

A PLAN OF ACTION FOR DECENTRALIZING AUTHORITY
AND RESPONSIBILITY IN THE VIRGINIA DEPARTMENT
OF TRANSPORTATION

by

The Decentralization Committee

A Special Report submitted to the Leadership Forum and
the Resident Engineers

on behalf of the

VDOT Executive Committee



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
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RAY D. PETHTEL
COMMISSIONER

March 13, 1987

MEMORANDUM

TO - Members of the Leadership Forum
Resident Engineers

The attached report sets forth a plan of action for decentralizing authority and responsibility in the Department.

It outlines all recommendations made by the Decentralization Committee and notes the Executive Committee response to each.

While it is the responsibility of the directors to ensure implementation of the plan in their respective areas, it is the responsibility of the field to accept the accountability implicit in the plan and to work with the directors to look for additional ways to pursue the decentralization theme in the future.

A handwritten signature in cursive script that reads "Ray D. Pethtel".

Ray D. Pethtel
Commissioner

GRA:jk

A PLAN OF ACTION FOR DECENTRALIZING
AUTHORITY AND RESPONSIBILITY IN THE
VIRGINIA DEPARTMENT OF TRANSPORTATION

by

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March 10, 1987

PREFACE

On June 25, 1986, Ray D. Pethel, Commissioner of the Virginia Department of Transportation, notified the Leadership Forum of several changes he would implement regarding organizational structure and alignment of responsibilities. The steps outlined in that June 25 memorandum were designed to fill several gaps existing in the Department while building on the fundamental soundness of the organization and the high quality and competence of its staff. One of the most important of those steps, in the Commissioner's view, involved embarking on a more conscious process of decentralization in both form and substance, making clear that the role of the central office is to establish and monitor necessary policies and procedures while that of the districts and the field is to conduct the operational aspects of those policies and procedures.

The steps toward decentralization were outlined as follows:

1. Have the District Engineers report to the Chief Engineer rather than the Director of Operations.
2. Appoint a committee to develop a plan of specific implementation actions required for decentralization.
3. Initiate establishment of a new position classification for District Engineers.
4. Follow the initial committee work with a longer range examination of other questions related to district organization and staffing to ensure the districts' ability to assume fully the added responsibilities of this decentralization.

The report which follows consists of the proposed plan of implementation actions as called for in step 2. In the view of the members of the committee, these proposals should be judged as the beginning of a more continuous process to enable the Department to be responsive to the demands of the public to provide a well balanced, cost effective transportation program in a rapidly changing environment.

The reader should further note that the proposals contained herein are based on candid, open, discussions and the most complete information available at the time; the content reflects committee unanimity in almost every case and consensus in the remainder. Above all, these proposals, in every case, are structured to improve the Department as an organization while concurrently recognizing that organizational adjustment to change will be the key to successful implementation.

The review draft of the report was submitted to members of the Leadership Forum for examination on September 29, 1986. On October 7, 1986, the Department's managers were briefed at the Fall Managers Conference in Lexington, and on October 9, the Leadership Forum met at the Research Council for the purpose of offering their critique of the report. The report was revised and submitted to the Executive Committee on November 21, 1986, and included in Appendix A a synopsis of the comments offered by members of the Leadership Forum. In addition, the language of that revised report reflected the comments, and letters from several managers and Leadership Forum members were included as Appendix B.

On January 7, 1987, the Executive Committee met, discussed the report, and responded to each recommendation. This document sets forth those recommendations, indicates the Executive Committee resolution for each, and is to be viewed as a plan of action for the Department.



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A PLAN OF ACTION FOR DECENTRALIZING AUTHORITY AND RESPONSIBILITY IN THE VIRGINIA DEPARTMENT OF TRANSPORTATION

INTRODUCTION

Like most organizations in the public and private sector, the Department has been and continues to be dynamic--it responds to external and internal pressures to change. By many measures of organizational analysis, one may reasonably judge that the Virginia Department of Transportation is decentralized. The extent to which it is appropriately decentralized, however, can only be judged in view of the Department's ability to respond to changes in Virginia's transportation environment.

The current form and substance of decentralization has evolved over many years. While maintaining a central office function, materials, right-of-way, and location and design activities were established initially in the field over 30 years ago. In 1965, as a result of the study of the Department and its maintenance function by Roy Jorgenson & Associates, the maintenance management system was established, the Director position was established, the Assistant District Engineer for Maintenance was established and the rudiments of the modern departmental field and central office structure was established. Staff reduction initiatives prompted by legislative action was the genesis of efforts to limit staff in the central office in 1981-82. This, in turn, precipitated significant changes in workload distribution between the central office and the field and has largely resulted in the current structure of the Department.

OBJECTIVES

Decentralization cannot be appropriately judged if it is thought of only as delegation or dissemination of work. Effectively decentralized organizations are those that vest not only workload in decentralized units, but also vest authority and responsibility in those units to the extent necessary to sufficiently carry out the assigned work.

A major objective of this study is to outline a set of implementation actions which are required to move the Department toward being an organization that is more effectively decentralized from an operational standpoint while still acting in concert to reflect policies as established by the Commissioner and the Board. A second objective of equal importance is to design the implementation plan and participate in its fruition in such a fashion as to aid the organization as it adjusts to the changes associated with the plan. The thrust of this effort, therefore, is to use the strengths of the current Departmental structure to build an even better organization.

ANTICIPATED BENEFITS

At least five major benefits may be expected from the study. These are as follows:

1. Build and enhance the quality of the Department's present managerial leadership;
2. Enhance the ability of the Deputy Commissioner and Chief Engineer to carry out their responsibilities in a greatly expanded construction and maintenance program;
3. Increase the Department's responsiveness to the public and a rapidly changing environment;
4. Increase efficiency and reduce duplication of effort; and
5. If viewed positively, enhance problem solving outside of formal administrative channels through improved communications between the central office and the field.

METHOD OF ANALYSIS

Underlying Principles

The members of the committee were guided in their deliberations by first developing an understanding of the concept of appropriate roles for the central office and the field. This understanding, once developed, served as the underlying foundation from which to develop recommendations for change. In the committee's view, the central office should have the authority and responsibility to monitor compliance with those policies established by the Commissioner and the VDOT Board, and to establish and monitor procedures necessary to provide and maintain intelligent consistency and efficiency in the statewide planning, management, and financing of an effective, safe, and efficient ground transportation system. The field, on the other hand, should be delegated all that decision-making authority and responsibility which is necessary and sufficient to implement and manage operations attendant to the provision of an effective, safe, and efficient ground transportation system to the extent that the authority is not in conflict with policies established by the Highway and Transportation Board and procedures as established by the central office.

In addition to the basic framework noted above, the committee conducted its deliberations with the view in mind that recommendations for additional authority and responsibility being granted the field were warranted in instances where the implementation of the recommendation would lead to

- o improving sensitivity to local needs and reactions in emergencies;
- o making decisions at the lowest appropriate level;
- o reducing the reaction time in responding to resource adjustment needs (such as in the areas of information and data processing, personnel, procurement, etc.);
- o reducing duplication of effort; and
- o more clearly defining accountability.

At the same time, the committee did not want to materially harm or put at risk

- o statewide planning, integration of effort, and coordination;
- o intelligent consistency of operation;
- o economies of scale;

- confidentiality requirements (as in the bid process), personnel development, relations, and utilization;
- the effectiveness of long-term interfaces between Division Administrators and District Engineers; and,
- the integrity and honesty which has long been associated with the Department.

In instances where a recommendation, if implemented, could be expected to lead to a significant, harmful impact on the latter six criteria, it was withdrawn from consideration by the committee.

The Process of Developing Recommendations

The very composition of the committee was part of the process of recommendation development: Equal field and central office representation ensured balance of perspective. An agreement by the committee that votes would never be taken but rather that the goal was consensus (an "I can live with the recommendation" attitude) set the stage for a singularity of purpose. Frankness and openness led the group to minimize parochialism and negotiate to agreement on even the most emotionally charged issues.

The committee gathered pertinent information and ideas through the following vehicles:

- A meeting with the Commissioner to clarify his intent and expectations;
- The development and submission in writing of an independent appraisal by each committee member concerning criteria by which to judge the need for decentralization, areas where gains from decentralization may be the greatest, and specific proposals for implementation;
- A review and update of the status of recommendations made as a result of the "900 Study";
- A review and update of the status of the recommendations made in 1985 by the District Office Organization Study;
- A review of written ideas from all District Engineers and their personnel on the subject of delegation of authority and responsibility;
- A review of written material from the following Division Administrators
 - Information Systems
 - Construction
 - Budget
 - Personnel
 - Equipment
 - Administrative Services
 - Internal Audit
 - Right of Way
 - Location and Design
 - Environmental
 - Highway and Traffic Safety
 - Bridge
 - Materials;

- o A series of frank and open discussions between the committee (or its chairman) and the Deputy Commissioner, Director of Finance, Director of Rail and Public Transportation, and most Division Administrators;
- o The encouragement and solicitation of ideas, comments, and questions from all members of the Leadership Forum and an invitation to speak to the committee; and
- o A special meeting of the Leadership Forum for the purpose of discussing the report and critiquing its contents and recommendations.

Based upon information gathered in the above noted fashion, and the criteria set forth in the previous section of this report, the committee labored through approximately 800 collective hours of deliberation before hammering to consensus and closure the conclusions reflected in the next two sections of the report. The first section outlines areas where no additional decentralization appears warranted at the present time; the second presents findings and recommendations regarding those areas where decentralization is warranted or where action plans need to be developed to respond effectively to the Department's mission.

FUNCTIONAL AREAS FOR WHICH DECENTRALIZATION BEYOND CURRENT LEVELS APPEARS UNWARRANTED

While the committee took a very broad view in their deliberations, there are a number of areas that, in their judgement, warrant no additional decentralization at the present time. The judgement of the committee in these instances is based upon one or more of the following criteria:

1. There was not significant concern among the field operational units or the Directors regarding the effectiveness of existing authority and responsibility levels;
2. The magnitude of benefits to be derived was not sufficient to warrant change;
3. The function could not reasonably be delineated as "operational" in nature, i.e., it did not appear to be a decentralization issue.

Clearly, it is appropriate that judgements be predicated on the current environment, available information, and anticipated changes that may face the Department in the near future. Thus, even though no recommendations are warranted presently, unanticipated changes in Virginia's transportation environment may warrant evaluation of the following areas in the future.

- o Materials
- o Construction
- o Rail and Public Transportation*
- o Central Garage
- o Transportation Planning*
- o Public Affairs*
- o Management Services
- o Urban*

*The reader is referred to Item 1, Appendix A, for additional comments regarding these areas.

- o Programming and Scheduling
- o Secondary Roads
- o Richmond-Petersburg Turnpike Authority
- o Equal Employment Opportunity

FINDINGS AND RECOMMENDATIONS REGARDING DECENTRALIZATION

This section is divided into four major parts. The first addresses the engineering directorate; the second addresses the operations directorate; the third addresses administration and finance because the recommendations in several areas under these directorates are overlapping; and the final section offers comments regarding issues which the committee believes should be addressed as a continuing effort to ensure the ability of the districts to fully assume the responsibilities of decentralization.

Engineering Directorate

The committee is in unanimous agreement that a very strong central role is appropriate in all functional areas of preconstruction with respect to workload distribution and program assignments as they relate to variability in the advertisement schedule. Once program assignments have been sequenced with the variability of the advertisement schedule, it is the committee's view that it is the responsibility of the district to make whatever decisions are required to complete the assignments expeditiously. Such a view does not, however, relieve the preconstruction divisions from their responsibility to closely monitor progress of projects and communicate with the field in instances where the preconstruction progress is not on schedule. It remains the division administrator's responsibility to work with the district engineer in such instances to aid him in solving such problems through whatever means are available, such as contracting to the private sector, or obtaining available manpower from the central office or other districts.*

Language borrowed from comments offered by the state right-of-way engineer is indicative of the intent of the committee for the preconstruction function in general and is, in fact, suggestive of the committee's view regarding decentralization of authority.

". . . With the proper feedback from and reconciliation with the field units, the state right of way engineer is responsible for the development and modification of policies and procedures to maximize the efficiency and effectiveness of the right-of-way function statewide. . . . On the other hand, the district engineer [through] the district right of way manager, is responsible for the effective management of the resources at his disposal; [this] includes such activities as the development of the critical path [for the work], the realization of maximum

*Regarding authority and responsibility in general, the reader is referred to Item 7, Appendix A.

production, tactical planning, and to advise the central office well in advance of the need for additional resources to affect the desired district program."

In the preconstruction area it is reasonable to argue that the actions are fine-tuning and extensions of changes which, as noted earlier in this report, have been on-going for some time, in particular since 1983.

CADD

The Computer-Assisted Drafting and Design System (CADD) is one of the greatest technological advances available to the Department for increasing productivity and expediting plan production. The committee has examined this area to determine to what extent CADD should be decentralized. Factors affecting the decentralization of CADD include the completion of software for the computer system, the purchase of equipment, the availability of the geographical data base, and the training of personnel.

A five-year action plan for extending the development of applications, the purchase of equipment, and training for both the central office and the districts is under development by the CADD Committee. The new generation of desk-top CADD hardware and small stand-alone computers show great promise for a service center approach in the near term and it certainly may be appropriate to decentralize this once the hardware is available and the field personnel are trained. The Culpeper service center would be an obvious target for receiving field units.

Executive Committee Response: The efforts of the CADD Committee are strongly endorsed, and it is the intent of the Executive Committee that the thrust of the effort be toward decentralization of CADD. The action plan should include but not be limited to an assessment of cost, hardware requirements, training and other areas as set forth by the Director of Engineering. It is anticipated that the development of the action plan will also be coordinated with the staff of the Information Systems Division and that they will cooperate in aiding the efforts of the CADD Committee as appropriate.

Location & Design Recommendations

RECOMMENDATION 1: DISTRIBUTION OF APPROVED RIGHT OF WAY PLANS HAS BEEN RECENTLY DECENTRALIZED.

Executive Committee Action: None Required.

RECOMMENDATION 2. PRELIMINARY STUDIES ON PRIMARY AND URBAN PROJECTS TO BE DESIGNED IN THE DISTRICTS SHOULD BE MADE BY THE DISTRICT AND APPROVED BY THE LOCATION AND DESIGN ENGINEER THROUGH HIS COORDINATOR IN THE FIELD. LOCATION STUDIES ON PROJECTS THAT REQUIRE SEPARATE LOCATION AND DESIGN HEARINGS SHOULD BE MADE BY THE CENTRAL OFFICE BECAUSE OF THE COORDINATION REQUIRED IN THESE INSTANCES

Executive Committee Action: Approved.

RECOMMENDATION 3: THE DISTRICT ENGINEER IS APPROPRIATELY RESPONSIBLE AND ACCOUNTABLE FOR SURVEYS AND PLANS. ACCORDINGLY, PLAN REVIEW BEFORE FINAL FORWARDING TO THE L & D PLAN COORDINATOR SHOULD BE ACCOMPLISHED IN A FASHION LEFT TO THE DISCRETION OF THE DISTRICT ENGINEER.

Executive Committee Action: Approved.

Environmental Recommendations

RECOMMENDATION 4: DECISIONS ON THE USE OF HERBICIDES SHOULD BE DELEGATED TO THE DISTRICTS REGARDING MEETING THE VARIOUS REQUIREMENTS OF THE LABEL AND IN ACCORDANCE WITH ESTABLISHED DEPARTMENT POLICY. WHILE THIS HAS BEEN THE INTENT OF THE ENVIRONMENTAL DIVISION FOR SOME TIME, THIS RECOMMENDATION CLARIFIES THAT INTENT.

Executive Committee Action: Approved.

