF project.
- Looking for ways to speed solicitation process is worthwhile, but some states have annual decision-making process for all projects.

#### Authorization and Obligation

- Pursue having FHWA provide blanket approval of the 100% SP&R waiver to speed the pooled fund process.
- Post SP&R waiver letters (scanned documents) on the TPF Web site.
- Approval of 100% waiver requests has been slow, delaying project start dates and state obligations. It would be helpful if the TPF site could automatically e-mail states when a project has been approved for use of 100% SP&R funds.
- For funds “transferred” from other states, increased obligation authority will expire at the end of the federal fiscal year.
- Some states, like Minnesota, are required to have each new pooled fund project (partner or lead) approved throughout the year by FHWA before a contribution can be made. Texas FHWA approves an estimated amount for pooled fund “participation” as part of the Texas annual Work Program and does not evaluate individual projects since they have already been approved by FHWA for the lead state.

#### New FHWA Pooled Fund Procedures

- Consider the document a “procedure” instead of a “guidance” to remove it from the legal process and make ongoing modifications more efficient.
- Modify language in the document:
  - Refer to the transfer form instead of the letter
  - Modify the section on state-to-state transfers: Transfer letters should be posted to TPF site as “private” (access only by authorized users) and the Lead agency (state) should prepare/maintain a spreadsheet summarizing obligations, backed by transfer letters. This spreadsheet should be posted to the public side of TPF site under their respective projects.
  - On the last page of Appendix 2, “Status of Studies”, “Solicitation Posted” add a third bullet “Waiver (optional) request to utilize 100% SP&R funds has been processed by FHWA.”
- Clarify when states are required to begin using the new process. The new pooled fund procedures should be finalized before any existing process is dismantled.
- Get Denny Judycki’s (FHWA Associate Administrator for Research, Development and Technology) immediate involvement in resolving issues regarding implementation of the new process. States need to know how and when to act on current fiscal year contributions.
- The new procedures should be treated like a pilot program, tracking bugs and their resolution.
- States should contact their FHWA Finance Manager regarding their understanding of the process and to walk through next steps on projects the state leads.
- States leading projects need detailed information on contributions for their record management.
  - Can there be an automated record of transfers to each pooled fund project?
  - The lead state could post a tracking spreadsheet for authorized users to reference.
  - Post a list of ideas for effective project tracking on the TPF site for lead agencies to use.

- It's not necessary to use the federal Lockbox. Non-FHWA dollars can be contributed directly to the states per the state's rules (such as by invoice).
- The new process involves a transfer of funds and obligation authority (increase) to the lead agency. The lead state must then obligate all funds provided by others through FHWA FMIS during the same federal fiscal year.
- Participant states need specific instructions, forms and examples of request to FHWA Division offices that request transfer of funds to a lead state.
- Lead states need to be reminded that the obligation must take place within the current fiscal year.
- Lead states need to be educated about their responsibilities in the new process so they may provide effective management.

### Partnerships

- Get more involvement from the private sector while maintaining objectivity of research.
- Look for ways that FHWA can benefit from working with UTCs.
- There's an opportunity for another level of partnership with FHWA. Move from project level to a program level approval.
- What do we need to help partnerships? Needs, suggestions, and feedback should be forwarded to the TRB Conduct of Research and AASHTO RAC Collaboration and Coordination Committees to use in their work.
- A TPF-funded "Research Challenge" in a strategic focus area may be a viable idea for groups of states. Universities are asked to develop a research problem statement in response to the subject area selected by the DOTs.
- States are looking to their FHWA offices for much more than project approvals:
  - Work program support
  - Fiscal support in TPF program
  - Program news (STEP solicitations for example)
  - Research ideas
  - Issues resolution

### Administration and Tracking

- Documents capturing procedures and best practices for managing, tracking and contributing to pooled fund projects should be posted on the TPF website.
- A new NCHRP project could be used to "tweak" the TPF site to better support the program and new procedures.
- The SP&R program is a source of travel funding for pooled fund projects, but Federal participants have some restrictions on use. Expenses shouldn't be the only application of SP&R funds on a project. Refer to the travel guidelines on the FHWA SP&R Web site (<http://www.fhwa.dot.gov/hep/sprt.htm>) for specific guidance on this.
- SAFETEA-LU provided the opportunity for funds to be used for education and technical training. This may help increase funding resources to attend meetings such as the TRB annual meeting.
- Frontloading projects with obligations for multiple years may make it difficult for the lead state to spend the funds before the obligation authority is lost.
- Project managers need to do a better job of reporting on TPF project progress.
- Pooled fund projects should be added to the Research in Progress database automatically through an export from the TPF site, but this isn't happening.
- Effective management of projects by the lead states is crucial to project success. Guidance on how to lead needs to be easier to find on the TPF Web site. Consider developing an online training/resource kit or narrated PowerPoint for leading projects.

