THE PROJECT SELECTION PROCESS

Understanding how the state’s roads, bridges and other transportation infrastructure are selected for funding helps citizens actively participate in the process, make suggestions and propose projects that address their transportation challenges.

Identifying a Need

Every project starts with a need. The impetus for a project can come from any number of sources at the local, state or federal level. Once a need has been identified, project supporters usually approach the Texas Department of Transportation’s (TxDOT) local office, their local Metropolitan Planning Organization (MPO) or their Regional Mobility Authority (RMA). Local authorities are especially familiar with the unique transportation needs of their area. If TxDOT is to be involved as a partner in developing the project, TxDOT assists in performing applicable studies and developing an initial project concept based on those studies. For large-scale, complex and new-location projects, advanced planning studies are performed to assess need and known constraints and explore various potential project approaches. Other types of projects, including safety and bridge and pavement maintenance, have specific analysis requirements. The general TxDOT project development process from need identification to construction is depicted in the chart on page 7.

Building a Funding Strategy for the Project

After development of the initial project concept, the entity or entities developing the project – the local planning organization, mobility authority or TxDOT – works with local project sponsors to devise a preliminary funding strategy for the proposed project. The strategy is dependent upon project type, current estimated project cost, implementation schedule and potential funding sources available to deliver the project. Once an initial project concept has been defined, funding must be identified to move the project forward. Since project funding is typically comprised of a combination of federal, state and local sources, this a complex task. The funding strategy is also revised as the project is refined.

Examples of funding sources are local funds, state funds (such as revenue from motor fuel taxes and registration fees), federal funds, debt financing and public-private partnerships. TxDOT organizes its funding sources into 12 categories, each associated with specific types of projects or ranges of eligible activities. The table on page 4 summarizes the 12 funding categories and outlines the appropriate entities the project sponsor works with to develop a project and eligible funding strategies.

Funding availability is a major factor in determining whether a project is authorized for further project development. Once a funding strategy has been identified for a project, the project may be listed in the four-year Statewide Transportation Improvement Program (STIP) or 10-year Unified Transportation Improvement Program (UTIP).
Program (UTP). Inclusion in these plans indicates authority from TxDOT and local transportation partners to continue the planning and development of a project. Longer term projects outside of a 10-year development window may also be identified by local metropolitan planning organizations in a document called a Metropolitan Transportation Plan (MTP). All of these documents outlined in the graphic below are developed with input from the public and local area stakeholders and are integrally related to each other, with shorter term documents being “nested” within longer term documents.

Additional Planning and Project Development Activities

Advanced planning, environmental studies, design and right-of-way acquisition are project development tasks primarily accomplished at the local level working with city and county officials.

During the development process, a project goes through increasingly detailed analysis including advanced planning activities, environmental planning and documentation, right of way acquisition and preliminary engineering. Depending on a project’s size and scope, project development can range from a few months for simple projects to several years for more complex projects.

For large-scale, complex and new-location projects, advanced planning studies may continue for a period of years to support project refinement. During the advanced planning period a project concept may change considerably as additional information is gathered concerning project needs, project constraints and public and stakeholder input. Alternative approaches are also explored including their impacts and estimated costs.

As this effort moves further along and these parameters are better defined, local transportation professionals, including engineers, planners and environmental specialists, evaluate the project’s viability and environmental implications. For complex projects, multiple alternatives are evaluated for viability, environmental implications and estimated costs. As noted above, the initial funding strategy must continue to be revisited as the project is developed and refined.

Many activities, such as public involvement and other stakeholder engagement efforts, continue throughout the project development process. Project information is disseminated through traditional and social media, websites and public meetings and hearings to provide the public an opportunity to be involved in the decision-making process.

When planning and development are complete and if the final funding strategy has been authorized for the project in the four-year STIP and 10-year UTP, the project is ready to be scheduled for construction.