RECOMMENDATION 5: THE DISTRICT ENVIRONMENTAL SECTIONS SHOULD BE AUTHORIZED TO APPROVE CHANGES RELATIVE TO PLANT SUBSTITUTIONS OR DESIGN CHANGES IN THE FIELD BASED ON FIELD CONDITIONS, PROVIDED THIS IS COORDINATED WITH THE LANDSCAPE DESIGNER OF THE PROJECT.

Executive Committee Action: Approved.

RECOMMENDATION 6: AUTHORITY TO APPROVE TREE TRIMMING PERMITS ON THE INTERSTATE SYSTEM, EXCEPT FOR THOSE INVOLVING VISIBILITY OF BILLBOARDS SHOULD BE DELEGATED TO THE DISTRICT. IN ADDITION, COPIES OF SUCH PERMITS AND APPROPRIATE PHOTOGRAPHS SHOULD BE FILED WITH THE CENTRAL OFFICE FOR FUTURE MONITORING.

Executive Committee Action: Approved.

Right of Way Recommendations

RECOMMENDATION 7: DISTRICT AUTHORITY IN ADMINISTRATIVE SETTLEMENTS SHOULD BE INCREASED FROM \$1,000 TO \$10,000.

Executive Committee Action: Approved.

RECOMMENDATION 8: THE DISTRICTS SHOULD BE GIVEN THE AUTHORITY TO NEGOTIATE ON THE SALE OF RESIDUE PARCELS AFTER THE DECISION HAS BEEN MADE TO SELL, WHERE THE PARCEL CAN'T STAND ALONE AND WHERE THE ONLY POSSIBLE SALE WOULD BE TO THE ADJACENT PROPERTY OWNER. A VARIABILITY OF 25% OF THE PROPERTY'S VALUE SHOULD BE ALLOWED.

Executive Committee Action: Approved.

RECOMMENDATION 9: THE DISTRICTS SHOULD BE GIVEN THE AUTHORITY TO DISPOSE OF PROPERTIES LARGE ENOUGH FOR INDEPENDENT DEVELOPMENT ONCE THE DECISION HAS BEEN MADE TO SELL. A 10% VARIABILITY OF VALUE SHOULD BE ALLOWED.

Executive Committee Action: Approved.

RECOMMENDATION 10: THE DISTRICTS SHOULD BE GIVEN THE AUTHORITY TO APPROVE FEE APPRAISAL CONTRACTS UNDER \$10,000. THIS IS CONSISTENT WITH THE MAXIMUM ALLOWABLE UNDER STATE STATUTE.

Executive Committee Action: *Approved.*

Bridge Recommendations

RECOMMENDATION 11: THE MEMORANDUM OF INSTRUCTION FOR PLAN PREPARATION BY THE DISTRICTS IS BEING REVISED. DISTRICTS WILL BE AUTHORIZED TO APPROVE THE PRELIMINARY PLANS ON THE SECONDARY SYSTEM. THE DISTRICT WILL HAVE TO SUBMIT DATA TO THE CENTRAL OFFICE TO SUPPORT THE SELECTION OF THE TYPE OF STRUCTURE CHOSEN. THIS WILL PERMIT MONITORING OF THE PROCESS BY THE CENTRAL OFFICE.

Executive Committee Action: *Approved.*

RECOMMENDATION 12: ALL CORRESPONDENCE SHOULD BE PREPARED DIRECTLY BY THE DISTRICTS WITH A COPY TO THE BRIDGE DIVISION, FOR EVERYTHING EXCEPT USCG PERMITS AND FHWA T.S.&L. THIS CORRESPONDENCE IS NOW FURNISHED THROUGH THE CENTRAL OFFICE BRIDGE DIVISION.

Executive Committee Action: *Approved.*

RECOMMENDATION 13: THE CONSTRUCTION DIVISION SHOULD DISCUSS DIRECTLY WITH THE DESIGNER ANY CHANGES IN PLANS AND ESTIMATES AS THE PROJECTS ARE PREPARED FOR CONTRACT. AT PRESENT, ALL CONTACTS ARE HANDLED THROUGH THE CENTRAL OFFICE BRIDGE DIVISION.

Executive Committee Action: *Approved.*

RECOMMENDATION 14: A SIX-YEAR PLAN FOR REPAIR AND MAINTENANCE REPLACEMENT WORK SHOULD BE PREPARED IN THE DISTRICTS. THIS COULD BE DONE RELATIVELY EASILY FROM THE BRIDGE MANAGEMENT SYSTEM.

Executive Committee Action: *Approved.*

Resource Implications

With the exception of CADD (the specifics of which are being addressed by the CADD Committee), no staffing or other resource changes or additions are anticipated as a result of implementing the recommendations described for the engineering directorate.

Operations Directorate

Traffic & Safety Recommendations

Quite apart from any recommendations made regarding decentralization, the committee's deliberations suggest acute staffing level shortages currently in existence as a result of work delegated previously to the field. Information supplied to the committee suggests this shortage to be between 40-50 trained field professionals. Further, it is the intent of the committee that all activities be assigned to the field where proper

knowledge, skills, and abilities (KSAs) are available; where they are not available currently in the field, the work should be handled in the central office and through consultants. Consistent with this intent, the committee offers the following set of recommendations in traffic and safety.

RECOMMENDATION 15: INITIATIVES SHOULD BE UNDERTAKEN TO EXPAND THE KSAs AVAILABLE IN THE FIELD TO ENABLE THE DISTRICTS TO CARRY A GREATER WORKLOAD. INFORMATION PRESENTED TO THE COMMITTEE SUGGESTS THE NEED OF AN ADDITIONAL 40-50 NEW EMPLOYEES. THE COMMITTEE RECOGNIZES THAT THIS IS NOT TECHNICALLY A DECENTRALIZATION ISSUE BUT FEELS COMPELLED TO OFFER THE INFORMATION. COMMENTS RECEIVED FROM THE LEADERSHIP FORUM SUGGEST THAT STANDARDIZATION OF PLANS AND USE OF CONSULTANTS ARE ALTERNATIVES TO SUCH STAFFING INCREASES. THE COMMITTEE AGREES; HOWEVER, THEY STAND BEHIND THE ARGUMENT THAT THE CURRENT WORKLOAD WARRANTS ADDITIONAL RESOURCES.

Executive Committee Action: No action taken.

RECOMMENDATION 16: IF KSAs ARE AVAILABLE, PLAN PREPARATION SPECIFICATIONS, TIMING PLANS, AND COST ESTIMATES FOR SIGNALS ON URBAN PROJECTS AND SIGNAL SYSTEM PROJECTS STATEWIDE SHOULD BE DECENTRALIZED.

Executive Committee Action: Approved.

RECOMMENDATION 17: THE REVIEW PROCEDURE FOR SHOP DRAWINGS AND CATALOG CUTS HAS BEEN REVISED PURSUANT TO A "SPECIAL PROVISION COPIED NOTE" DATED NOVEMBER 21, 1985, AND INSTRUCTIONAL MEMORANDUM HATS-186 DATED FEBRUARY 24, 1986. FURTHER REVISION IS UNDERWAY BY WHICH CATALOG CUTS WILL REQUIRE ONLY ONE SUBMITTAL FOR DESIGN REVIEW APPROVAL. EACH APPROVED SUBMITTAL WILL BE ISSUED A LIFETIME ACCEPTANCE NUMBER TO IDENTIFY ITS ACCEPTANCE, PROVIDED THE MANUFACTURING PROCESS OR DESIGN DOES NOT CHANGE. MATERIAL REVIEW AND ACCEPTANCE WILL REMAIN A SEPARATE FUNCTION.

Executive Committee Action: Approved.

RECOMMENDATION 18: AGREEMENTS FOR INSTALLATION OF SCHOOL AND FIRE-WARNING SYSTEMS SHOULD BE DECENTRALIZED.

Executive Committee Action: Approved.

RECOMMENDATION 19: IF KSAs ARE AVAILABLE IN THE FIELD, DESIGN OF CONVENTIONAL AND HIGH MAST LIGHTING, AND PREPARATION OF PLANS, SPECIFICATIONS AND COSTS FOR THESE SYSTEMS SHOULD BE DECENTRALIZED. WHERE KSAs ARE NOT AVAILABLE, THE WORK SHOULD BE HANDLED BY THE CENTRAL OFFICE AND CONSULTANTS.

Executive Committee Action: Approved.

RECOMMENDATION 20: IF KSAs ARE AVAILABLE IN THE FIELD, PERMANENT SIGN AND DELINEATION PLANS, AND SPECIFICATIONS AND COST ESTIMATE PREPARATIONS SHOULD BE DECENTRALIZED. THE SAME IS TRUE FOR REVIEWING AND FINALIZING TRAFFIC SIGN AND DELINEATION PLANS, AND SPECIFICATIONS AND COST

ESTIMATES FOR PS&E SUBMISSION, WITH THE EXCEPTION OF THOSE PREPARED BY CONSULTANTS.

Executive Committee Action: *Approved.*

RECOMMENDATION 21: EXCEPT FOR POLICY AND PROCEDURE DEVELOPMENT, THROUGH-TRUCK RESTRICTION REVIEW AND ANALYSIS SHOULD BE DECENTRALIZED TO THE FIELD WITH DOCUMENTATION BEING SUBMITTED TO THE HIGHWAY AND TRAFFIC SAFETY DIVISION FOR MONITORING AND PRESENTATION TO THE BOARD.

Executive Committee Action: *Approved.*

RECOMMENDATION 22: EXCEPT FOR POLICY AND PROCEDURE DEVELOPMENT, SURFACE TRANSPORTATION ASSISTANCE ACT ROUTE REVIEW AND ANALYSIS SHOULD BE DECENTRALIZED TO THE FIELD WITH DOCUMENTATION BEING SUBMITTED TO THE HIGHWAY AND TRAFFIC SAFETY DIVISION FOR MONITORING AND PRESENTATION TO THE BOARD.

Executive Committee Action: *Approved.*

Maintenance Conclusions

The sense of the committee is that the budgeting for maintenance is moving rapidly toward being decentralized. That is, the systems for pavement management, bridge management, traffic appurtenance management, and roadside management, particularly in the maintenance replacement context, will be of great aid to the districts and the Department as the systems become fully operational. Maintenance standards assessment and updates, while not strictly a decentralization issue, are, in the committee's view, critical to successful field-developed budgets.

RECOMMENDATION 23: THERE APPEARS TO BE SOME MERIT IN PROPOSING THAT THE DISTRICT ENGINEER BE ALLOWED MORE LATITUDE IN THE TOTAL MAINTENANCE REPLACEMENT EXPENDITURE FOR LINE ITEMS OUTSIDE OF BRIDGES AND PAVEMENTS. ONCE OTHER MANAGEMENT SYSTEMS (TRAFFIC AND ROADSIDE) ARE OPERATIONAL, BUDGETING ABILITY IN THE MAINTENANCE REPLACEMENT FOR THESE LATTER INVENTORY ITEMS CAN APPROPRIATELY BECOME MORE SPECIFIC THAN NOW APPEARS PRACTICAL.

Executive Committee Action: *Approved.*

Equipment Recommendations

The committee concentrated its efforts on the equipment function in two areas. The first deals with certain procedures followed regarding the administrative controls established for tracking the equipment fleet. The second area is of great significance in terms of effectively decentralizing authority, for it relates to the development of equipment budgets. Aside from these two issue areas, the committee, during its gathering of information, has concluded that technology, if expeditiously applied, can be of great benefit in the equipment management function if priorities are adjusted to take maximum advantage of state-of-the-art fuel discharge and other equipment-related inventory and tracking systems which are currently in use in the private sector and other public agencies. Based upon current

management projections, the design of such a system is to begin in July 1987, implying an implementation in late 1988 or early 1989 at best. Given the budgetary cycle, and in view of other recommendations the committee makes, we believe the potential efficiency gains are sufficiently great to warrant the following recommendation.

RECOMMENDATION 24: THE COMMITTEE UNANIMOUSLY AND STRONGLY RECOMMENDS SPEEDING UP THE CURRENT PLAN TO SECURE AND GET UP AND RUNNING AN AUTOMATED EQUIPMENT AND FUEL DISCHARGE MANAGEMENT SYSTEM. THE GAINS FROM SUCH A SYSTEM CAN BE SIGNIFICANT IN TIME AND MANPOWER AND EVERY EFFORT SHOULD BE MADE TO TAKE ADVANTAGE OF CURRENT STATE-OF-THE-ART SOFTWARE AND TECHNOLOGY. (SINCE THIS RECOMMENDATION WAS MADE ON SEPTEMBER 18, 1986, THE DEPARTMENT OF INFORMATION AND TECHNOLOGY HAS BEEN CONTACTED SOLICITING HELP IN SPEEDING UP THE DESIGN.)

Executive Committee Action: *Endorsed.*

Equipment Procedures

Regarding equipment procedures, the committee recommends, with the endorsement of the Equipment Manager, that

RECOMMENDATION 25: THE DISTRICTS SHOULD BE DELEGATED THE AUTHORITY TO PERMANENTLY TRANSFER EQUIPMENT UNITS BETWEEN DISTRICTS. THEY MUST, HOWEVER, NOTIFY THE EQUIPMENT DIVISION THROUGH PROCEDURES ESTABLISHED BY THE EQUIPMENT MANAGER TO ENSURE INVENTORY CONTROL.

Executive Committee Action: *Approved.*

RECOMMENDATION 26: THE DISTRICTS SHOULD BE ASSIGNED A BLOCK OF ED NUMBERS FOR USE ON NON-RENTAL EQUIPMENT SECURED FROM WAREHOUSE STOCK OR PROCURED FROM SUPPLIERS AND INVOICED TO THE DISTRICT.

Executive Committee Action: *Approved.*

RECOMMENDATION 27: THE DISTRICTS SHOULD BE DELEGATED THE AUTHORITY TO DETERMINE TOTAL LOSS VALUE OF TRUCKS DAMAGED IN ACCIDENTS SUBJECT TO PROCEDURES ESTABLISHED BY THE EQUIPMENT MANAGER.

Executive Committee Action: *Approved.*

Equipment Budgeting

Enhancements to the equipment budgeting process can, in the committee's view, greatly complement effective decentralization in two ways. First, certain revisions to and clarifications in the current process will ensure that the existing fleet is replaced on a schedule which minimizes life cycle equipment costs for the Department. Secondly, the process outlined in this section will aid in ensuring that the equipment resources which need to be added over and above the existing fleet replacements are made available to the districts based upon their order of priority.

Variations in revenue have historically been reflected, in addition to other ways, through constraints on equipment budgets. In addition, the

process whereby equipment budgets are finalized is not, and has not been uniformly understood by field managers. This conclusion was supported by comments made at the Leadership Forum meeting in Charlottesville.

Under the current budgeting process and Equipment Committee review, it is not clear that the replacement budget is sufficiently delineated from the budget request for additions to the existing fleet. Efficient equipment resource allocation and budget development require separating the equipment budget into two components. One component should consist of the budget for replacements, based upon minimizing life cycle cost. The second component should consist of a well documented and justified budget for additional equipment over and above replacements, based upon the individual workloads and environmental differences of the districts.