- Need stable and increased funding for administration of the TPF Program (additional funding for more staff to facilitate development and maintenance of information and tools).
- Mn/DOT's new research database will include problem statements.

#### Contracting

- Completing projects on time is a challenge for many states. No cost time extensions do have a cost in staff time. University schedules (timing of exams, student availability, etc.) are factors in this and need to be considered up front when developing contract timelines.
- The lead agency's contracting rules and regulations apply for pooled fund projects. These can vary quite a bit by state.
- California has an in-kind contribution section of their project tracking spreadsheet. The in-kind contribution is given a dollar value and added to the total amount of the project in Caltans' database. They refer to the combined total of the in-kind contribution and the total project amount as the total value.

#### Closeout, Reporting and Implementation

- The current closeout process is not working. There are huge delays and much confusion over how much money is left, how to send it back to states and how to recover it from the lead agency. Some states attempt to pull back funds they perceive as being unspent even though that's not the case. The new process should help address this.
- There should be updates to FMIS balances more often to provide an accurate picture of the financial status of projects.
- Explore the use of Wiki (software for allowing collaborative Web sites to be edited by anyone with access) and RSS (Really Simple Syndication Web feed) technology on the TPF Web site to allow states more control in editing pages.
- Post an implementation plan for each TPF Project on the TPF Web site.
- FHWA should consistently maintain the annual TPF report. It is a valuable source of information.
- Create a table of closeout memos that have moved from the TPF Program Office (with project title, lead agency, date received, date sent, etc.). Post the table on the private side of the TPF Web site.
- Report sharing needs to be improved through better posting on the TPF Web site, on state DOT sites and in Library Catalogs.

#### TPF Web Site

- Funding is needed for administering the TPF Program at the federal level to further develop the Web site, develop templates, tools, etc. Can reauthorization help?
- Propose an NCHRP project to develop a business model document describing the current TPF business process. Then use the business model to examine the design and capabilities of the current pooledfund.org and identify gaps and opportunities for improvements to the site. Sue Lodahl will lead the development of the problem statement based on Mn/DOT's experience. The AASHTO RAC Task Group on Program Management and Quality should be involved in developing this proposal.
- Improvements are needed for the TPF Web site regarding solicitation cycles and extensions. Send automatic notifications when solicitation period is approaching its end date.
- "No Thanks" response on TPF Web site should be used but doesn't prevent future solicitations for the affected project solicitation.

- To help improve solicitation communications, consider adding capability within the site to allow the lead agency to create an e-mail to State DOT administrative contacts, with the option to exclude those states that have responded “No Thanks” already. This would avoid using the AASHTO RAC ListServ for pooled fund communications.
- Consider adding more fields, such as multiple lead contact names (technical and administrative), and advanced search capabilities.
- Consider adding Wiki capabilities to allow states more flexibility in updating the site. Refer to the Statewide Pavement Technology Consortium pooled fund for an example of this.
- Perpetual projects need to be differentiated from one-time projects.