TXDOT PLANNING DOCUMENTS
FROM LONG-TERM TO SHORT-TERM
## OVERVIEW OF PROJECT SELECTION BY CATEGORY

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>Project Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maintenance and Rehabilitation</td>
<td>Projects selected by districts. The Texas Transportation Commission allocates funds through a formula allocation program. Projects selected for energy-sector distribution/initiatives are managed by the Maintenance Division (MNT).</td>
</tr>
<tr>
<td>2. Metropolitan and Urban Area Corridor Projects</td>
<td>Projects selected by MPOs in consultation with TxDOT. The Texas Transportation Commission allocates funds through a formula allocation program.</td>
</tr>
<tr>
<td>3. Non-traditional Funding</td>
<td>Projects determined by legislation, Texas Transportation Commission approved Minute Order, and local government commitments.</td>
</tr>
<tr>
<td>4. Statewide Connectivity Corridor Projects</td>
<td>Corridors are selected by the Commission based on engineering analyses of three corridor types; mobility, connectivity, and strategic. Funds are allocated by Commission to TxDOT districts. Districts select projects along approved corridors in consultation with MPO’s, the Transportation Planning and Programming Division (TPP), and TxDOT Administration using a performance-based evaluation.</td>
</tr>
<tr>
<td>5. Congestion Mitigation and Air Quality Improvement</td>
<td>Projects selected by MPOs in consultation with TxDOT. The Texas Transportation Commission allocates funds distributed by population and weighted by air quality severity to non attainment areas. Non-attainment areas are designated by the U.S. Environmental Protection Agency (EPA).</td>
</tr>
<tr>
<td>6. Bridge Programs</td>
<td>Projects selected by the Bridge Division (BRG) based on a listing of eligible bridges prioritized first by deficiency categorization (structurally deficient followed by functionally obsolete) and then by sufficiency ratings. Railroad grade separation projects are selected based on a cost-benefit index rating. Projects in the BMIP are selected statewide based on identified bridge maintenance/improvement needs to aid in ensuring the management and safety of the states bridge assets. The Texas Transportation Commission allocates funds through the Statewide Allocation Program.</td>
</tr>
<tr>
<td>7. Metropolitan Mobility/Rehabilitation</td>
<td>Projects selected by MPOs operating in transportation management areas, in consultation with TxDOT. The Texas Transportation Commission allocates funds through a federal program, distributed to MPOs with an urbanized area population of 200,000 or greater (transportation management areas [TMAs]).</td>
</tr>
<tr>
<td>8. Safety Programs</td>
<td>Projects selected statewide by federally mandated safety indices and prioritized listing. Projects selected in the Systemic Widening Program are evaluated by roadway safety features for preventable severe crash types using total risk factor weights. The Texas Transportation Commission allocates funds through the Statewide Allocation Program.</td>
</tr>
</tbody>
</table>
### OVERVIEW OF PROJECT SELECTION BY CATEGORY