The committee makes the recommendations listed below regarding equipment budget development:

RECOMMENDATION 28: THE EQUIPMENT BUDGETING PROCESS SHOULD BE CLARIFIED AND COMMUNICATED TO ALL CONCERNED. IN ADDITION TO APPROPRIATE BUDGET REVIEW, THE PROCESS SHOULD EXHIBIT THE FOLLOWING ESSENTIAL FEATURES, DETAILS BEING DEVELOPED JOINTLY BY THE DIRECTOR OF OPERATIONS AND THE EQUIPMENT MANAGER:

- THE BUDGET SHOULD BE MADE UP OF TWO COMPONENTS, ONE FOR REPLACEMENTS AND A SECOND FOR ADDITIONS TO THE FLEET.
- THE REPLACEMENT COMPONENT SHOULD BE BASED ON MINIMIZING LIFE CYCLE EQUIPMENT COSTS AND SHOULD ESTABLISH THE MINIMUM SIZE OF THE EQUIPMENT BUDGET APPROVAL LEVEL.
- THE BUDGET REQUEST FOR ADDITIONS SHOULD BE ESTABLISHED BY THE DISTRICTS, JUSTIFIED IN WELL DOCUMENTED FASHION, AND PRIORITIZED FOR REVIEW BY THE EQUIPMENT MANAGER AND DIRECTOR OF OPERATIONS.
- THE DIRECTOR OF OPERATIONS SHOULD, IN TURN, ACT AS AN ADVOCATE WITH THE CHIEF ENGINEER AND THE DEPUTY COMMISSIONER TO OBTAIN APPROVAL OF THE "ADDITIONS BUDGET". PURCHASES FOR THE "ADDITIONS BUDGET" SHOULD BE BASED ON THE PRIORITIES ESTABLISHED BY THE DISTRICTS.

Executive Committee Action: *Approved.*

Administration and Finance Directorates

Proposals regarding decentralization for the Directorate of Administration and the Directorate of Finance are treated together in this section because of interfaces which frequently occur between these directorates in the functional areas of procurement, personnel, capital outlay, budget, information systems, and fiscal.

Procurement Authority

Present policy allows the districts to make local purchases up to \$200 in value or up to \$600 in emergencies. However, state policy promulgated

by the Department of General Services (DGS) permits local purchases up to \$1200 with stipulations.

The VDOT has, in the past, limited local purchasing authority for two basic reasons: The fact that hundreds of employees statewide are permitted to make local purchases and the absence of a designated procurement officer on the field staff to ensure compliance with the Procurement Act. Nevertheless, such restrictions appear to increase, unnecessarily, the number of purchases which have to be made centrally.

The committee believes there is justification warranting an increase in the buying authority to the level allowed by the Department of General Services, if the appropriate skills are developed in the field to ensure compliance with the Procurement Act under such expanded authority. In fact it is the committee's view that some effort should be undertaken to reduce the number of individuals who are currently allowed to make local purchases. Consequently, the following recommendations are made.

RECOMMENDATION 29: THE BUYING AUTHORITY FOR SINGLE PURCHASES SHOULD BE INCREASED TO \$1200 WITH THE SAME RESTRICTIONS AS ARE PLACED BY DGS ON ALL AGENCIES. THAT IS, LOCAL PURCHASES COULD NOT BE MADE FOR ITEMS IN THE DEPARTMENT'S INVENTORY SYSTEM, AVAILABLE FROM CORRECTIONS, OR WHICH MUST BE BOUGHT THROUGH DGS SUCH AS OFFICE EQUIPMENT AND SUPPLIES, FURNITURE, STATIONERY, AND JANITORIAL EQUIPMENT AND SUPPLIES.

Executive Committee Action: This recommendation is endorsed and is to be implemented upon the placement of the Administrative Assistant in the districts and concurrent with training by the Administrative Services Division.

RECOMMENDATION 30: IN ORDER TO EFFECTIVELY DECENTRALIZE ADDITIONAL PURCHASING AUTHORITY, A PROCUREMENT OFFICER SHOULD BE DESIGNATED TO COORDINATE AND OVERSEE THIS EXPANDED ACTIVITY IN THE FIELD. THE ADMINISTRATIVE SERVICES DIVISION SHOULD ORGANIZE AND CONDUCT APPROPRIATE TRAINING FOR THE DISTRICTS OR OTHER FIELD UNITS SUCH AS THE RESEARCH COUNCIL TO ENSURE AN UNDERSTANDING OF THE REQUIREMENTS OF THE VIRGINIA PROCUREMENT ACT AS WELL AS OF STATE AND DEPARTMENTAL PURCHASING POLICIES AND PROCEDURES. IT IS ALSO RECOMMENDED THAT THE PROCUREMENT OFFICERS ASSUME RESPONSIBILITY FOR COORDINATING THE DISTRICTS' INVENTORY MANAGEMENT PROGRAMS.

Executive Committee Action: The position of Administrative Assistant to the District Engineer is being established and authorization will be forthcoming. For purposes of this recommendation, the function of overseeing procurement inventories and personnel in the districts will be carried out by the Administrative Assistant. The recommendation is, therefore, approved with the aforementioned changes.

Payments from Petty Cash

While closely related to the procurement function, a separate issue is the authority for payment of bills. The Fiscal Division currently permits petty cash funds to be used to pay for local purchases up to \$100; larger payments are paid on form AS-5 through the state comptroller's office.

A recent study of the Department's compliance with the Prompt Payment Act by the Internal Audit Division found that local purchases up to \$1200 would represent 80% of the total vouchers paid--but only 2% of the dollars paid.

RECOMMENDATION 31: IN VIEW OF THE REQUIREMENTS OF THE PROMPT PAYMENT ACT, THE SMALL PERCENTAGE OF DOLLAR VALUE WHICH WOULD BE ENTAILED, AND THE HIGH VOLUME OF VOUCHERS WHICH COULD BE PAID, THE COMMITTEE RECOMMENDS THAT THE FIELD BE AUTHORIZED TO PAY LOCAL PURCHASE BILLS UP TO \$1200 FROM PETTY CASH FUNDS, SUBJECT TO THE CONCURRENCE OF THE COMPTROLLER. IN ADDITION, THE FIELD SHOULD BE ALLOWED TO COMBINE VARIOUS INVOICES FROM THE SAME VENDOR INTO ONE PAYMENT CHECK. TO FACILITATE THIS PROCESS, THE INFORMATION SYSTEMS DIVISION SHOULD EXPEDITE THE DISSEMINATION OF THE CHECK WRITING SOFTWARE CURRENTLY AVAILABLE TO THE STAUNTON DISTRICT TO OTHER DISTRICTS AS WELL. (SUBSEQUENT TO PUBLICATION OF THE REVIEW DRAFT OF THIS REPORT, THE DIRECTOR OF FINANCE MET WITH REPRESENTATIVES OF THE STATE COMPTROLLER'S OFFICE REGARDING THE COMMITTEE'S RECOMMENDATION ON INCREASING THE LIMITS ON PAYMENTS FROM PETTY CASH. AS INDICATED BY MR. ATWELL'S LETTER TO THE DEPUTY COMMISSIONER (SEE APPENDIX B), THERE APPEARS TO BE SOME RELUCTANCE ON THE COMPTROLLER'S PART TO EMBRACE THIS RECOMMENDATION. THE COMMITTEE SUGGESTS, HOWEVER, THAT THE DECISION ON THIS RECOMMENDATION BE BROUGHT TO CLOSURE WITH THE CENTRAL FOCUS BEING ON EFFICIENCY, THE PROMPT PAYMENT ACT REQUIREMENTS, AND THE REDUCTION IN THE NUMBER OF FILED VOUCHERS BEING THE DETERMINING FACTORS IN THE DECISION. THE COMMITTEE FURTHER POINTS OUT THAT THE DECISION REGARDING THIS RECOMMENDATION IS TOTALLY SEPARATE FROM THAT OF ADDITIONAL PROCUREMENT AUTHORITY AND SHOULD IN NO WAY INFLUENCE IT.)

Executive Committee Action: After much deliberation and discussion with the State Comptroller, the most appropriate course of action is to require that the districts pay all invoices of \$100 or less from petty cash. After a one-year trial period, the mandatory payment amount may be increased from \$100 to \$200. In the case of emergencies, payments up to \$1,200 are authorized and invoices over \$100 may be paid when a specific penalty (such as with some utility companies) is carried. In addition, the policy of combining invoices of \$100 or less into one petty cash check for the same vendor will be continued.

Resource Implications

While the committee is confident in its judgement that a district procurement function is warranted, the staffing implications are less clear. This stems from the fact that there may be several efficient alternatives to fulfilling the function other than simply adding a staff person in each district.

While expansion of procurement authority is called for, the committee also recognizes the need for enhanced general management of inventories, personnel matters, local purchasing practices, and budgeting as mechanisms to improve efficiency, effectiveness, and offer monetary savings. Consequently, in a later section of this report, the committee proposes the establishment of the position of assistant district engineer for administration and finance.

RECOMMENDATION 32: IN VIEW OF THIS FACT, AND IN ANTICIPATION OF THE IMMINENT IMPLEMENTATION OF THE ON-LINE MANAGEMENT INFORMATION SYSTEM, THE COMMITTEE RECOMMENDS THAT ADDITIONAL INFORMATION BE GATHERED REGARDING HOW BEST TO IMPLEMENT THE PROCUREMENT AUTHORITY RECOMMENDATION. ONE OBVIOUS ALTERNATIVE IS TO CONSIDER TRAINING EXISTING PERSONNEL WHO COULD REPORT TO AN ASSISTANT DISTRICT ENGINEER IN CHARGE OF ADMINISTRATION. PUT SUCCINCTLY, THE PROCUREMENT FUNCTION NEEDS DETAILED STAFFING ANALYSIS FOR IMPLEMENTATION, TAKING INTO ACCOUNT INVENTORY MANAGEMENT ISSUES, OVERALL DISTRICT ADMINISTRATION AND ORGANIZATIONAL ARRANGEMENTS, AND MANAGERIAL REQUIREMENTS NECESSARY TO ENSURE CONTROL OF PROCUREMENT IN THE FIELD.

Executive Committee Action: The position of Administrative Assistant to the District Engineer is being established and authorization will be forthcoming. For purposes of this recommendation, the function of overseeing procurement inventories and personnel in the districts will be carried out by the Administrative Assistant. The recommendation is, therefore, approved with the aforementioned changes.

Personnel Conclusions and Recommendations

Deliberations regarding personnel reclassifications, establishment of positions within approved employment levels, and the promotion/selection process were among the most painstaking issues undertaken by the committee. The outcome of those deliberations is, however, among the most gratifying of its efforts. The following discussion on personnel actions should be viewed as one recommendation, although it has many parts. It is, in fact, an integrated implementation plan and will, in the judgement of the committee, be of great benefit not only to the field but to the central office as well in terms of helping maintain a well qualified, dynamic organization. The committee is aware that an organizational analysis of the Department's personnel program is currently underway; by May of 1987, recommendations from the consultant should be available. While the Commissioner may wish to await the completion of that study before considering the recommendations proposed herein, the committee believes the recommendations are sound, consistent with the theme of decentralization, and pose little risk to the Department.

Reclassifications and Establishments of Positions

Prompt action on personnel matters--particularly those related to employment, promotions, and job classification--is essential if the districts are to effectively carry out their expanded roles under decentralization.

In July, 1986, authority to advertise and fill vacant positions within established ceilings, without prior approval of the central office, was returned to the District Engineers. Management of the Department currently is assessing the need for additional positions agencywide. These two efforts offer an opportunity to alleviate staffing problems in the field.

Still, the committee recognizes the desirability to reduce the time now required for approval of other personnel transactions and delegation of

further personnel authority is in keeping with the broad thrust of decentralization.

At present, reallocation of positions to reflect changes in job responsibilities, as well as establishment of new positions to meet new needs, is administered almost entirely by the central office Personnel Division. With its other responsibilities, the division cannot always act expeditiously on these matters. Assignment of approval authority to the District Engineers, assuming the presence of adequate personnel staff and skills in district offices and appropriate monitoring would provide a means of reducing the time now required while still maintaining the Department's agreement with the Department of Personnel and Training.

RECOMMENDATION 33: THE COMMITTEE RECOMMENDS THAT THE DISTRICT ENGINEERS BE DELEGATED SUBSTANTIAL AUTHORITY TO APPROVE POSITION REALLOCATIONS AND, WITHIN THEIR ESTABLISHED CEILINGS, THE ESTABLISHMENT OF NEW POSITIONS. THIS AUTHORITY SHOULD INCLUDE, AT LEAST INITIALLY, THE POSITIONS SHOWN IN TABLE 1. IT SHOULD BE NOTED THAT, IN THE COMMITTEE'S JUDGEMENT, SUCH AUTHORITY SHOULD BE LIMITED IN SUCH FASHION AS TO NOT RESULT IN REDUCTIONS IN THE FTE TOTAL FOR THE PRECONSTRUCTION FUNCTION.

Executive Committee Action: The Committee accepts and endorses the rationale and logic of the recommendation, has referred it to the consultant studying the organization and operation of the Personnel Division, and will take appropriate action upon the completion of that study, a review of its recommendations, and in view of the thrust of the assessment by the decentralization committee.

RECOMMENDATION 34: IT SHOULD BE THE DEPARTMENT'S OBJECTIVE TO DELEGATE THIS AUTHORITY EFFECTIVE APRIL 1, 1987. THIS SHOULD ALLOW SUFFICIENT TIME TO ENSURE THE PRESENCE OF SUITABLY TRAINED PROFESSIONAL STAFF TO HANDLE THIS ADDITIONAL RESPONSIBILITY SATISFACTORILY. SIX MONTHS AFTER DELEGATION OF THIS LEVEL OF AUTHORITY, THE COMMITTEE SHOULD ASSESS THE EFFECTIVENESS WITH WHICH IT IS WORKING AND RECOMMEND TO THE COMMISSIONER WHETHER ADDITIONAL PERSONNEL AUTHORITY SHOULD BE DELEGATED.

Executive Committee Action: The Committee accepts and endorses the rationale and logic of the recommendation, has referred it to the consultant studying the organization and operation of the Personnel Division, and will take appropriate action upon the completion of that study, a review of its recommendations, and in view of the thrust of the assessment by the decentralization committee.

At present, each of the nine districts has three professional personnel positions--a personnel manager, a personnel technician, and a training coordinator. Each district also has an equal employment opportunity coordinator with certain personnel-related duties. At the Research Council these duties are vested in one individual.

RECOMMENDATION 35: THE COMMITTEE BELIEVES THAT IT MAY BE NECESSARY TO ADD ONE STAFF MEMBER IN EACH DISTRICT OFFICE TO ASSUME STAFF WORK FOR THE DISTRICT ENGINEER IN THE REALLOCATION/JOB ESTABLISHMENT FUNCTIONS. IN THE COMMITTEE'S VIEW, NO ALTERATION IN STAFF SIZE IS CALLED FOR IN THE CENTRAL OFFICE CLASSIFICATION SECTION UNDER THE RECOMMENDATIONS

PROPOSED. THEIR FOCUS WOULD BE REDIRECTED TOWARD HANDLING PERSONNEL TRANSACTIONS FOR THE DIVISIONS. SUCH A RESTRUCTURING AND ADDITION OF FIELD STAFF WOULD SPEED UP THE PERSONNEL FUNCTION BOTH FOR THE FIELD AND CENTRAL OFFICE. IN THIS CONTEXT, SOME MEMBERS OF THE LEADERSHIP FORUM HAVE SUGGESTED THAT DIVISION ADMINISTRATORS BE GIVEN AUTHORITY OVER PERSONNEL ACTIONS. HOWEVER, WITH THE RESTRUCTURING CALLED FOR BY THE COMMITTEE, THE STRUCTURAL RELATIONSHIP BETWEEN THE DIVISIONS AND THE CENTRAL PERSONNEL CLASSIFICATION SECTION WILL PARALLEL THAT OF THE DISTRICTS IN THAT IT WILL PROVIDE A SPECIFIC SERVICE FOR THE DISTRICTS ONLY. OVER THE LONG RUN, THE DISTRICT ENGINEER CAN BE NO MORE INFLUENTIAL IN PERSONNEL ACTIONS THAN CAN THE DIVISIONS. BECAUSE OF THE ROLE THE PERSONNEL DIVISION WILL PLAY IN POST AUDITS, THE DISTRICT ENGINEER, IN FACT, WILL FACE VERY STRONG INCENTIVES TO FOLLOW THE POLICIES AND PROCEDURES OUTLINED THROUGH THE PERSONNEL DIVISION AND CARRIED OUT BY THE PERSONNEL STAFF IN THE FIELD. TO DO OTHERWISE WILL NECESSARILY PLACE THE FIELD AT RISK IN TERMS OF HAVING TO RECENT PREVIOUSLY MADE DECISIONS.