## **Takeaways—Peer Exchange Team**

### Sue Lodahl, Minnesota DOT

- Mn/DOT just utilizes a research coordinator as a point of contact for each area. Because of our recent Strategic Visioning Seminar we may establish a RAC (single group to prioritize list of projects). TX has a formal RAC in each focus area to approve projects.
- Mn/DOT’s SP&R program has more involvement from our FHWA division office than other states. Research Services recommends approval for pooled projects with final approval for our Office Director. Hope to have annual spending plan identified each year with set asides for single state, pooled funds, administration and implementation costs.
- Caltrans doesn’t talk with FHWA. They use a MOU for special FHWA funds.
- Many states have very good, longstanding relationships with local FHWA offices.
- Washington TRAC is a tri-party agreement between WSDOT, the University of Washington and Washington State University. WSDOT provides some administrative support to each university for TRAC operations.
- WSDOT matches 60% to their local UTCs (TransNow) 40% and pays full overhead on all contracts.
- WSDOT produces some synthesis reports in house and gets assistance on others from the university.
- California and Texas maintain electronic and/or paper files on all pooled fund solicitation and outcomes. ConnDOT maintains only electronic files on TPF solicitations and outcomes.
- California and Texas use of checklists for tracking program steps.
- Make use of the “No Thanks” feature on the TPF Web site.
- Look into open source coding for research projects (refer to Oregon).
- Find out more about Texas’ use of non-exclusive rights.
- Develop a deployment or implementation plan and publish on the TPF Web site for projects Minnesota leads.
- Mn/DOT shouldn’t make additional contributions to projects unless progress is being made, quarterly reports posted, etc.
- Review Mn/DOT-led pooled fund projects to make sure projects are being closed, funds returned, etc.
- Market Mn/DOT research within the DOT building like New Hampshire does.
- Develop an implementation or deployment plan and publish it on the Web.
- Add videos to Mn/DOT research marketing plan.

#### Ann McLellan, Minnesota DOT

- Put all reports on the Web site of each state.
- A document should be made listing each state's decision-making and obligation timing.
- Almost all states on panel have good relationships with their local FHWA office.
- Texas stops obligating funds if they don't see activity/progress on the project.
- Mn/DOT should use the "No Thanks" feature on the TPF site.
- The Turner-Fairbank Web site has SP&R information.

#### Bob Buendia, California DOT

- Expedite information exchange—start a pooled fund project to cover pooled fund participant travel expenses.
- Market program on the Web site.
- Need to clarify new TPF process.
- Need to speed up approval of 100% SP&R waiver.
- Resolve issues with local FHWA to work together better.
- WSDOT's checkbook for tracking federal funds balances.
- Texas practice of tracking all solicitations, including those they didn't fund and why.
- Seek out underutilized universities.
- Master agreements that don't expire and need to be renegotiated annually.
- Incorporate open source references into contracts for research.
- Look for ways to market projects and programs better.

#### Jim Sime, Connecticut DOT

- Work with Sue Lodahl to explore a new solicitation to develop Web-based geometric design lessons (34 lessons), which ConnDOT can host on its streaming server (work force training issue). Consider reducing the scope in order to get started with a few lessons (proof of concept).
- Request SP&R page from Mn/DOT's stewardship agreement with FHWA.
- Look into the WSDOT suggestion of invoicing the UVM - UTC for their contribution to the new Research Challenge under the New England Transportation Consortium pooled fund (SPR-3(089)).
- Explore development of implementation base-level marketing package (like Mn/DOT's) using state colleges and universities.
- Investigate the use of standalone blanket approval for an annual TPF Travel Plan.
- Investigate using our Access database to generate draft obligation memos (internal correspondence).
- Request copy of Trissential-developed business model documents from Mn/DOT.

#### Glenn Roberts, New Hampshire DOT

- Utilize tools such as WSDOT's chart on leveraging pooled fund investments (amount contributed with amount leveraged) to better demonstrate the value of the program.
- Look at existing "crash testing" pooled fund projects as a way to evaluate more cost effective evaluation of roadside systems.
- Request 100% waiver early during solicitation phase of NHDOT-led projects.
- There are many kinds of partnerships that can be beneficial beyond traditional funding partnerships.
- Look at partnerships to address the strategic plan.
- Work with NH FHWA division office to interpret and utilize the direction provided with new pooled fund procedures.
- Consider WSDOT's checkbook approach for tracking pooled fund commitments, obligations, and expenses.

- Look at Mn/DOT's strategic approach to developing a research database.
- Ask Mn/DOT for its base-level marketing package scope of work. Renew NHDOT focus on executive-level research summaries.
- Conduct an overall assessment of TPF projects New Hampshire DOT has contributed to, i.e. benefits, implementation, etc.
- Send intellectual property rights language to the peer exchange team.