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<th>Project Selection</th>
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</thead>
<tbody>
<tr>
<td>9. Transportation Alternatives</td>
<td>For urbanized areas with populations over 200,000, the MPO through a competitive process selects Transportation Alternatives Set-Aside Program (TA Set-Aside) projects in consultation with TxDOT. Funds allocated to small urban areas and non-urban areas (i.e., areas with populations below 200,000) are administered by TxDOT through a competitive process to be managed by the Public Transportation Division (PTN). TAP project eligibility is determined by TxDOT and FHWA. TxDOT staff makes recommendations to the Texas Transportation Commission for TAP allocation to areas less than 200,000 population. The Texas Transportation Commission, by written order, selects projects for funding under a TxDOT-administered TAP call for projects. Statewide TAP Flex projects are selected by the Texas Transportation Commission.</td>
</tr>
<tr>
<td>10. Coordinated Border Infrastructure Program (CBI), Congressional High Priority Projects, and Federal Lands Access Program (FLAP)</td>
<td>CBI projects selected by districts with FHWA review and approval. Discretionary funds are congressionally designated. In FLAP project applications are scored and ranked by the Programming Decision Committee (PDC). Members of the PDC include a representative from FHWA, a representative from TxDOT, and a member from a political subdivision of the state. Projects selected under FLAP are managed by TPP.</td>
</tr>
<tr>
<td>10. Supplemental Transportation Projects: State Park Roads, Railroad Grade Crossing Replanking, Railroad Signal Maintenance, Landscape Incentive Awards, Green Ribbon Landscape Improvement, and Curb Ramp Program</td>
<td>The Texas Parks and Wildlife Department (TPWD) selects State Park Roads projects in coordination with districts. The TxDOT Rail Division in coordination with districts selects Railroad Grade Crossing Replanking and Railroad Signal Maintenance projects. Landscape Incentive Awards are distributed to 10 locations based on the results of the Keep Texas Beautiful Awards Program and managed by the TxDOT Design Division. Green Ribbon allocations are based on one-half percent of the estimated letting capacity for the TxDOT districts that contain air quality non-attainment or near non-attainment counties and managed by the TxDOT Design Division. Curb Ramp Program projects are selected based on conditions of curb ramps or the location of intersections without ramps, and are managed by the Design Division.</td>
</tr>
<tr>
<td>11. District Discretionary</td>
<td>Projects selected by districts. The Texas Transportation Commission allocates funds through a formula allocation program. A minimum $2.5 million allocation goes to each district per legislative mandate. The commission may supplement the funds allocated to individual districts on a case-by-case basis to cover project cost overruns.</td>
</tr>
<tr>
<td>12. Strategic Priority</td>
<td>The Texas Transportation Commission selects projects.</td>
</tr>
</tbody>
</table>
Construction

After a project has been fully developed and has secured funding, the project may be placed on TxDOT’s 24-month letting schedule. TxDOT typically awards construction contracts through a competitive bidding process and submits the lowest qualified bid to the Texas Transportation Commission (Commission) for approval. After the Commission has approved and awarded a contract, construction may begin on a project. Once a project is underway, construction oversight and management are generally accomplished at the local level by TxDOT district staff and other transportation entities. Public information activities continue as appropriate.

Alternative Project Delivery Methods

In addition to the traditional project development approach described above, TxDOT has used alternative delivery methods to advance projects, including design-build (DB) contracts and comprehensive development agreements (CDA). A design-build contract permits the use of a public-private partnership for design and construction services. A CDA permits the use of public-private partnerships for designing, constructing and sometimes financing and maintaining transportation projects. State law allows use of these tools and has outlined a competitive process for selecting developers that will provide the best value to the state. The use of DB contracts and CDAs allows TxDOT to work collaboratively with the private sector to expedite the delivery and implementation of large-scale transportation projects.

PROJECT DEVELOPMENT SEQUENCE AND PROGRAMMING

For TxDOT’s project development process to be efficient, projects must be identified years in advance of their actual funding and construction. As described above, a project must pass through many development steps including identifying a need, exploring alternatives, studying impacts and cost, gathering local stakeholder and public input, acquiring right of way, producing construction plans and awarding construction contracts. At any point along this path, a decision may be made not to implement the project or the project definition may change to better meet the identified needs and balance community, environmental and cost considerations. The actions listed above must occur in sequence to bring a traditionally developed project from an idea to a reality. Therefore, a project must be identified and developed years ahead of the actual construction to ensure that all project development steps are completed at the appropriate time.

In addition to the time required, there are many factors which may affect project funding or implementation, including the favorability of the project bidding environment, availability of additional federal and state revenue sources, and streamlined efficiencies. Other factors, such as unforeseen environmental findings or delays in project phase implementation, may result in a project being delayed or canceled. As a result, TxDOT must be prepared with contingency projects.