Executive Committee Action: The Committee accepts and endorses the rationale and logic of the recommendation, has referred it to the consultant studying the organization and operation of the Personnel Division, and will take appropriate action upon the completion of that study, a review of its recommendations, and in view of the thrust of the assessment by the decentralization committee.

RECOMMENDATION 36: THE DIRECTOR OF ADMINISTRATION, WITH ASSISTANCE OF THE CENTRAL OFFICE PERSONNEL DIVISION AND THE DISTRICT ENGINEERS, SHOULD BE ASSIGNED RESPONSIBILITY FOR DETERMINING ADDITIONAL PERSONNEL STAFFING NEEDS IN THE FIELD. THE PERSONNEL DIVISION SHOULD DEVELOP AND CONDUCT THE REQUIRED TRAINING OF DISTRICT PERSONNEL STAFF MEMBERS AND SHOULD ALSO BE ASSIGNED RESPONSIBILITY FOR POST-AUDITS OF DISTRICT PERSONNEL ACTIONS, AS DEEMED APPROPRIATE, TO ENSURE THE HIGHEST LEVEL OF CONSISTENCY AMONG DISTRICTS AND TO MONITOR COMPLIANCE WITH STATE PERSONNEL POLICIES. MOREOVER, ON A MONTHLY BASIS THE FIELD SHOULD SUBMIT TO THE APPROPRIATE DIRECTORS A SUMMARY REPORT OF REALLOCATION/ JOB ESTABLISHMENT DECISIONS WITHIN THE APPROPRIATE DIRECTORATE, AGAIN IN THE INTEREST OF ENSURING AGENCYWIDE UNIFORMITY TO THE EXTENT PRACTICABLE.

Executive Committee Action: The Committee accepts and endorses the rationale and logic of the recommendation, has referred it to the consultant studying the organization and operation of the Personnel Division, and will take appropriate action upon the completion of that study, a review of its recommendations, and in view of the thrust of the assessment by the decentralization committee.

After consultation with the Personnel Officer, the committee believes that the recommendations discussed above can be implemented without jeopardizing the agreement under which the Department of Personnel and Training (DPT) has assigned certain personnel decisions to the agency.

However, the committee also recognizes the importance of that agreement and the absolute necessity of carefully following its intent. Delegation of this authority in no way lessens the Department's commitment to the

DPT Agreement and to follow high standards of professional personnel administration.

This phase of decentralization will require certain staff reassignments within the Personnel Division. If the recommendations are implemented, classification staff members in the division will, in the future, act as analysts, consultants and, in some instances, reviewers for classification action in the districts, and will work directly with the district personnel offices.

RECOMMENDATION 37: IN ORDER TO ACCOMMODATE POSITION REALLOCATION AND ESTABLISHMENT REQUIREMENTS FOR THE DIVISIONS, THE PERSONNEL DIVISION SHOULD CREATE A PERSONNEL SECTION IN THE CENTRAL OFFICE, COMPARABLE TO THOSE IN THE DISTRICTS, TO SERVE THE NEEDS OF CENTRAL OFFICE DIVISIONS.

Executive Committee Action: The Committee accepts and endorses the rationale and logic of the recommendation, has referred it to the consultant studying the organization and operation of the Personnel Division, and will take appropriate action upon the completion of that study, a review of its recommendations, and in view of the thrust of the assessment by the decentralization committee.

The underlying purpose of the committee's recommendation to decentralize substantial personnel duties is to expedite decisions. Even with the level of decentralization recommended, reallocation and job establishment responsibilities would remain with the Personnel Division for positions less readily subject to objective measurement based on equipment and tables of organization. There also is a need to expedite decisions in these instances, and the Personnel Officer has committed to the committee to have his staff take action to approve, disapprove, or modify each request within three days of its receipt. The committee believes this to be a meaningful commitment.

Budget Interface

Currently, the classification section in the Personnel Division forwards all requests for establishment of a new position or the reallocation of an existing position to the Budget Division for review. The purpose is to analyze the monetary impact of the proposed action. In the view of the committee, review prior to action is not necessary as long as the field has developed its budget estimates properly and the action has been approved by the appropriate directorate.

RECOMMENDATION 38: IN A FASHION SIMILAR TO THAT FOLLOWED BY THE DIVISIONS WHEREIN THE BUDGET CAN BE ESTIMATED BASED UPON ANTICIPATED EMPLOYMENT LEVEL CHANGES WHEN ACCOMPANIED BY A LETTER OF APPROVAL FROM THE APPROPRIATE DIRECTOR, THE FIELD SHOULD DEVELOP ITS BUDGETS BASED UPON ITS BEST ASSESSMENT OF STAFFING LEVELS, GET APPROVAL FROM THE CHIEF ENGINEER, AND SUBMIT FORMAL DOCUMENTATION OF THE APPROVAL ALONG WITH ITS BUDGET TO THE BUDGET DIVISION. THE BUDGET DIVISION CAN APPROPRIATELY TRACK THE MONETARY IMPLICATIONS OF PERSONNEL ACTIONS ON THE BASIS OF RECEIVING A COPY OF THE MONTHLY REPORT OF ACTIONS WHICH IS SUBMITTED TO THE DIRECTORS. THE COMMITTEE APPRECIATES THE NECESSITY TO NOT VIOLATE THE APPROPRIATIONS ACT; BUT, BY THE LANGUAGE OF THIS

RECOMMENDATION, IT INTENDS THAT A PROCEDURE BE DEVELOPED AND FOLLOWED WHICH PROVIDES THE BUDGET DIVISION WITH THE NECESSARY INFORMATION TO AVOID CONFLICT WITH AMOUNTS SET FORTH IN THE APPROPRIATIONS ACT AND WHICH, AT THE SAME TIME, IS CONSISTENT WITH ACCELERATED PERSONNEL DECISION MAKING.

Executive Committee Action: Approved.

Promotion/Selection Process

In its deliberations, the committee has identified another personnel area in which the respective central office division and district roles should be clarified.

In the past, in certain instances, division administrators have reserved the right to approve promotion or hiring decisions for some district section head positions. This, in the committee's view, unnecessarily intrudes on the district engineer's decision-making responsibility.

RECOMMENDATION 39: THE COMMITTEE RECOMMENDS THAT THE DEPARTMENT'S PROMOTION/SELECTION PROCESS SHOULD PROVIDE FOR THE APPROPRIATE CENTRAL OFFICE DIVISION ADMINISTRATOR, OR HIS REPRESENTATIVE, TO SIT AS A MEMBER OF THE PROMOTION/SELECTION PANEL FOR DISTRICT SECTION HEADS TO ENSURE PARTICIPATION OF A TECHNICAL NATURE, BUT THAT NO DIVISION SHOULD HAVE VETO POWER OVER A DISTRICT ENGINEER'S DECISION. (SOME MEMBERS OF THE LEADERSHIP FORUM HAVE CRITICIZED THIS RECOMMENDATION AS LEADING TO THE EROSION OF COMPETENCE IN THE DISTRICTS. IN THE COMMITTEE'S VIEW, THE RISK OF THIS RESULT IS SLIGHT. BECAUSE THE DISTRICT ENGINEER IS ULTIMATELY ACCOUNTABLE, HE WILL HAVE VERY STRONG INCENTIVES TO BUILD THE BEST AND MOST COMPETENT TEAM HE CAN. TO DO OTHERWISE IS IRRATIONAL AND HE, THEREFORE, WILL SEEK, AND MOST LIKELY HEED, THE ADVICE OF THE DIVISION ADMINISTRATOR.)

Executive Committee Action: Approved.

RECOMMENDATION 40: THE COMMITTEE ALSO RECOMMENDS THAT THE DEPARTMENT SHOULD INTENSIFY ITS TRAINING FOR THOSE INVOLVED IN THE EMPLOYEE SELECTION/PROMOTION PROCESS, PARTICULARLY WITH REGARD TO ASSURANCE OF COMPLIANCE WITH EQUAL EMPLOYMENT AND AFFIRMATIVE ACTION REQUIREMENTS.

Executive Committee Action: Approved.

Table 1

Positions for Which Authority on Establishment and
Reclassification is Proposed

<u>Class Code</u>	<u>Grade</u>	<u>Class Title</u>
11023	2	Office Services Aide
11024	4	Office Services Assistant
11025	5	Office Services Specialist
11035	4	Secretary
11036	5	Secretary Senior
12031	2	Switchboard Operator A
12043	4	Photocopy Technician (Photocopy Equipment Operator A & B)
23411	5	Fiscal Assistant
23412	6	Fiscal Technician
54012	5	Highway Engineering Technician B
54013	7	Highway Engineering Technician C
54022	5	Highway Materials Technician B
54023	7	Highway Materials Technician C
54042	5	Highway Right-of-Way Technician B
54043	7	Highway Right-of-Way Technician C
54052	5	Highway Traffic Technician B
54053	7	Highway Traffic Technician C
54071	8	Highway Right-of-Way Agent A
54102	7	Bridge Safety Inspector A
54112	7	Highway Construction Inspector A
54151	8	Bridge Design Draftsman A
54292	3	Survey Chainman
54293	5	Survey Levelman
54294	7	Survey Transitman
56011	5	Toll Facilities Supervisor A
56012	6	Toll Facilities Supervisor B
56026	6	Bridge Tunnel Shift Supervisor
56061	3	River Ferry Crewmember (Deckhand) (Quartermaster) (Highway Marine Oiler)
56062	10	River Ferry Pilot A
56064	10	River Ferry Engineer A
56065	5	River Ferry Mate
56066	5	River Ferry Engineer Apprentice
56076	4	Toll Collector
61031	3	Carpenter Assistant

Table 1, continued

<u>Class Code</u>	<u>Grade</u>	<u>Class Title</u>
61032	6	Carpenter
61033	7	Carpenter Lead Man
61034	8	Carpenter Foreman
61071	7	Water Systems Treatment Plant Operator
61074	4	Wastewater Treatment Plant Operator (Rest Area Custodian Water Treatment Operator)
61131	3	Painter Assistant
61132	6	Painter
61142	6	Plumber Steamfitter
61201	3	Sheet Metal Worker Assistant
61202	6	Sheet Metal Worker
61261	3	Utility Serviceman
61271	6	Welder A
61272	7	Welder B
62011	1	Custodial Worker
62012	2	Housekeeping Supervisor A
62102	2	Trades Helper
62112	2	Groundsman
62115	8	Grounds Supervisor
62124	5	Highway Bridge Tunnel Emergency Crewman
63011	4	Highway Equipment Electrician Helper
63012	6	Highway Equipment Electrician
63013	7	Highway Equipment Electrician Lead Man
63021	7	Highway Equipment Machinist
63031	4	Highway Equipment Operator A
63032	5	Highway Equipment Operator B
63033	6	Highway Equipment Operator C
63041	2	Highway Equipment Serviceman
63042	3	Highway Equipment Mechanic Apprentice
63043	6	Highway Equipment Mechanic A
63044	7	Highway Equipment Mechanic B
63045	7	Highway Equipment Body Repairman
63061	1	Highway Maintenance Helper
63063	7	Highway Foreman
63064	8	Highway Maintenance Superintendent A
63065	9	Highway Maintenance Superintendent B
63071	5	Bridge Repairman
63082	6	Weigh Party Technician
63083	8	Weigh Party Chief
63101	5	Highway Sign Fabricator
63102	7	Highway Sign Fabrication Foreman
63112	4	Toll Facilities Maintenance Man B
63121	6	Tunnel Ventilation Equipment Operator
63131	3	Bridge Tender A
63132	4	Bridge Tender B
63133	4	Bridge Span Operator
63152	3	Rest Area Custodian
64033	4	Warehouseman (Storekeeper Assistant)
64051	5	Forklift Operator
76112	2	Watchman B
76132	4	Bridge Tunnel Patrolman

Information Systems Conclusions and Recommendations

The committee's discussions regarding the information systems function concentrated on a review of the Department's Information Systems Plan and an evaluation of the potential for revising the procedures stemming from the agreement on data processing purchasing authority as outlined in the Department's blanket authority agreement with the Department of Information Technology (DIT). First, let us deal with procurement.

Proposed Data Processing Procurement Improvements

Since mid-1984, the Department has had blanket authority within guidelines established by DIT for the purchase of data processing hardware and software. This authority has been in the amount of \$50,000 with a maximum of \$10,000 per single transaction. Experience has shown that two or three renewals of this authority have been approved each year.

Under the existing procedures, requests for data processing hardware and software are made to the Information Systems Division in the central office, who in turn reviews the request for its appropriateness and merit.

In the view of the committee, this process of approval is cumbersome and time consuming. In addition, it does not fully take advantage of the data processing knowledge and skills which are currently vested in field units. Each district, for example, has a trained information systems specialist, and the Research Council has its own data processing group headed by a Research Scientist with a number of years of experience in information systems management and development.

RECOMMENDATION 41: THE COMMITTEE RECOMMENDS THAT A CERTAIN LEVEL OF DATA PROCESSING PURCHASING AUTHORITY BE DELEGATED TO THE FIELD. THE TECHNICAL EXPERTISE ALREADY EXISTS, WE BELIEVE, AT EACH DISTRICT OFFICE AND AT THE RESEARCH COUNCIL.

At the committee's initiation through a letter to the Director of DIT, dated August 29, 1986, a formal proposal has been made and approved to expand the Department's authority regarding data processing procurement. The major aspects of that action plan are outlined below and presupposes broadening the procurement function in the field. The plan is as follows.

- o *Increase the Department's data processing blanket authority from \$50,000 per approval to \$200,000.*
- o *The Department will retain \$110,000 of this authority within the central office. The maximum expenditure for a single procurement in the central office will remain at \$10,000.*
- o *The Department will delegate \$10,000 (\$500 maximum per transaction) of this blanket authority to each of the 9 district offices.*

In return for this authority, the Department of Transportation agrees to:

- o Maintain a data processing blanket administrator in the central office as a single point of contact with DIT for all acquisitions.
- o Agree to the enhancement of the procurement function in each district who will assure that all affected purchases are either from the approved State Contract list or are acquired competitively.
- o Agree to all of the stipulations which govern the current Blanket Authorization, including the maintaining of auditable records.

The committee offers two additional recommendations:

RECOMMENDATION 42: IT IS RECOMMENDED THAT THE CURRENT POLICIES AND PROCEDURES BE ADJUSTED APPROPRIATELY TO REFLECT THE CHANGES RECOMMENDED ABOVE, PARTICULARLY AS THEY PERTAIN TO THE APPROVAL OF DATA PROCESSING HARDWARE, SOFTWARE, AND PERIPHERALS BY THE INFORMATION SYSTEMS DIVISION.

Executive Committee Action: Approved.

RECOMMENDATION 43: IN THE VIEW OF THE COMMITTEE, STRONG CONSIDERATION SHOULD BE GIVEN TO EXTENDING ADDITIONAL AUTHORITY TO THE RESEARCH COUNCIL IN THE DATA PROCESSING PROCUREMENT AREA. WHILE NOT TRULY A DECENTRALIZATION ISSUE, THE COMMITTEE BELIEVES THIS IS JUSTIFIED ON THE BASIS OF THE COUNCIL'S DATA PROCESSING EXPERTISE, ITS CLOSE RELATIONSHIP WITH THE FIELD, THE FACT THAT PROCUREMENT IS CURRENTLY FUNNELED THROUGH ONE INDIVIDUAL, AND ITS RESEARCH NATURE. DETAILS SHOULD BE AGREED TO BY THE DIRECTOR OF FINANCE AND THE DIRECTOR OF RESEARCH.

Executive Committee Action: Approved.