#### Charmaine Richardson, Texas DOT

- Chart of state decision making and obligation timing should be helpful for timing solicitation postings and collection efforts.
- Consider WSDOT's chart for illustrating investment in pooled fund projects versus dollar amount leveraged.
- A good relationship with FHWA division office is worth the effort.
- Look into how many research ideas we're getting from FHWA. Is this working?
- Mn/DOT pays a lump sum per task on research projects.
- WSDOT has a research intern program.
- WSDOT research committees have a strategic focus rather than subject focus.
- Mn/DOT's strategic business approach to developing a program/project management database sounded very effective.
- Stick with their master agreements with no end date.
- Find a more organized and better way to documented implementation plan.
- Mn/DOT's marketing package for promoting research projects and programs.
- WSDOT's pooled fund travel plan. Follow up - is WS limit on OOS travel at agency or legislative level?
- Easy Reach software (used by Connecticut) facilitates searching shared folders and documents. Microsoft's Share Point is another possible tool.
- Master agreements, even though they take time up front, make contracting simpler and faster in the long run.

#### Leni Oman, Washington State DOT

- Request 100% SP&R at the same time the solicitation is posted.
- Follow up on Mn/DOT's stewardship plan with FHWA to see how our agreement might be modified to better support research and library activities.
- Continue to check in on local needs (but temper this with a realistic fear of not having adequate funds to meet needs).
- Think about creating a research challenge with universities.
- Send out open solicitations to staff for feedback quarterly.
- Develop process checklists, borrowing from California and Texas.
- Look into removing end date on master agreements.
- Check whether we are holding source code in escrow.
- Implement the Texas practice of holding off on obligations for projects that have uncertain progress.
- Consider creating files for all solicitations and not just those that received funding.
- Learn from Mn/DOT's marketing package for promoting research projects and programs.
- Develop project Web sites.

#### Bill Zaccagnino, FHWA – Washington D.C.

- Revisit length of solicitation posting.
- Partnerships and a good relationship with those partners are crucial to success in many projects.

- FHWA needs to track the invoices from the states better (and not rely on the Finance office to track them on their end).
- Post the 100% waiver request on the TPF site.
- Need to improve tracking of progress on waiver requests and invoices from the states.
- Remind states at the solicitation stage to submit their waiver requests (if desired).

## **Action Items**

### All participants

- Work with FHWA local division offices to understand and apply the new pooled fund procedures.

### Bill Zaccagnino

- Clarify with Margo Sheridan when states need to be moving to the new process on state-led projects. Work with Denny Judycki to eliminate confusion on this. Communicate with state research administrator and FHWA division budget staff on immediate next steps.
- Work with Nazhat Aboobaker to better track state invoices and payments and requests 100% SP&R waiver requests.

### Sue Lodahl

- Referencing the business model work completed at Mn/DOT in developing a new research database, draft a proposal for taking a similar strategic business model approach to enhancing the TPF Web site. Work with the AASHTO RAC Task Group on Program Management and Quality to submit the proposal to NCHRP.
- Send the peer exchange team sample transfer letters for use in the new pooled fund commitment and obligation process.

### Glenn Roberts

- Work with the AASHTO RAC Task Group on Program Management and Quality to develop a summary of state pooled fund decision making and obligation timing.
- Involve the AASHTO RAC Task Group on Program Management and Quality in the development of a proposal to suggest improvements to the TPF Web site based on a business model assessment of needs.

### Leni Oman

- What do we need to help partnerships? Bring this question to the TRB Conduct of Research and AASHTO RAC Collaboration and Coordination Committee.



## Appendix A

### Mn/DOT Research Peer Exchange Pooled Fund Financial Management

August 20 - 23, 2007  
Minneapolis Airport Marriott: Oxford-Bristol Room

#### AGENDA

##### Monday evening, August 20<sup>th</sup>

6:00 PM Meet in the hotel lobby. Dinner and introductions.

##### Tuesday, August 21<sup>st</sup>

8:00 – 8:30 AM Mn/DOT Welcome – Sue Lodahl

- Introduction of visiting team members and planning committee.
- Discussion of peer exchange, theme, emphasis areas, schedule and goals.