TXDOT PROJECT SELECTION PROCESS

<table>
<thead>
<tr>
<th>Needs</th>
<th>Identify a Need</th>
<th>Assess Need</th>
<th>Advanced Planning</th>
<th>Environmental &amp; Design Studies</th>
<th>Design, Right of Way, Utilities &amp; Other Prep</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs are identified through a variety of sources at the local, state, or federal level. This step represents the first opportunity for public input into a potential new project. TXDOT also monitors highway system performance to support need identification.</td>
<td></td>
<td></td>
<td>For large, complex, and new location projects, TXDOT conducts planning studies to explore project design alternatives prior to performing more detailed, expensive analysis. Public involvement is essential. 1 week - 1 year</td>
<td>Many types of projects require preliminary design and examination of environmental and community impacts. At this stage, the project is fairly well defined and details of project construction are being addressed, including acquiring right of way, moving utilities, and other construction preparation. 6 months - 2 years</td>
<td>In order to move forward to construction, a project must be fully designed and have all funding identified. Public information about construction activities is critical to ensure public safety and address construction-related traffic. 6 months - 4 years</td>
<td></td>
</tr>
</tbody>
</table>

PROJECT DEVELOPMENT

The project development phase may range from a few months for simple projects to several years for more complex projects. During this stage, the funding strategy may be refined as needed.
In response to the need for flexibility, TxDOT develops planning targets based on an anticipated 10-year planning scenario funding forecast. TxDOT works with MPOs and RMAs to move authorized projects through the development process based on these planning targets. Projects are identified and evaluated using criteria that address TxDOT’s strategic goals, including safety, system preservation, congestion and connectivity. In response to the requirements of House Bill (HB) 20, passed by the Texas Legislature in 2015, TxDOT further integrated performance-based planning and programming processes into the development of the UTP. These actions include the Commission’s consideration of performance-based criteria when distributing funding among the UTP’s 12 categories.

The project evaluation process relies on technical information as well as direct input from local stakeholders and MPOs. The Commission uses the relative measures of the projects to inform project selection and funding. Funding availability (whether a project is fully or partly funded) and project readiness (how far along the project is in the development process) are important factors for optimizing TxDOT’s project portfolio and ensuring that projects are prioritized efficiently. Identifying, evaluating and prioritizing projects allows TxDOT to respond to unforeseen delays in scheduling projects and to quickly respond to new funding opportunities.

As TxDOT develops and enhances its project selection and prioritization process, TxDOT will seek to engage the public while pursuing new, innovative and creative ways to maximize available funds and address the state’s transportation needs. TxDOT will continue to deliver projects that optimize system performance, preserve and maintain the existing system as well as promote the development and maintenance of a safe transportation system. TxDOT will also continue to facilitate the development and exchange of comprehensive multimodal transportation funding strategies with transportation program and project partners.
VALUES:

People
People are the Department’s most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

Accountability
We accept responsibility for our actions and promote open communication and transparency at all times.

Trust
We strive to earn and maintain confidence through reliable and ethical decision-making.

Honesty
We conduct ourselves with the highest degree of integrity, respect, and truthfulness.

VISION:
A forward-thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.

MISSION:
Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods.

GOALS AND OBJECTIVES:

- **Deliver the Right Projects** – Implement effective planning and forecasting processes that deliver the right projects on-time and on-budget.

- **Focus on the Customer** – People are at the center of everything we do.

- **Foster Stewardship** – Ensure efficient use of state resources.

- **Optimize System Performance** – Develop and operate an integrated transportation system that provides reliable and accessible mobility, and enables economic growth.

- **Preserve our Assets** – Deliver preventive maintenance for TxDOT’s system and capital assets to protect our investments.

- **Promote Safety** – Champion a culture of safety.

- **Value our Employees** – Respect and care for the well-being and development of our employees.

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This document is part of an educational series on transportation issues produced by the Texas Department of Transportation.