Resource Implications for Improving Data Processing Procurement

Implementation of the proposal to improve data processing procurement are anticipated to involve no staff over and above those already noted under the previous discussion regarding the enhancement of the procurement function in the field.

Other Information Systems Plan Initiatives

RECOMMENDATION 44: A NUMBER OF AREAS COVERED BY THE IMPLEMENTATION OF THE DEPARTMENT'S INFORMATION SYSTEMS PLAN WILL RESULT IN A CONTINUING PROCESS OF DECENTRALIZATION. THE COMMITTEE RECOMMENDS THAT, IN THE COURSE OF COMPLETING THESE PLANS, EACH BE ACCOMPANIED BY A COMPLETE ASSESSMENT OF STAFFING AND SPACE NEEDS.

Executive Committee Action: Approved.

Pertinent portions of the Plan and the status thereof are as follows.

- o Program/Project Management System - Input and inquiry capabilities are presently available at the district level.
- o Right-of-Way Management System - Input and inquiry capabilities are currently being made operational at the district level. The full capability will be in place by the fourth quarter of calendar year 1986.

- o Financial Management System - Data entry of timesheet and other data will be operational from district and residency offices by the second quarter of calendar year 1987. Inquiry into construction, maintenance and ledger cost data will be available from districts and residencies by the fourth quarter of calendar year 1987.
- o Purchasing and Inventory Management System - Data entry and inquiry into the inventory portion of this system will be available at the district and residency levels by the fourth quarter of calendar year 1987.
- o Secondary Traffic - Input of traffic volumes for secondary roads will originate in the districts and residencies in conjunction with an early stage of the Highway Traffic Records Information System. This capability is anticipated to be available prior to the end of calendar year 1987.
- o Hardware - Minicomputers in the district offices and the Research Council will be installed by the second quarter of calendar year 1987, and the installation of additional microcomputers and video display terminals in district and residency offices will continue.

Capital Outlay Process Recommendations

Full implementation of decentralization necessitates not only changes in staffing as noted in previous sections, but may, depending on program size, also carry with it associated implications for capital outlay.

The capital outlay budgeting process begins when the Division of Administrative Services is notified that preplanning justifications are due to the State Department of Planning and Budget. The Division of Administrative Services then notifies the districts that they are to evaluate their needs and prepare a capital outlay budget request.

Once the budget requests are received, the capital outlay committee, consisting of the Chief Engineer, the Maintenance Engineer, the Equipment Engineer, and the Administrative Services Officer review the requested projects. The committee then determines the list of priority projects. The 1984-86 budget required justification for needs by each district and included priorities to ensure that chemical storage buildings were funded. The establishment of the constraint on capital outlay is based largely on a review of anticipated revenues and the construction program by top management.

In the view of the committee, the capital budgeting process is a critical component of resource management for the Department and should be structured to ensure a long-term view taking into account life cycle cost analysis, staffing variability, and program level and growth. While the current process includes some of these criteria, the committee believes some enhancement can be beneficial.

RECOMMENDATION 45: THE COMMITTEE RECOMMENDS THAT THE ASSISTANT COMMISSIONER PREPARE AN ACTION PLAN FOR THE CAPITAL OUTLAY PROCESS WHEREBY DECISIONS ON FUNDING LEVELS ARE BASED ON WELL ESTABLISHED CRITERIA FOR PRIORITY NEEDS AND THAT FUNDING FOR PRIORITY NEEDS BE PREPARED FOR A 6-YEAR PERIOD. THIS ACTION PLAN SHOULD BE PREPARED

FOR REVIEW BY THE COMMISSIONER AND THE EXECUTIVE COMMITTEE BY
AUGUST 1, 1987.

Executive Committee Action: *Approved.*

Issues Calling for Additional Attention

The committee identified several issues which could not be easily categorized within directorates but which have significant implications for the implementation of decentralization in the short run and its success in the long run. Where there was sufficient information available on which to base a recommendation, these are noted. In other instances, the sense of the committee is briefly described.

Implications at the Residency Level

RECOMMENDATION 46: ORGANIZATIONAL CHANGES WHICH IMPACT THE DISTRICTS ULTIMATELY IMPACT THE RESIDENCIES AS WELL; DECENTRALIZATION IS CERTAINLY NO EXCEPTION. THE SCOPE OF THE COMMITTEE'S DELIBERATIONS DID NOT, DUE TO THE TIME AVAILABLE, INCLUDE SUCH IMPACTS. CONSEQUENTLY, AS THE PROCESS OF DECENTRALIZATION PROGRESSES, A MECHANISM SHOULD BE PUT IN PLACE TO ASSESS AND APPROPRIATELY ADDRESS IMPACTS AT THE RESIDENCY LEVEL. OF PARTICULAR INTEREST SHOULD BE STAFFING, SPACE, AND OTHER RESOURCE IMPLICATIONS.

Executive Committee Action: *The Decentralization Committee has been expanded to include two resident engineers and two division administrators. That committee will address such residency issues in 1987.*

Assistant District Engineer for Administration and Finance

RECOMMENDATION 47: THE COMMITTEE STRONGLY RECOMMENDS THE CREATION OF THE POSITION OF ASSISTANT DISTRICT ENGINEER FOR ADMINISTRATION AND FINANCE.

IT IS ALSO THE VIEW OF THE COMMITTEE THAT THOSE DISTRICTS CURRENTLY WITHOUT AN ASSISTANT DISTRICT ENGINEER FOR CONSTRUCTION MAY FIND IT NECESSARY TO FILL SUCH A POSITION DEPENDING ON THE SIZE OF THE CONSTRUCTION PROGRAM.

CREATION OF THE ASSISTANT DISTRICT ENGINEER FOR ADMINISTRATION AND FINANCE WOULD REQUIRE 9 STAFF MEMBERS IF IMPLEMENTED. MAJOR DUTIES WOULD INCLUDE OVERSEEING BUDGET DEVELOPMENT, PERSONNEL, EEO, PROCUREMENT, ACCOUNTING, AND INFORMATION SYSTEMS. CURRENTLY, FOUR DISTRICTS ARE WITHOUT AN ASSISTANT FOR CONSTRUCTION.

Executive Committee Action: *The position of Administrative Assistant to the District Engineer has been established and authorization will be forthcoming. It is expected to carry on the duties as described above.*

Service Center Concept

The committee believes there is a long run potential for broader use of the service center concept as now used in Culpeper. As alluded to earlier, CADD is an obvious candidate. However, the concept need not be limited to preconstruction activities and could include the development of specialty equipment experts or other kinds of "hotshots" whose expertise could be drawn on and shared among the districts on an as needed basis.

Policy Formation and Procedure Review

The committee believes there is clear justification which calls for a thorough examination of both the definition and content of policy and procedure as well as the appropriate future role to be played by division administrators and district engineers in the development of procedures which are intended to implement policy. It is the sense of the committee that there is not a clear understanding of the distinction between policy, instructional memoranda, rules and regulations, and procedure. Nor is it clear how these shall best be established in the future. In order to provide for a clarification of these issues, the committee recommends--

RECOMMENDATION 48: A DEPARTMENTAL TASK GROUP SHOULD BE ESTABLISHED TO CLARIFY POLICY FROM PROCEDURE, GUIDELINES FROM REGULATIONS, AND THE APPROPRIATE ROLE DIVISION ADMINISTRATORS AND DISTRICT ENGINEERS WILL PLAY IN DEVELOPING EACH IN THE FUTURE. AMONG THE TOPICS ADDRESSED SHOULD BE A HEIGHTENED ROLE OF THE LEADERSHIP FORUM IN POLICY AND PROCEDURAL CHANGES.

Executive Committee Action: No action required. The Leadership Forum should serve this purpose well.

Training

RECOMMENDATION 49: THE TRAINING FUNCTION PER SE IS RELATIVELY NEW TO THE DEPARTMENT. IN THE COMMITTEE'S VIEW, EFFECTIVENESS OF THE TRAINING PROGRAM CAN BE ENHANCED THROUGH A CLEAR AND STRONG PROVISION OF DIRECTION AND ESTABLISHMENT OF PRIORITIES BY THE TOP MANAGEMENT OF THE DEPARTMENT. THIS WILL NOT ONLY PROVIDE A CLARIFICATION OF THE ROLE OF THE TRAINING OFFICER INTERFACE BETWEEN THE CENTRAL OFFICE AND THE FIELD, BUT ALSO WILL SET THE DEPARTMENT ON A COURSE OF ACTIONS, SUCH AS THE DEVELOPMENT OF A MANAGEMENT CAREER PROGRAM, WHICH CAN AID IN DEALING WITH THE PROBLEMS WHICH ARE TO BE EXPECTED FROM A LARGE NUMBER OF MANAGERS WHO ARE REACHING RETIREMENT AGE.

Executive Committee Action: The Executive Committee agrees and is moving to establish clear priorities for training during 1987.

Departmental Budgeting

RECOMMENDATION 50: IN MANY WAYS THE COMPLEXITY OF THE BUDGET PROCESS IS NECESSITATED BY REQUIREMENTS OF THE FHWA AND STATE GOVERNMENT. FURTHERMORE, BECAUSE OF THE RELATIVE NEWNESS OF THE BUDGET DIVISION AND THE IMMINENCE OF THE FINANCIAL MANAGEMENT SYSTEM IMPLEMENTATION, THE COMMITTEE AGREES THAT THE DIRECTOR OF FINANCE SHOULD CONTINUE TO

EXAMINE THE BUDGETARY PROCESS WITH A VIEW IN MIND TO ENSURE ITS
CONSISTENCY WITH DECENTRALIZATION.

Executive Committee Action: Agreed.

APPENDIX A

A SYNOPSIS OF COMMENTS RECEIVED AND RESPONSES
REGARDING THE REVIEW DRAFT OF
THE DECENTRALIZATION REPORT

SUMMARY OF LEADERSHIP FORUM MEETING

On October 9, 1986, the Leadership Forum met to discuss the draft report issued by the Decentralization Committee. The membership of the Forum was divided into three groups to allow the report's contents to be fully discussed. At the conclusion of the group meetings, the full membership reconvened to hear the results of the discussions and to further debate any concerns presented.

Below is a complete list of concerns expressed during the meeting. Responses to the comments are listed separately and, where appropriate, the report has been revised.

Leadership Forum Comments

1. Additional consideration should be given to the areas of Urban, Public Transportation and Public Affairs for decentralization to those districts which have enough work load or need to warrant decentralization of these activities.

Committee Response

As is true of the recommendations made regarding traffic and safety, this is not a decentralization issue per se. If work load warrants such an arrangement, then the case should be made with the appropriate director, and it should be favorably received.

2. District engineers expressed some desire to have more influence in the scheduling of secondary road projects and smaller projects on primary routes. Also the Secondary Roads Division's paper requirements are overly burdensome and need to be addressed.

Committee Response

It is not clear that project scheduling of the sort suggested is an appropriate function for decentralization. The Director of Planning and Programming has made a commitment, however, to meet with the district engineers to clarify the matter and deal with the paper requirements of the Secondary Roads Division as well.

3. A lack of direction over relationships with Highway and Transportation Board members was bothersome to the district engineers.

Committee Response

This is not a decentralization issue.

4. Concern was expressed over creation of the committee since no common agreement existed over "what was broken?".

Committee Response

The main thrust of the decentralization effort was not in the context of "what was broken." Rather, the view was toward

proposing changes which would aid in building an organization which could best respond to a very rapidly changing transportation and highway construction and maintenance environment.

5. Concern was voiced that the district engineer position was upgraded before the task force work was completed justifying any increase in work requirements or authority for the position.

Committee Response

This issue was not within the purview of the committee's work, thus no comment is offered.

6. District engineers feel the assistant district engineer for administration should be a lower grade than other assistants.

Committee Response

The appropriate grade level for the assistant district engineer is not an issue for the decentralization committee. Nevertheless, it should be noted that grade determination is largely a function of what the market will bear and information developed through a personnel audit.

7. The committee needs to more clearly define the accountability for district engineers and division administrators.

Committee Response

The committee has clarified its intent regarding roles of the central office and districts by altering and adding to the language of the report as it pertains to the preconstruction function. The reader is referred to that section of the report and should view it as exemplifying the sense of the committee regarding authority and accountability in general.

8. Two division administrators and the Richmond-Petersburg Turnpike Division felt that the procurement recommendations should be applicable to them.

Committee Response

There has been no evidence offered to support such a request. In the committee's view, the magnitude and immediacy of purchasing demands in the field warranted the proposed changes; however, such procurement demands do not appear comparable for divisions.

9. Central Office divisions felt that they should have the same authority for reclassification given to the field. Concern was expressed over districts' ability to apply reclassification actions uniformly and consistently. Several divisions (primarily in preconstruction) spoke for the retention of existing hiring and promotion procedures for field section managers.

Committee Response

The text of the revised report has been changed to reflect the committee's response to concerns of the Leadership Forum regarding providing additional personnel authority to the central office and retaining existing promotion procedures. The committee shares the concern of the Leadership Forum regarding the appropriate application of personnel rules and has proposed that the Personnel Division be charged with the responsibility of ensuring uniform application through a post audit mechanism.

10. What is the fate of the committee? Will it continue to exist, and, if so, will it monitor implementation and continue to look at further areas for potential decentralization?

Committee Response

Clearly, one continuing role of the committee is to evaluate the success of the personnel recommendations should they be implemented. In addition, the committee could be charged with gathering information necessary to choose among the several alternatives available for fulfilling the identified need for a procurement officer in the field. Ultimately, however, decisions about the life of the committee rest with the Commissioner, not the members of the committee.

11. Caution should be exercised in placing new responsibilities in the field so that the proper knowledge, skills, and abilities are also decentralized.

Committee Response

The availability of proper KSAs was a central theme throughout the committee deliberations. This fact is evident in the section of the report dealing with traffic and safety.

12. If the committee is recommending the abolition of the Equipment Committee, then it should state this as a recommendation.

Committee Response

The concentration was, and remains, on the process of budgeting for equipment and on proposing a process in lieu of the current equipment committee deliberation which would separate replacements from enhancements and equipment additions. In addition, the committee's suggestion embodies a process that improves the probability that purchases will be consistent with district priorities.

13. If the purchasing function and officer are placed in the field, make certain that the responsibility and authority of this position is clearly defined.

Committee Response

We agree. The language of the revised report reflects the fact that implementation will require additional detailed deliberation.

14. Procurement and petty cash are two separate issues which need to be more clearly delineated.

Committee Response

That was the committee's intent in the first draft. The language of the revised report has been altered to make the separation more clear.

15. The report language concerning the role of the Budget Division in filling positions should be clarified.

Committee Response

The committee agrees and has revised the language accordingly.

16. Concern was expressed over the reporting relationship of personnel and the proposed assistant district engineer. Specifically, the argument is that if personnel were to report to an assistant district engineer, the effectiveness of the personnel function would be diluted.

Committee Response

It is not at all clear that the concern is warranted; however, further discussion would be necessary as part of any implementation plan.

APPENDIX B

LETTERS REGARDING THE
DECENTRALIZATION REPORT



COMMONWEALTH of VIRGINIA

HIGHWAY & TRANSPORTATION RESEARCH COUNCIL

September 18, 1986

RE: Transmittal of Draft of
Decentralization Report

MEMORANDUM

TO - Mr. Ray D. Pethtel

It is with great pleasure that I transmit, on behalf of the members of the Committee on Decentralization, the draft of our report, "A Conscious Process of Decentralization: Proposals for Implementation." We believe its focus is appropriate, and its conclusions and recommendations are based upon an objective appraisal of facts as we understand them. We look forward with excitement to the discourse which naturally can be expected to follow.

The balance of this transmittal has two parts. The first deals with a series of steps, strongly endorsed by the committee, which you may wish to consider as a way to encourage maximum participation and ownership of the ultimate set of recommendations which will flow from this report. The second part suggests steps which the committee believe are appropriate as part of a long run implementation strategy.