8:30 – 10:00 **Background on Pooled Funds Programs**  
8:30 – 8:40 Bill Zaccagnino (FHWA)  
8:40 – 8:50 Sue Lodahl (Minnesota DOT)  
8:50 – 9:00 Leni Oman (Washington DOT)  
9:00 – 9:10 Charmaine Richardson (Texas DOT)  
9:10 – 9:20 Glenn Roberts (New Hampshire DOT)  
9:20 – 9:30 Jim Sime (Connecticut DOT)  
9:30 – 9:40 Bob Buendia (California DOT)

9:40 – 10:00 Background questions and discussion

10:00 – 10:10 Break

10:10 – 11:15 **Focus Area 1: Solicitation**  
10:10– 10:50 Round robin questions and answers with panel  
10:50 – 11:15 Roundtable discussion (including feedback and takeaways)

11:15– 12:00 **Focus Area 2: Authorization and Obligation**  
11:15 – 12:00 Round robin questions and answers with panel

12:00 – 1:15 Lunch as a group in the hotel restaurant

1:15 – 2:45 **Focus Area 2: Authorization and Obligation (continued)**  
1:15 – 1:45 FHWA Presentation on New Pooled Fund Procedures  
(Bill Zaccagnino)

1:45 – 2:45 Questions and roundtable discussion  
(including feedback and takeaways)

2:45 – 3:00 Break

## **Tuesday, August 21<sup>st</sup> (continued)**

- 3:00 – 4:30           **Focus Area 3: Partnerships**  
3:00- 3:45 Round robin questions and answers with panel  
  
3:45 – 4:30 Roundtable discussion (including feedback and takeaways)
- 4:30 – 5:00           Summarize discussions from the day
- 5:00                   Adjourn. Dinner on your own.

## **Wednesday, August 22<sup>nd</sup>**

- 8:00 – 8:15 AM       Welcome and overview of agenda for the day
- 8:15 – 11:00         **Focus Area 4: Administration and Tracking**  
8:15 – 8:30 Bob Buendia (California DOT)  
8:30 – 8:45 Bill Zaccagnino (FHWA)  
8:45 – 9:00 Leni Oman (Washington DOT)  
9:00 – 9:15 Charmaine Richardson (Texas DOT)  
9:15 – 9:30 Glenn Roberts (New Hampshire DOT)  
9:30 – 9:45 Jim Sime (Connecticut DOT)  
9:45 – 10:00 Deb Fick (Minnesota DOT)
- 10:00 – 10:15       Break
- 10:15 – 10:35 Presentation on Mn/DOT Database Development  
(Michael Vinje and Jim Mohs with Trissential)
- 10:35 – 11:00 Roundtable discussion (including feedback and takeaways)
- 11:00– 12:00       **Focus Area 5: Contracting**  
11:00 – 11:40 Round robin questions and answers with panel  
  
11:40 – 12:00 Roundtable discussion (including feedback and takeaways)
- 12:00 – 1:30       Lunch on your own
- 1:30– 4:00           **Focus Area 6: Closeout, Reporting and Implementation**  
1:30 – 1:45 Charmaine Richardson (Texas DOT)  
1:45 – 2:00 Jim Sime (Connecticut DOT)  
2:00 – 2:15 Glenn Roberts (New Hampshire DOT)  
2:15 – 2:30 Debbie Sinclair (Minnesota DOT)  
2:30 – 2:45 Bob Buendia (California DOT)  
2:45 – 3:00 Leni Oman (Washington DOT)  
3:00 – 3:15 Bill Zaccagnino (FHWA)
- 3:15 – 3:30       Break
- 3:30 – 4:00 Roundtable discussion (including feedback and takeaways)

**Wednesday, August 22<sup>nd</sup> (continued)**

- |             |                                                                                                                                                                                                                                                          |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4:00 – 4:45 | <b>Next Steps for TPF Program and Web Site</b><br>Facilitated discussion on future use of the program, suggested modifications to the TPF Web site, communicating between the states and with FHWA, collectively reporting on return on investment, etc. |
| 4:45 – 5:00 | Recap of day's discussion                                                                                                                                                                                                                                |
| 5:00        | Adjourn                                                                                                                                                                                                                                                  |
| 6:00        | Team dinner at a nearby restaurant                                                                                                                                                                                                                       |

**Thursday, August 23<sup>rd</sup>**

- |                |                                                                                                                                              |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 8:00 – 9:00 AM | <b>Topics Wrap-up</b><br>Facilitated discussion to address outstanding topics or questions.                                                  |
| 9:00 – 10:00   | Finalize draft final report: Include interesting observations, opportunities for Mn/DOT, and take-home items from each visiting team member. |
| 10:00 – 10:10  | Break                                                                                                                                        |
| 10:10 – 11:00  | Continue finalizing report                                                                                                                   |
| 11:00          | Adjourn                                                                                                                                      |



