

Innovative Program Delivery: An Introduction



INNOVATIVE PROGRAM DELIVERY

Quick Facts

- Includes experts on tolling, pricing, public-private partnerships, project finance, and project delivery
- Provides one-stop shopping for Innovative Program Delivery techniques
- Coordinates research and provides policy for Innovative Program Delivery program areas

Contact

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IN THIS time of declining revenues and increasing fiscal requirements, it is imperative that the transportation industry be equipped with the knowledge and tools needed to evaluate project finance, revenue, and procurement options at the right time in the program delivery process. By being knowledgeable about a wide range of options, both traditional and non-traditional, State and local highway agencies can better ensure that critical projects are adequately funded and delivered on schedule and that continuing needs for the preservation and efficient operation of the system are accounted for.

The traditional process used to deliver highway projects typically does not include early consideration of alternative finance, revenue, and procurement approaches. Often, the right questions are not asked at the right time. Given limited experience in the United States with innovative strategies, such as congestion pricing and public-private partnerships, State and local governments may be reluctant to experiment with new ways of doing business. In some cases, governments may lack the necessary legal authorities to implement certain strategies, thus requiring that enabling legislation be enacted.

The Office of Innovative Program Delivery (IPD) offers a comprehensive suite of resources to assist the transportation community in considering innovative program delivery strategies.

IPD Resources

- **Technical Expertise** to help address the business, financial, administrative, public acceptance, political, and institutional issues associated with the program delivery process and innovative project finance, toll-



Transbay Terminal in San Francisco, CA

ing and pricing, and public-private partnership strategies.

- **Research** to help the industry better understand and apply innovative strategies such as congestion pricing and public-private partnerships.

- **Capacity Building** programs, such as the IPD Academy and the IPD Toolbox, to provide the skill set and tools needed to effectively evaluate and apply alternative program delivery options.

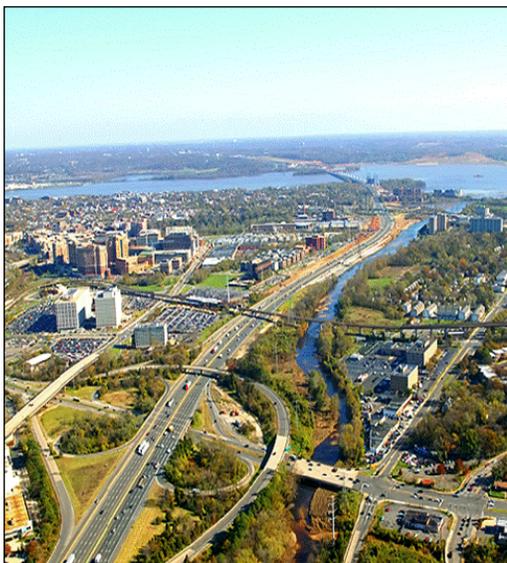
- **Awareness** programs to include partnership building with a wide variety of stakeholder communities to establish interest in innovative program delivery practices.

- **TIFIA Credit Assistance** to help innovative projects clear funding hurdles by providing low-cost, flexible, and long-term financing.

- **Project Delivery Resources**, providing expertise, research, and technical assistance and best practices for project cost estimates, financing, and management plans, as well

as assistance for FHWA Divisions in carrying out their statutory oversight and stewardship responsibilities.

In delivering the program, IPD partners with FHWA's Division Offices to serve as a resource for innovative project delivery processes and practices to our State and local partners. The Office also plays a coordinating and convening role in bringing together related activities underway in other FHWA offices. For example, IPD works closely with other FHWA offices to include the Offices of Operations, Environment and Planning, Infrastructure, and Safety to implement a comprehensive and integrated agency tolling and pricing program. Additionally, IPD has the lead agency role in assisting our partners in implementing Grant Anticipation Revenue Vehicles (GARVEEs) and State Infrastructure Bank (SIB) programs, coordinating with the Chief Financial Officers and Division Finance Staff to provide technical assistance and assist Divisions with carrying out their stewardship responsibilities for those programs.



An aerial view of Capital Beltway in Northern VA

Project and Program Delivery: A Systems Approach

IPD assists States in developing a more holistic view of project development, bringing in revenue and financial considerations at an early stage, and considering long-term maintenance needs. IPD also conducts



An aerial view of Cooper River Bridge, Charleston, SC

the Critical Project Review process, helping projects overcome hurdles encountered during the project development and delivery process. Finally, IPD helps States consider their overall program delivery in terms of optimal revenue generation, financial capacity, and procurement. ■

IPD offers professional capacity building through the IPD Academy in the following areas:

- ▶ Innovative Program Delivery Strategies
- ▶ Public-Private Partnerships
- ▶ Road Pricing and Other Revenue Generation Strategies
- ▶ Grant Anticipation Revenue Vehicles (GARVEEs)
- ▶ State Infrastructure Banks
- ▶ Transportation Infrastructure Finance and Innovation Act (TIFIA)
- ▶ Major Projects, Cost Estimates, and Financial and Project Management Plans

IPD is working with the AASHTO Center for Excellence in Project Finance to develop a suite of courses for delivery to our State and local partners.



The FHWA Office of Innovative Program Delivery helps State and local transportation officials consider innovation in revenue sources, financial tools, and procurement.

For more information, see the Web site:
www.fhwa.dot.gov/ipd



PROGRAM AREAS OF THE OFFICE OF INNOVATIVE PROGRAM DELIVERY

PROJECT DELIVERY

IPD's Project Delivery Team provides expertise and guidance on cost estimation, financial planning, and project management. It also assists FHWA Divisions with statutory requirements for major projects, including cost estimation, financial plans, and project management plans.

PROJECT FINANCE

IPD's project finance experts provide expertise, guidance, research, decision tools, and publications on project finance tools and innovations, including SIBs, GARVEEs, TIFIA, PABs, and other project finance tools.

PUBLIC-PRIVATE PARTNERSHIPS

IPD provides our partners a one-stop source for expertise, education, research, and technical assistance on all aspects of public-private partnerships, including sample legislation, concession agreements, decision tools, reports, and case studies.

TIFIA

Within the IPD office, the Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance in the form of direct loans, loan guarantees, and lines of credit for projects of regional and national significance. Most surface transportation projects—highway, transit, railroad, intermodal freight, and port access—are eligible for assistance.

TOLLING & PRICING

IPD's tolling and pricing program provides expertise, guidance, research, and education to State and local sponsors of tolling and pricing projects.



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