Dealing with the Draft Report

We offer the following for your consideration.

1. Executive Committee Briefing--After your review with the committee, brief the Executive Committee with the Decentralization Committee members present (perhaps September 26).
2. Fall Conference Presentation--On October 7, provide copies of the draft and a briefing to top managers, explaining that the members of the Leadership Forum will have an opportunity to meet in small groups during the week of October 13 with committee members to offer their critique.

3. Group Discussions--During the week of October 13, three groups could be formed to allow managers to discuss the report and air concerns. At least two representatives of the committee will be present; one District Engineer and one Director. These meetings will be facilitated by Management Services staff. Groups should be split into District Engineers who are not on the committee and Division Administrators.

The chairman will meet with the Directors who are not members of the committee to review the report and receive their comments.

Summaries of the meetings will be prepared by Management Services and presented to you and the committee.

4. The committee will consider the summary of the critiques and decide whether or not to revise the report or write an addendum for your review.
5. Pending your review, the final report will be sent to members of the Leadership Forum with a request that they provide their final comments to their Executive Committee member.
6. You receive advice from the Executive Committee concerning the implementation of the report (October 22). After considering this advice, you announce your decisions regarding implementation of the report.

Long Run Implementation


In the committee's judgement, maintaining organizational wellness will be a significant influence on the long run implementation of the recommendations. Accordingly, we offer the following as elements which may serve to facilitate that organizational wellness and long run implementation.

1. Setting the Tone--It is critical that a positive tone be set and that you be the tone setter. The use of video (similar to your taped remarks at the Spring Conference) would be an excellent vehicle to explain your philosophy.
2. Make maximum use of the Bulletin. Pose questions and answer them. There is little danger of overkill.
3. The Directors must take an active and positive role in selling the benefits of the implementation.
4. The Department needs to be apprised of the progress of implementation. Information regarding the creation of new positions and other resource initiatives should be widely disseminated and updated.
5. Leadership Forum meetings should be used to the maximum to encourage and maintain an effective District Engineer/Division Administrator interface.
6. Mechanisms should be established to clearly distinguish decentralization actions, per se, from actions associated with acceleration.

Mr. Ray D. Pethel
September 18, 1986
Page 3

7. The committee members can serve as a significant aid to implementation. All employees should be encouraged to call us to clarify points of substance or simply air their views.
8. Participation by Division Administrators in district staff meetings should be actively sought and encouraged. It is critical that Division Administrators, not their representatives, be the participants in such on-site discussions.
9. Monthly district engineers meetings should be open and Division Administrators should be encouraged to attend if they wish.
10. Meetings among Division Administrators to discuss issues of mutual interest should be permitted.

We look forward to your comments and reactions to the draft report.


Gary R. Allen
Senior Research Scientist

GRA:jk

TEL. COMMISSIONER
 N. JONESVILLE, BRISTOL DISTRICT
 MUSSELWHITE, ROANOKE, SALEM DISTRICT
 AVISON, R., LYNCHBURG, LYNCHBURG DISTRICT
 E HOWLETTE, RICHMOND, RICHMOND DISTRICT
 ALBON, VIRGINIA BEACH, SUFFOLK DISTRICT
 WEYS, JR., WEEMS, FREDERICKSBURG DISTRICT
 R. KINCHELOE, CULPEPER, CULPEPER DISTRICT
 SMALLEY, BERRYVILLE, STAUNTON DISTRICT
 SUFFRE, ALEXANDRIA, NORTHERN VIRGINIA DISTRICT
 KELLY, SR., NEWPORT NEWS, AT-LARGE URBAN
 UNCKE, BLACKSTONE, AT-LARGE RURAL



OSCAR K. MABRY
 DEPUTY COMMISSIONER
 J. M. WRAY, JR.
 CHIEF ENGINEER
 ALBERT W. COATES, JR.
 ASSISTANT COMMISSIONER
 JACK HODGE
 DIRECTOR OF ENGINEERING
 SALLY H. COOPER
 DIRECTOR OF RAIL AND PUBLIC TRANSPORTATION
 J. G. RIPLEY
 DIRECTOR OF PLANNING AND PROGRAMMING
 J. W. ATWELL
 DIRECTOR OF FINANCE
 DAVID R. GEHR
 DIRECTOR OF OPERATIONS

COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION
 1221 EAST BROAD STREET
 RICHMOND, 23219

October 2, 1986

Petty Cash Funds/
 Meeting with State
 Comptroller's Office

MEMORANDUM

To - Mr. Oscar K. Mabry

This is to advise that Mr. Omohundro and I met with Chuck Taylor, Assistant State Comptroller, and John Vance, of his office, today concerning recommendations contained in the Internal Audit Division's report on the Prompt Payment Act and recommendations contained in the Decentralization Study, both relative to the use and disbursement of petty cash funds.

I reviewed with Mr. Taylor the recommendations contained in both of the reports concerning increasing the amount for disbursements from petty cash funds up to a maximum of \$1,200. It was discussed that any action taken with regard to increasing the limits for petty cash disbursements would result in an additional petty cash advance from the State Treasurer. He expressed the Treasurer's concern in that funds tied up in petty cash do not produce interest income to the Commonwealth.

Mr. Taylor pointed out that the state as a whole was emphasizing internal controls and reduction of petty cash advances to agencies. This proposal appears to him to be counter-productive to those two efforts. Mr. Taylor emphasized that the State Auditor of Public Accounts was aware of the recommendations contained in the Internal Audit Report and also has concern in this regard. I advised Mr. Taylor that the purpose of this meeting was for preliminary discussions only and did not constitute a formal request from the Department to the Comptroller's office for any change at this time.

Mr. O. K. Mabry
Page 2
October 2, 1986

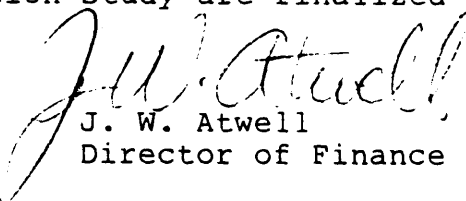
Mr. Taylor stated that after reviewing the situation his initial reaction or suggestions to us would be to make the current \$100 limit for petty cash disbursements mandatory at the district level. This would eliminate approximately 40% of the invoices based on Internal Audit Division's analysis, we are now processing under \$100. In addition, he suggested that we could authorize up to \$1,200 being disbursed from petty cash only in emergency situations. He suggested that we maintain this policy for at least one year and evaluate the results and then consider increasing the mandatory limit to \$200. He did not feel the Comptroller would be receptive to increasing the petty cash advance to accommodate an amount higher than \$200 which would further compromise his preaudit function.

It was understood that by making the \$100 limit mandatory, the Department would need approximately \$750,000 additional in petty cash funds. Also, further adjustments to the petty cash fund would be required if the limit were increased to \$200 after the one year trial period.

We also discussed continuing paying certain utility bills and other items over \$100 which carry penalties from petty cash funds. Mr. Taylor advised that they had no problem with continuing this policy, especially when it saves the Commonwealth money.

Mr. Taylor further stated that the Comptroller's Office had no problem with combining invoices into one petty cash check when each of the invoices are under \$100.

I advised the Comptroller's Office that we would be making a formal request to them at such time the recommendations contained in the Decentralization Study are finalized by the Department.


J. W. Atwell
Director of Finance

JWA/mme

cc: Mr. C. H. Taylor, Jr.
Executive Committee Members
Decentralization Committee Members
Mr. T. B. Omohundro, Jr.
Mr. Alex Sabo

EL. COMMISSIONER
 N. JONESVILLE, BRISTOL DISTRICT
 RUSSELWHITE, ROANOKE, SALEM DISTRICT
 WILSON, JR., LYNCHBURG, LYNCHBURG DISTRICT
 HOWLETTE, RICHMOND, RICHMOND DISTRICT
 ALBON, VIRGINIA BEACH, SUFFOLK DISTRICT
 WEEMS, JR., WEEMS, FREDERICKSBURG DISTRICT
 R. KINCHELOE, CULPEPER, CULPEPER DISTRICT
 MALLEY, BERRYVILLE, STAUNTON DISTRICT
 LUFFRE, ALEXANDRIA, NORTHERN VIRGINIA DISTRICT
 KELLY, SR., NEWPORT NEWS, AT-LARGE URBAN
 WICKLE, BLACKSTONE, AT-LARGE-RURAL



COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION

1221 EAST BROAD STREET
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October 7, 1986

OSCAR K. HADRY
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 DIRECTOR OF RAIL AND PUBLIC TRANSPORTATION
 J. G. RIPLEY
 DIRECTOR OF PLANNING AND PROGRAMMING
 J. W. ATWELL
 DIRECTOR OF FINANCE
 DAVID R. GEBR
 DIRECTOR OF OPERATIONS

MEMORANDUM

TO - Dr. Gary R. Allen
 FROM - Albert W. Coates, Jr. *A*

I am attaching a memorandum I received Friday from Jeff Boyd regarding the Decentralization Committee's recommendations on personnel matters.

It appears to me (1) that Jeff is misreading the draft report or (2) we will need to clarify language in the final report; I think we're together in intent.

The committee never discussed, insofar as I know, the idea of the districts dealing directly with the State Department of Personnel and Training in any matter. Instead, we recognized Jeff's responsibility for overall agency classification actions, and it was my understanding that the committee also recognized the need to submit its paperwork directly to his office.

I do not believe, however, that we want to characterize the district engineers as extensions of the Personnel Division, any more than we characterize them as extensions of the Bridge or Fiscal Divisions, even though that may be the practical effect of what we do.

By copy of this memorandum, I am inviting Jeff to suggest changes in the language of the draft report which would provide clarification and alleviate his concern, taking into account the observations I have made above.

thm

cc: Mr. R. J. Boyd, Jr.

INTRA-DEPARTMENTAL MEMORANDUM

TO : Mr. A. W. Coates, Jr. Richmond, Virginia

FROM : R. J. Boyd, Jr. October 3 1986

SUBJECT: Review Draft of Decentralization Report Route _____ Proj. _____

If implemented literally on the basis of what is written, the decentralization committee's proposals on position classification do, in my opinion, place the department's contract with the Department of Personnel and Training in jeopardy.

On the other hand, as you and I have discussed the committee's deliberations, and as I understood and participated in resolving issues before the group, there should be no risk to the contract.

The key difference between these viewpoints lies in where the ultimate responsibility for classification is placed. If the District Engineers are given authority to classify jobs, transmit those actions directly to the state personnel files, and report to me periodically on what has transpired, as the committee recommends, then I believe the classification authority vested in this office under the Department of Personnel and Training contract will effectively have been removed. In this event, the contract would no longer be valid, since I would not be the person in the department responsible for actions that are taken.

We know, our last conversation with Dr. Pak, that DPT has consistently taken the position that it holds the agency personnel office responsible for classification matters. Moreover, Dr. Pak has told us that he expects my office to conduct all reviews of job allocations.

I had interpreted that the committee and I were in agreement on the role of my office in these matters. I had expected the proposals to characterize the District Engineers (and their personnel staff) as extensions of this office, with authority to classify certain types of positions.

It was to have been simply a matter of our preparing the district personnel staff to the point of being comfortable in allowing them, under the signature of the District Engineer, to exercise classification authority on our behalf. This is exactly the relationship of my office with DPT under the contract. Responsibility for the classification plan of the department remains in my office, just as it remains in DPT for all the agencies.

On what to me is a housekeeping note, but what to the District Engineers is apparently a significant point of departure, all classification actions taken or recommended in the agency need my authentication. If decentralization is implemented according to my understanding, I will simply sign those papers over which we have given the districts to act, and pass them on to DPT for recordation in PMIS. Handling the paper in this manner gives us the record of an action for retention and possible post-audit. This is the same role DPT plays in its delegation of authority to the agencies.

I am comfortable carrying out the process I have described under the contract, although we probably should report our implementation plan to DPT for the sake of staying above board.

This process, and the emergence of our central classification staff as auditors-analysts-consultants to operatives in the districts and divisions is an exciting development, and one which I fully endorse. Putting the authority issue aside, I envision a highly productive environment in which closer attention is given local classification needs by the staff there and our staff is able to devote greater time to the pursuit of broader agency needs.

I seek your endorsement of the roles and relationships I describe.



R. J. Boyd, Jr.
Personnel Officer

RJBjr:scw

EL, COMMISSIONER
 M. JONESVILLE, BRISTOL DISTRICT
 MUSSELWHITE, ROANOKE, SALEM DISTRICT
 ADSON, JR., LYNCHBURG, LYNCHBURG DISTRICT
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 LMON, VIRGINIA BEACH, SUFFOLK DISTRICT
 MEYS, JR., WEEMS, FREDERICKSBURG DISTRICT
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 BELY, SR., NEWPORT NEWS, AT-LARGE URBAN
 WENCKE, BLACKSTONE, AT-LARGE RURAL



COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION

Staunton, Virginia 24401-1054

October 10, 1986

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 DIRECTOR OF PLANNING AND PROGRAMMING
 ALBERT W. COATES, JR.
 DIRECTOR OF ADMINISTRATION
 J. W. ATWELL
 DIRECTOR OF FINANCE

CECCHINI
 ENGINEER

Please Reply To
 Department of Highways
 and Transportation

MEMORANDUM

TO - Dr. Gary Allen

Mr. Paul Cecchini has afforded me the opportunity to read the draft copy of the decentralization report with the option of commenting on the contents. It is obvious from reading this report that the committee has given a significant amount of time and thought to their task.

My primary interest in this report rests in the personnel area since this is my area of responsibility. I applaud the decentralization recommendations for the classification function since this is a bottleneck area in accomplishing personnel transactions in a timely fashion. Greater classification responsibilities vested at the district level will require additional staff support as noted in the report. The mandate for the District Personnel Staff is broad with the current staff of three making it difficult to be responsive and creative to the human relations needs of the district.

I would be happy to get another staff member with the title being of no great significance yet titles have a way of tracking an employee in one specific function. Should an additional staff member be added to the District Personnel Staff, it is my suggestion that the classification be in the personnel generalist group such as Personnel Practices Specialist. We do not have need for a full time classification analyst in the Staunton District but the collective needs in the personnel/human relations functions would fully occupy the time of the incumbent.

One aspect of the committee's recommendation to create the position of Assistant District Engineer for Administration and Finance does concern me. The major duties for this position listed in the report include oversight of personnel. I can understand District Engineers seeking help in consolidating and directing the duties proposed for the new Assistant District Engineer yet the recommendation to include personnel seems to be contrary to private industry and goal of the Commonwealth to have the management of human resources vested in a staff position reporting to the top executive.

In 1979, the Commonwealth recognized the low priority afforded employee relations in state agencies which was evidenced by Personnel Managers often reporting to individuals other than the ranking executive for the organization. Steps were taken, as the Department of Personnel and Training began their decentralization process, to ensure that the employee relations function reported to the top executive of the work units in each agency. Their rationale, with which I agree, is that the organization placement of the personnel function is indicative of the importance an agency places on employee relations. Decisions affecting personnel are often not popular and to ensure consistent application of policies, it is critical that personnel remain under the direct supervision of the District Engineer.

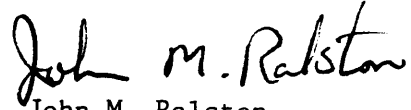
House Document No. 11 effectively states my primary objection to having personnel report to an Assistant District Engineer. It states that ". . .the immediate superior to which the personnel officer reports has split priorities. Many such administrators currently have responsibility for data processing, budgets, and financial matters, as well as, personnel. A problem with the computer. . . deadlines with budgets. . . or financial reports too often take priority over an employee's problems. . . which can wait till tomorrow?"