## Appendix B

### Peer Exchange Contact List

#### Visiting Panel Members

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#### Peer Exchange Planning Team

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## **Mn/DOT Staff and FHWA Division Office Representatives**

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## **Other Useful Contacts**

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Pooled Funds Contact  
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## Appendix C Resources

### **FHWA's State Planning & Research Guide**

<http://www.tfsrc.gov/sprguide/index.htm>

Includes guidance on the use of SP&R funds for travel and training.

### **Easy Reach Software**

[www.easyreach.com](http://www.easyreach.com).

Inexpensive software for indexing documents on a shared drive from an individual's PC.

### **New England Transportation Consortium (SPR-3(089))**

<http://www.netc.umassd.edu/>

### **Trissential**

Consultants to Mn/DOT on redesign of their ARTS project tracking database.

Morris Oslin or Jim Mohs

(952) 595-7970

moslin@trissential.com

[www.trissential.com](http://www.trissential.com)

## Excerpt from Mn/DOT's FHWA Stewardship Agreement

# RESEARCH, DEVELOPMENT, AND TECHNOLOGY PROGRAM

### BACKGROUND

The purpose of the program is to implement the provisions of 23 U.S.C. 420 for research, development, technology transfer, programs, and studies undertaken with FHWA planning and research funds.

### STATE PLANNING AND RESEARCH (SPR) PROGRAM

The main requirements under 23 CFR 420 are to create a SPR Work Program, monitor planning and research activities, submit performance and expenditure reports, conduct peer reviews, develop and maintain an FHWA approved research and development manual, and maintain program certification.

### LOCAL TECHNICAL ASSISTANCE PROGRAM (LTAP)

LTAP was created to provide training and technical assistance to rural, small urban, tribal governments, and contractors that do work for local agencies on roads, bridges, and public transportation. The LTAP program is regulated under 23 U.S.C. 504(b). The Center for Transportation Studies (CTS) of the University of Minnesota was established as a University Transportation Center (UTC). CTS is the local entity that works with Mn/DOT and FHWA to administer LTAP.

### OPERATING PROCEDURES

#### SPR

The SPR Work Program consists of two parts: Part I Planning and Part II, Research, both are prepared by Mn/DOT's Office of Investment Management, Research Services Section (RSS). Mn/DOT is responsible for preparation and overall coordination of the Work Program in accordance with 23 CFR 420. The SPR program operates on a calendar year basis.

#### LTAP

The T<sup>2</sup> (Technology Transfer) Steering Committee determines the direction for the Minnesota LTAP. The Committee, consisting of CTS personnel, federal, state, and local government representatives, typically meets twice per year. The Spring Committee meeting reviews, modifies, and approves the content of Minnesota's two-year local training and assistance plan. The Fall Committee meeting reviews the following year's work plan, budget needs, and funding request. Minnesota's LTAP training schedule consistently consists of more than ten courses.

CTS coordinates with Mn/DOT and the FHWA to draft an LTAP Work Plan based on a calendar year. Mn/DOT and FHWA review a draft LTAP Work Plan. Comments from both parties are incorporated into the draft and the final version is approved by FHWA.

## **Experimental Features**

Procedures for implementing experimental features are outlined in the Programming and Project Authorization/Agreement process section of this document. RSS acts as a clearinghouse to disseminate the information learned from the use of experimental features. FHWA will work with Mn/DOT, as appropriate, to disseminate information and encourage the implementation of successfully used experimental features.

## **OVERSIGHT ACTIVITIES**

### **SPR**

FHWA exercises its oversight responsibilities through review of the annual program prior to approval actions, annual program certification, review of SPR Work Program amendments prior to approval, and ongoing participation of its technical specialists in pooled fund study technical panels. As appropriate, FHWA personnel participate in peer exchanges.

The FHWA Division Research and Technology Engineer oversees the administrative aspects and coordinates with the Division Office specialists for technical aspects.

FHWA reviews and approves an updated version of the manual when there are significant changes in the management process or new Federal regulation/policy are enacted.