My motivation for raising a concern over the possibility of being supervised by an Assistant rather than the District Engineer could be suspect but my concerns are genuine and may result in part from my recent involvement in the Communications Task Force. I am convinced that our agency does not need to de-emphasize personnel but instead initiate a new commitment to promote good employee relations by all managers.

The staffing recommendations of the Decentralization Committee provide the groundwork for me to pursue an aggressive employee relations program versus narrowly focused personnel actions. The proposal to place personnel/employee relations under an Assistant District Engineer appears to have little consequence yet I do not believe private industry would continue to have employee relations directors report to the top executive if they had not found it was good business.

As noted earlier, the Commonwealth recognized the importance of upgrading "employment offices" to an employee relations function reporting to organization directors. The proposal to lower the reporting relationship of personnel is counter to the Plan for Personnel Management and Decentralization, House Document No. 11, portions of which I have attached.

I appreciate the opportunity my District Engineer and our agency management has afforded me to present my thoughts on those issues impacting on me.



John M. Ralston
District Personnel Manager

JMR/rdb

Attachments

cy: Mr. A. W. Coates, Jr..
Mr. R. J. Boyd, Jr.

**THE PLAN FOR
PERSONNEL MANAGEMENT DECENTRALIZATION
AND
THE BIENNIAL REPORT ON PERSONNEL MANAGEMENT
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 11

**COMMONWEALTH OF VIRGINIA
DIVISION OF PURCHASES AND SUPPLY
RICHMOND
1979**

ORGANIZATION

A second strategic requirement which must be met prior to increased delegation or decentralization of personnel authority is the reorganization of personnel staffs within the respective state operations. At present, state agency personnel functions have neither the professional resources nor the organizational placement required to effectively manage a sound employee relations management program on a fully decentralized basis.

The current location of the personnel staffs within most state agencies now precludes their effectiveness relative to an expanded program of personnel management. A number of obvious reasons surface upon closer analysis.

First, as the personnel officer attempts to resolve problems or assure the consistent application of established policy, that officer is too likely to be ignored or overruled by peers and superiors in the organization. Management personnel in such an organization naturally weigh their desires and priorities against those of the personnel officer.

Secondly,["] the immediate superior to which the personnel officer reports has split priorities. Many such administrators currently have responsibility for data processing, budgets, and financial matters, as well as, personnel. A problem with the computer... deadlines with budgets... or financial reports too often take priority over an employee's problem... which can wait till tomorrow? "

Thirdly, the personnel officer, as currently placed in the organization, has little or no involvement in the decision making process of the organization. The personnel officer, rather than guiding the communication of such changes to employees, finds out about such changes after they have been made. Under such a system, the personnel staff is severely limited in its ability to manage an effective employee relations program.

Accordingly, it is required that the personnel officer of the respective state organizations be placed in staff relationship reporting to the ranking executive of such organization. Several major and strategic advantages are achieved by doing so.

First, the ranking executive will visibly demonstrate to all employees that the organization is committed to good employee relations and a stronger personnel management program.

Secondly, the personnel staff will have increased authority and responsibility to assist supervision in the resolution of employee-employer problems, and to assure agency compliance with established state personnel policies.

Thirdly, employee concerns and personnel matters will receive the priority and management attention they warrant.

TEL. COMMISSIONER
ON. JONESVILLE, BRISTOL DISTRICT
MUSSELSWHITE, ROANOKE, SALEM DISTRICT
AVONSON, JR., LYNCHBURG, LYNCHBURG DISTRICT
HE HOWLETTE, RICHMOND, RICHMOND DISTRICT
ALBORN, VIRGINIA BEACH, SUFFOLK DISTRICT
WEYS, JR., PEEMS, FREDERICKSBURG DISTRICT
R. KINCHLOE, CULPEPER, CULPEPER DISTRICT
SMALLEY, BERRYVILLE, STAUNTON DISTRICT
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KELLY, SR., NEWPORT NEWS, AT-LARGE URBAN
BUCKLE, BLACKSTONE, AT LARGE-RURAL



COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION

1221 EAST BROAD STREET
RICHMOND, 23219

October 10, 1986

399

OSCAR K. MABRY
DEPUTY COMMISSIONER

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JACK HODGE
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SALLY H. COOPER
DIRECTOR OF RAIL AND PUBLIC TRANSPORTATION

J. G. RIFLEY
DIRECTOR OF PLANNING AND PROGRAMMING

ALBERT W. COATES, JR.
DIRECTOR OF ADMINISTRATION

J. W. ATWELL
DIRECTOR OF FINANCE

TO: Decentralization Task Force Members

FROM: Steven L. Butts 

SUBJECT: Discussion Group I

On October 9, 1986, I facilitated a group discussion on the draft report of the task force. The list of those present is attached.

The predominant theme of the discussion in Group I was that the need for this study and report was not clearly identified. The opinion was expressed that most problems between the districts and central office were the result of poor communications rather than inappropriately placed duties and responsibilities.

In reviewing the list of divisions requiring no further decentralizing, group members remarked that having a district staff person representing certain of the listed divisions, and performing those activities, may be beneficial in some cases. The specific example mentioned was an Urban Division representative in Suffolk and Northern Virginia.

The districts engineers in the group expressed the opinion that they should have more influence in the scheduling of secondary roads projects and smaller projects on primary routes.

The only specific recommendation contained in the report addressed by the group was that which recommended establishing an Assistant District Engineer for Administration and Finance. Questions were raised, and answered, regarding his authority over budget execution.

The discussion in this group was about the concept of decentralization rather than about the report document. Though few specific recommendations resulted, the process was valuable to the participants and clarified several areas between the field and central office representatives present.

SLB:emt

Attachment

Group I

Bill Bower, Culpeper District (Task Force Member)
Gary Allen, Research Council (Task Force Member)
Don Eure, Programming & Scheduling Division
Dick Lockwood, Transportation Planning Division
Jim Skeens, Urban Division
Bob Sumpter, Salem District
Bill Davidson, Lynchburg District
Lou Brett, Richmond District
Al Nash, Suffolk District
Chris Chryssikos, Fredericksburg District
Tom Farley, Northern Virginia District
Harry Leaman, Lynchburg District
Steve Butts, Management Services Division (Facilitator)

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 DIRECTOR OF FINANCE

October 14, 1986

TO: Decentralization Task Force
 FROM: William M. Colavita - Facilitator Group 2 *William M. Colavita*
 SUBJECT: Summary of Group 2 Comments on Decentralization Report

Listed below is a summary of Group 2's comments regarding the Decentralization Report:

- 1) Page 2 - Underlying Principles - fifth bullet - "o more clearly defining accountability."
 The group (four members speaking) felt that a clearer delineation of roles of the Central Office and District concerning accountability should be spoken to in each area of the report where functional responsibility and authority are decentralized. Authority and responsibility, policy-making, monitoring, etc., should be specifically addressed.
- 2) Page 5 - CADD - Second paragraph - second sentence - "... since the drafting application software is nearing completion."
 Mr. Sutherland and Mr. Shaver agreed with the statement as it relates to the Location and Design Division. The Bridge Division, however, has several years development ahead for the software for bridges.
- 3) Page 6 - Environmental Recommendations - No. 1.
 Mr. Hundley stated that the intent of this recommendation has always been in effect.
- 4) Page 10- Procurement Conclusions and Recommendations - No. 1.
 Two of the Division Administrators and Mr. Blackwell (Richmond-Petersburg) felt that this increase to \$1,200 should also be applicable to their areas. The other group members were either silent or did not see any problems with the current methods for their respective areas.
- 5) Page 11 - Personnel Conclusions and Recommendations

General Comments - It was felt that the decentralization of functions relating to hiring (districts' ability to hire, select, etc.) should also be passed on the Central Office Divisions.

It was felt that the districts' authority for reclassification and reallocation of positions should be monitored very closely. Consistency and uniformity should be assured. Guidelines should be prepared and issued.

- 6) Page 14 - Promotion/Selection Process - third paragraph (beginning with "Accordingly").

Several group members spoke ~~out~~ in favor of the existing method of selection over that proposed. No real reason was pointed out for their feelings toward this. On the other hand, no apparent problem with the existing method is spoken to in the report.

The six items mentioned herein were the major concerns of the group. If you require any additional information or clarification, please give me a call.

WMC:emt

Group 2

Joe Ripley, Director of Planning & Programming (Task Force Member)

Al Coates, Assistant Commissioner (Task Force Member)

Paul Cecchini, Staunton District (Task Force Member)

John Wray, Chief Engineer

Fred Sutherland, Bridge Division

Bob Hundley, Environmental Division

Kit Shaver, Location and Design Division

Bill Winfrey, Materials Division

Grayson Alexander, Right of Way Division

Claude Garver, Construction Division

Jack Leigh, Maintenance Division

Al Thomas, Highway & Traffic Safety Division

Frank Blackwell, Richmond-Petersburg Turnpike

Jim Melone, Equipment Division

Bill Colavita, Management Services Division (Facilitator)

I. Areas Not Warranting Further Decentralization

1. Community Relations - (i.e., N.Va. & Suffolk Districts have P.R. Officers and Programs) Consider placing same in other districts.

Consider as additional issue to study over long term.

2. Public Transportation - with additional funds, moves toward accountability need to place personnel into districts where warranted (i.e., N.Va. & Tidewater), vision of providing technical assistance and fostering public transportation as another trans. alternative.

Consider as additional issue to study over long term.

II. Areas Warranting Decentralization

1. Emphasize decentralizing expertise (i.e., KSAs)
2. Issue - will decentralization be continuing process (i.e., same committee) and who will be players?

A. Operations

3. Issue - Disagreement on giving automated equipment management system highest priority (i.e., highest as interpreted by VDH&T personnel varies), concern is that current MIS plan would need to be modified to reflect new priorities.
4. Emphasize recommendation to do away with (i.e., eliminate as currently known) Equipment Committee.
5. Report as written recommends new equipment budgeting process -- however, various personnel feel what is recommended is what now exists.

This indicates a lack of consistent understanding by VDH&T Personnel of Equipment Budget Process

B. Administration and Finance

6. Purchasing - If to be placed in field, make sure we know what accountability means and that it is understood by all! (i.e., constancy of purpose)
7. Procurement vs. Petty Cash Fund - Should be handled as separate issues; each should be defined.
8. Clarify the role of Budget in Personnel - What do we mean by getting approval?

9. Assistant district engineer for administration (i.e., additional issue long term) Issue - Personnel and EEO officer reporting to this position vs. district engineer - weakens these areas.
10. EEO decentralization not addressed in report - Give EEO officer opportunity to speak to task force.
11. Capital outlay process - Development of 6-year plan (i.e., currently done every 2 years).

Appears to be a lack of consistent understanding by VDH&T personnel of the process.

Group 3

Jack Hodge, Director of Engineering (Task Force Member)

Jack Corley, Bristol District (Task Force Member)

Connie Sorrell, Management Services Division (Task Force Member)

Oscar Mabry, Deputy Commissioner

Jim Atwell, Director of Finance

Sally Cooper, Director of Rail & Public Transportation

Peter Kolakowski, Budget Division

Tip Omohundro, Fiscal Division

Frank Tracy, Information Systems Division

Bob Corder, Rail and Public Transportation

Howard Newlon, Research Council

Aubrey Baird, Administrative Services Division

Frank Houff, Central Garage

Morris Walker, Equal Employment Opportunity Division

Lynda South, Public Affairs Division

Jeff Boyd, Personnel Division

Alex Sabo, Internal Audit Division

Ken Wester, Management Services Division (Facilitator)

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Wes Smithers
Tracy

407

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COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION
1221 EAST BROAD STREET
RICHMOND, 23219

October 10, 1986

MEMORANDUM

To - Mr. F. E. Tracy

Attached is a letter from Wes Smithers approving our request for additional delegation of ADP procurement authority to the Department and more specifically to the Districts.

I have discussed the second paragraph of Mr. Smithers' letter with Mr. Coates and we agree that the blanket administrator in the central office will remain within the Information Systems Division.

At such time as the procurement officer position is established in each district, please develop the necessary guidelines to effecuate the additional authority granted by DIT.

J. W. Atwell
J. W. Atwell
Director of Finance

JWA/mme
cc: Executive Committee
Decentralization Committee Members
Mr. A. C. Baird



COMMONWEALTH of VIRGINIA

WESTWOOD SMITHERS, JR.
Director

Department of Information Technology

C. W. LAUGERBAUM, JR.
Deputy Director

110 SOUTH SEVENTH STREET
RICHMOND, VIRGINIA 23219
(804) 344-5000

October 6, 1986

Mr. Ray D. Pethel
Commissioner
Department of Highways and
Transportation
1401 East Broad Street
Richmond, Virginia 23219

COMMISSIONER'S
OCT 8 1986
OFFICE

Dear Ray:

This is in reply to your recent request that the Department of Information Technology delegate to the Department of Highways and Transportation the authority to procure data processing hardware and software in excess of the currently authorized amount of \$50,000 per year. The current level is expected to require re-authorization two or three times a year; the proposed increased is expected to limit approval to once a year and to enable delegation of limited procurement authority to the districts, consistent with your efforts to decentralize certain of the Department's operations.

Specifically, you request blanket authorization up to \$200,000 a year, \$110,000 of which shall be allocated to the Central Office for purchases not exceeding \$10,000 each. The remainder will be allocated among the districts, with \$10,000 assigned to each District Office for purchases not exceeding \$500 each. Procurement will be under the supervision of your Administrative Services Division which will designate a blanket administrator in the Central Office and a procurement official in each of the District Offices.

The Department was granted blanket authorization in 1984, prior to DIT's policy on delegated procurement, established on February 14, 1985 (copy enclosed). Blanket authorizations were and are still governed by § 12 of the Data Processing Procurement Manual. Given your agency's experience in procurement, I do not consider it necessary at the present time to adopt the more restrictive procedures of delegated procurement authority, with the exception of post-audit safeguards applicable to all agencies with delegated procurement authority.

Mr. Ray D. Pethtel
October 6, 1986
Page 2

I approve your request with the understanding that the authorization must be reviewed and approved annually after this date, regardless of the amount spent in the previous year. This will better enable us to monitor and post-audit the Commonwealth's data processing procurement activities. If the total amount expended under this authorization approaches the approved amount during any year, you may, of course, request another authorization. Also, please note that the authorized amount refers to actual funds expended, regardless of their source.

I am confident that your purchasing officials are well versed in the requirements of the Procurement Act and the State's applicable administrative procedures. I trust that in exercising this authority, your staff will be mindful of the need for compatibility in the development of the Commonwealth's data processing resources, and that they will continue to consult with this agency to determine which solutions will best serve your needs and those of the Commonwealth as a whole.

With kindest regards, I am

Sincerely,



J. Westwood Smithers, Jr.
Director

/i

cc: The Honorable Carolyn J. Moss
The Honorable Vivian E. Watts
Mr. Bruce G. Gordon
Mr. Donald F. Moore
Mr. Thomas L. Goodbody



COMMONWEALTH of VIRGINIA

Department of Information Technology

(804) 344-5000

110 SOUTH SEVENTH STREET

RICHMOND, VIRGINIA 23219

February 14, 1985

MEMORANDUM

TO: Heads of State Agencies

RE: Delegation of Procurement Authority

The Department of Information Technology, in an effort to improve the efficiency of its procurement program, will begin delegating procurement authority to agencies for certain purchases which come under the purview of the DIT. Delegation will be afforded to agencies that request the authority and have employees with procurement experience and qualifications.

Agencies desiring Delegation of Procurement Authority (DPA) should submit an Agency Procurement Request (APR) in the amount of \$25,000 to DIT's Procurement and Contracting Branch. In the narrative portion of the APR, provide the name of the employee who will serve as your agency's DPA Administrator (DPAA) and the individual within your agency who is authorized to issue purchase orders. You may also designate backup personnel, but in all cases they must be knowledgeable in data processing and familiar with configuring small systems.