### **LTAP**

FHWA exercises its oversight responsibilities through review of the annual work plan prior to approval actions, review of work plan amendments prior to approval, participation in the T<sup>2</sup> Steering Committee, and participation or planning of various LTAP-related activities.

CTS and FHWA coordinate to process amendments to LTAP. FHWA also coordinates with CTS for program development, eligibility and fiscal issues.

## **Experimental Features**

Oversight for experimental features is handled through the approval process as outlined in the Programming and Project Authorization/Agreement Process.

## REFERENCES

- 23 U.S.C. Sections 501-508, Research and Technology
- 23 CFR Part 420, Planning and Research Program Administration
- FHWA Transportation Pooled Fund Program Procedures (<http://www.tfhr.gov/sprguide/spr/pf2.htm>)
- FHWA Policy Memo of 11/3/1994 – “State Planning and Research Administration; Guidelines”
- FHWA Policy Memo of 1/16/1997 – “Use of State Planning and Research (SPR) Funds for Tech Certification Program Course Development”
- FHWA Policy Memo of 1/26/2001 – “FHWA Development and Coordination of the Research and Technology Program”
- FHWA Order of 9/19/2001 – “Processing Research Projects Under TEA-21 Section 5001”
- Mn/DOT Research Manual
- FHWA Guidelines for Projects Using Experimental Features
- A Guide to Federal-Aid Programs and Projects, FHWA-IF-99-006
- LTAP Manual
- Administration of FHWA Planning and Research Funds, FHWA-PD-98-053
- LTAP Handbook
- 49 CFR 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- Mn/DOT Contract Administration Manual
- Mn/DOT Professional/Technical Consultant Acquisition Procedures for Federally Aided Contracts
- FHWA Guidance Memo of March 11, 2004, - FHWA, State DOT, and MPO Rights to Copyrighted and Patented Items Developed with FHWA Planning and Research Funds

## **RESEARCH, DEVELOPMENT, AND TECHNOLOGY PROGRAM**

### **Summary Table**

<b>WORK ACTIVITY</b>	<b>Mn/DOT ACTION</b>	<b>FHWA ACTION</b>	<b>OUTCOME</b>
Peer Exchange	RSS sponsors event or participates in other States' peer exchanges	Participate and support	Shared knowledge, improved processes, report
Draft SPR Work Program	RSS prepares Part II. OIM prepares Part I. Submit draft to FHWA (no later than November 1)	Participate in preparation. Review and Comment (30 days)	Annual SPR Work Program, list of research projects for CY, planning activities
Final SPR Work Program	Submit (no later than December 1)	Review and Approve (30 days)	Annual SPR Work Program, list of research projects for CY, planning activities
SPR Work Program Amendments	RSS coordinates with OIM for preparing Part II amendments. OIM prepares Part I amendments. OIM processes all. Submit to FHWA on quarterly basis.	Review, Comment (if appropriate), and Approve (30 days)	Addition/reduction of contributions to existing projects and participation in new projects
Mn/DOT Research Manual	RSS prepares in coordination with FHWA	Review, Comment (if appropriate), and Approve (30 days)	Documentation that describes the management, process, and procedures for selecting and implementing RD&T activities
Maintain Certification of SPR Program	Prepare certification statement	Review, Comment, and Approve (30 days)	Certified compliance with 23 CFR 420.
LTAP Base Work Plan	Coordinates with CTS (CTS Submits to FHWA no later than December 1)	Review, Comment (if appropriate), and Approve by January 1	Annual LTAP Base Work Plan, technology transfer activities
LTAP Work Plan	CTS submits to FHWA by January 1	Review, Comment (if appropriate), and Approve (14 days)	Final version of LTAP Work Plan

Projects Using Experimental Features	RSS collects and disseminates information about projects	Work with ORS to disseminate information and encourage implementation of successful features	Evaluation and implementation of new technologies
Projects Using In-Kind Matches	RSS consult with FHWA about eligibility. Prepare proposal per 23 CFR 420.119. Submit proposal to FHWA	Determines eligibility. Review, comment, approve proposal prior to project authorization(14 days)	Leveraging Federal funds with in-kind matches.
Minnesota-only Research with SPR funds	Early coordination with FHWA and RSS submit draft work plan to FHWA	Determine eligibility. Review, comment, and approve work plan.	Approved in-state research project.