The DPAA will be responsible for initiating procurement actions, conducting bidding, and maintaining required records to satisfy audit requirements. DPAA's will be authorized to purchase from the DIT Hardware/Software Contract List (DHSCCL) directly without prior review and approval by DIT, with the stipulation that no acquisition may exceed \$10,000. For items not on the DHSCCL, DPAA's will be authorized to purchase items up to \$1200, which is consistent with the procurement authority currently delegated to agencies by the Division of Purchases and Supply.

Heads of State Agencies
February 14, 1985

Page 2

Prior to granting delegated authority, DIT will train your representatives, on a first-come, first-served basis, in those matters pertinent to the proper exercise of the delegation. Once agency representatives are trained and certified by DIT, delegation will be granted to your agency, contingent upon the requirement for renewal when the \$25,000 (cumulative purchases limit) is reached. If certified personnel leave the agency or otherwise become unavailable to perform DPA functions, the agency must notify DIT immediately and delegation will be suspended until such time as new personnel can be trained.

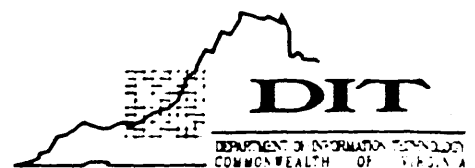
Periodic reports of purchases will be required of the DPA, and random post-audits will be conducted to insure compliance with the Virginia Public Procurement Act and conditions of the delegated authority. As experience is gained, some agencies level of activity will dictate a DPA amount of greater than \$25,000. Those cases will be considered individually, and a level of delegation will be established which will preclude the requirement for renewals from being so frequent as to invalidate the advantages of having delegated procurement authority.

If you believe your agency will benefit from having the DPA, please submit your request and direct any questions you may have concerning this concept to Tom Goodbody, Procurement and Contracting Manager, at 225-2415.


Lemuel C. Stewart, Jr.

/c

cc: Cabinet Secretaries
Mr. David K. McCloud
Ms. Nancyellen Keane



5
 EL, COMMISSIONER
 N. JONESVILLE, BRISTOL DISTRICT
 NUSSELWHITE, ROANOKE SALEM DISTRICT
 OSOON, JR., LYNCHBURG, LYNCHBURG DISTRICT
 MCVALETTE, RICHMOND, RICHMOND DISTRICT
 LBON, VIRGINIA BEACH, SUFFOLK DISTRICT
 EYS, JR., WEEAMS, FREDERICKSBURG DISTRICT
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 MALLEY, BERRYVILLE, STAUNTON DISTRICT
 UFFRE, ALEXANDRIA, NORTHERN VIRGINIA DISTRICT
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 NCKE, BLACKSTONE, AT-LARGE RURAL



COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION

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 J. W. ATWELL
 DIRECTOR OF FINANCE

GEHR
 ENGINEER

October 20, 1986

Please Reply To
 Department of Highways
 and Transportation

Review Draft of Decentralization Report

Dr. Gary R. Allen
 Highway & Transportation
 Research Council
 Box 3817, University Station
 Charlottesville, Virginia

Dear Dr. Allen:

Attached are copies of comments and/or recommendations which were received regarding the draft of the decentralization report which was submitted to this office by Commissioner Pethtel by memorandum dated September 29, 1986. In the interest of time and since we remain the only group which has not submitted comments, I am forwarding the individual reports from each individual staff member in lieu of having this information consolidated into one report.

I have reviewed the information presented by the District and Residency staff and generally I am in agreement with their suggestions and recommendations. In addition to the attached reports, I offer the following comments:

(1) Traffic and Safety Recommendations - In reviewing this area it is noted that the draft indicates that between 40 and 50 trained field professionals are needed to assist in plan preparation, specification, timing plans and cost estimate for signals on urban projects and signal system projects statewide.

In reviewing the most recent contract proposals for regional signal installations it appears that a considerable amount of the design work and shop drawing review process has been standardized. This should reduce the number of personnel required in plan development for traffic signal projects. Also, I would suggest that consideration be given to performing signal design with consultants.

(2) I agree with the committee's recommendation that an Assistant District Engineer position for Construction be established in each District. At the present time our District has one(1) Assistant District Engineer who is in charge of both construction and maintenance and due to the work load which presently exists, one(1) additional position can be easily justified.

In discussing the draft decentralization report with several staff members, it is evident that they have concerns about the additional duties and responsibilities due to the increased workload which would be created, due to the uncertainty of available manpower to perform the additional duties. The report addresses positions which would be created in the District, however, there is no mention of support for these positions within the District or the Residencies. It is clear in reading the attached reports that our staff would welcome the additional responsibility, if the necessary backup support is provided in order to perform the additional duties.

In the event that you have any questions or need additional information, please advise.

Sincerely,



E. E. Hull
Acting District Engineer

leh
cc: Commissioner Ray D. Pethtel

D PETHTEL, COMMISSIONER
R BACON, JONESVILLE, BRISTOL DISTRICT
HEN A MUSSELWHITE, ROANOKE, SALEM DISTRICT
S L DAVIDSON, JR., LYNCHBURG, LYNCHBURG DISTRICT
L MORE HOWLETTE, RICHMOND, RICHMOND DISTRICT
GER MALBOM, VIRGINIA BEACH, SUFFOLK DISTRICT
HUMPHREYS, JR., WEEMS, FREDERICKSBURG DISTRICT
TANCE R KINCHELOE, CULPEPER, CULPEPER DISTRICT
RT W SMALLEY, BERRYVILLE, STAUNTON DISTRICT
PH M GIFFRE, ALEXANDRIA, NORTHERN VIRGINIA DISTRICT
RT V KELLY SR., NEWPORT NEWS, AT-LARGE URBAN
T A QUICKE, BLACKSTONE, AT-LARGE RURAL



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DAVID R. GERR
DIRECTOR OF OPERATIONS

TMS
1426 Columbia Pike
Arlington, VA 22204

MEMORANDUM

TO: Mr. E. E. Hull
DATE: October 16, 1986
SUBJECT: Decentralization Draft Report

I have reviewed the Decentralization Draft Report. My comments will mainly focus only on matters relative to TMS and roadway lighting.

I am somewhat in disagreement with the committee's recommendation concerning the work's being handled in the Central Office and through consultants where KSA's are not available in the field. I suggest that the District should be allowed to participate in the work with the Central Office and consultants, even though we have no KSA's to handle the work.

Please call if additional information is needed.


T. F. Chu
Systems Engineer

TFC:smh

ETHTEL COMMISSIONER
 MACON, JONESVILLE, BRISTOL DISTRICT
 A MUSSELWHITE, ROANOKE SALEM DISTRICT
 A DAVISON, JR. LYNCHBURG, LYNCHBURG DISTRICT
 MORE HOWLETTE, RICHMOND, RICHMOND DISTRICT
 A MALBON, VIRGINIA BEACH, SUFFOLK DISTRICT
 A MPBREYS, JR. WEEMS, FREDERICKSBURG DISTRICT
 A NCE, R. KINCHLOE, CLLEPER, CLLEPER DISTRICT
 W SMALLEY, BERRYVILLE, STAUNTON DISTRICT
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 DIRECTOR OF FINANCE

October 16, 1986

Please Reply To
 Department of Highways
 and Transportation

MEMORANDUM

TO: Mr. E. E. Hull
 FROM: Judith M. Lee *Judith M. Lee*
 SUBJECT: Decentralization Draft Report Response

I offer the following comments with regards to Mr. Farley's memorandum dated October 10, 1986, and the above-referenced subject:

I am in agreement that the training function is relatively new to the Department and most particularly to the Northern Virginia District.

I strongly feel it is important to clarify the role of the "training officer interface between the central office and the field", as well as, the training officer's roles within each district as it would relate to consistency throughout the Department.

The training officer's roles are fairly consistent with regards to directing the Career Enrichment Program, the Engineer A "Trainee" Program and the management of an annual training plan. However, there are other duties being performed that do not even remotely relate to training.

The establishment of training priorities within the Department should be a collaborative effort between training and top management throughout the Department. With this type of collaborative effort effective training programs would be established as well as present programs enhanced.

I "echo" the committee's concept of decentralization and hope it will continue toward the betterment of organization throughout the Department.

JML

cc: Mr. T. F. Farley

PETHTEL, COMMISSIONER
 BACON, JONESVILLE, BRISTOL DISTRICT
 BEN A. MUSSELWHITE, ROANOK, SALEM DISTRICT
 B. L. DAVIDSON, JR., LYNCHBURG, LYNCHBURG DISTRICT
 L. MORE-HOWLETTE, RICHMOND, RICHMOND DISTRICT
 GER MALBON, VIRGINIA BEACH, SUFFOLK DISTRICT
 HUMPHREYS, JR., W.F.E.M.S. FREDERICKSBURG DISTRICT
 KANCE, PINNACLOE, ILLIPEPER, ILLIPEPER DISTRICT
 AT W. SMALLY, BERRYVILLE, STAUNTON DISTRICT
 M. M. GURFRE, ALEXANDRIA, NORTHERN VIRGINIA DISTRICT
 ENE SMITH, W. LEAN, AT LARGE, CRANFORD
 AT A. QUICKE, BEAVERSTONE, AT LARGE, RURAL



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 J. W. ATWELL
 DIRECTOR OF FINANCE

October 17, 1986

MEMORANDUM

TO: E.E. Hull, Acting District Engineer
 FROM: Ysela Llort, District Transportation Planning Engineer *Ysela Llort*
 RE: Decentralization Draft Report

As requested by T.F. Farley, in his memorandum of October 10, 1986, I am taking this opportunity to comment on the decentralization draft report. As you are aware, the transportation planning function was one of the divisions/sections where changes were not found to be warranted at this time. I believe this to be a result of that division not having been studied by or represented in the decentralization committee (page 8), rather than not being in need of decentralization to the field.

It appears to me that many of the suggested decentralization changes, especially in the areas of personnel and procurement depend on the ability of the central office to de facto decentralize the administrative budgeting process. As it stands now the administrative budget is not an implementation tool for the field but rather a capricious power item of the central office. As a section administrator I spend hours working up a section administrative budget which can in fact never be utilized by me since I never get feedback on my approved line item budget allowances. This pertains to both personnel payroll items and procurement of supplies and services. In conclusion, I believe two modifications need to be made: (1) the district needs to have much more input into the budgetary approval process, and (2) the approved line items need to be made available to the affected field engineers (both resident and section) so that they in turn can use their budgets effectively in planning both their personnel and activities.

cc: T.F. Farley

RECEIVED

OCT 15 1986

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DISTRICT

DEPARTMENT OF HIGHWAYS AND TRANSPORTATION
INTRA-DEPARTMENTAL MEMORANDUM

TO : Mr. T. F. Farley October 15, 1986
FROM : Thomas F. Butler, Jr. Leesburg, VA 22075
SUBJECT: Decentralization Draft Report

I note on Page 7 of the draft that 40 to 50 trained field professionals are needed; however, I did not see where these additional needs could not be handled by consultants. From my perspective much of the work in Traffic and Safety could be done by consultants in a much more logical manner than we are currently being asked to utilize consultant inspectors.

At the present time, while working the rough spots out of the Pavement Management System we appear to have become robots. If the "DMR" or "Hot Spot" report shows up we rush to pave. Very little value is being placed on engineering judgement. The current difficulty with slick asphalt from paving last year or year before would encourage good engineering judgement to not place nearly as much asphalt next year until a satisfactory solution is found to the problem; however, I can see that we will march on creating a public relations problem as we go.

The recommendation of Page 11, #3, when the proposed prompt payment act is addressed it does not appear to be of any aid to the resident offices. As I envision, the residencies would still be doing the same amount of paper work. It makes no difference to us whether the District or Central Office pays. If we truly wish to decentralize, what happened to helping the residencies?

Perhaps I don't understand but I doubt if the new proposed procurement person is going to help the residencies any more than the existing District staff is currently. The residencies will still be required to get estimates or compare costs of items and submit to the new person. If this position is established, please let us have a doer/indian and not another chief. Don't need another level to send things through but someone that will really help get the job done. Will this person go to the local hardware and buy pipe fittings when we damage a waterline in a ditching operation?

Mr. T. F. Farley
Page 2
October 15, 1986

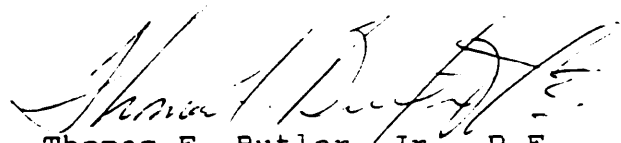
The recommendation on Page 12 to establish an additional position in each District should make one wonder as to how a justification can be made for nine additional positions. It would appear to me that those persons in the Central Office currently performing this function should be reassigned to the Districts. I don't know if nine people are doing this work in the Central Office. If not, I would think that a modest increase might be justified but each District might not get this position. Certainly we aren't suggesting that nine new positions be established that then pass their work on to another layer in the Central Office. Will these new positions be workers or someone else to ask for information from the residencies?

I think everyone would be supportive of faster decisions in personnel matters.

I feel the recommendation made of Page 17 to change the handling of securing data processing hardware and software is well founded. I do feel that the District section already established to handle the computer operations would be the best place to handle the procurement function in the field.

As a general comment, I can not determine that the committee addressed the problems of decentralization to the level of the Residency Office. It appears that the District Office was the cut-off point. I can not determine if this was intentional or done by a time constraint.

Should a point that I have made not be clear, please advise.



Thomas F. Butler, Jr., P.E.
Resident Engineer

TFBjr:skp

cc: Mr. E. E. Hull

INTRA-DEPARTMENTAL MEMORANDUM

TO : Mr. E. E. Hull Manassas , Virginia

FROM : D. E. Ogle *D.E. Ogle HG* October 20 , 19 86

SUBJECT: Decentralization Draft Report Route _____ Proj. _____

As requested, I have reviewed the above mentioned report which I received on October 14, 1986. I have not had sufficient time to analyze the content completely, but I offer the following comments based on my cursory review:

The Committee has well defined the objectives and benefits of decentralization if properly implemented. When identifying the authority to be delegated to the field, it appears that a conscious effort was made to stop at the District level. I would recommend that specific authorities also be identified and delegated for the Residency level. This will be necessary if indeed the sensitivity to load needs and reaction to emergencies is to be improved. Many decisions such as who to hire and/or dismiss should be made at the Residency level if we are truly interested in having decisions made at the lowest level possible. This will greatly enhance reaction time in responding to resource adjustment.

If the authority, decision making and work load are to be transferred to the field as outlined in the report, I feel manpower needs should be more completely addressed. As an example, under Traffic and Safety recommendations, it is noted that certain functions will be transferred if KSA's are available. I submit that training or trained personnel need to be provided for consistency Statewide.

I totally agree with the concept of increasing the buying authority for the field and providing a Procurement Officer for the District. I highly recommend the establishment of a petty cash fund for the Residencies.

I agree with the Personnel recommendations and feel that implementation should occur as soon as possible. I feel another phase of decentralization is very important in this regard, to transfer authority down to the Residencies in order to expedite actions.

In conclusion, I point out that each time in the past when a new program went into effect, or a new position was created at the Central or District offices, it resulted in additional work load for the field (Residency) without any staff enhancement. Examples are the Assistant Maintenance Engineer for finance, the Personnel Technician and interview procedures, Career Enrichment, Pay for Performance, etc. Most programs provide staffing at all levels but the Residency. I submit that this should not occur with decentralization unless we are prepared for some ultimate failures in the effort.

DEO/jcg

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DEPARTMENT OF HIGHWAYS & TRANSPORTATION
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 DIRECTOR OF FINANCE

ENGINEER

October 17, 1986

Please Reply To
 Department of Highways
 and Transportation
 10777 Main Street
 Fairfax, Virginia 22030

To: E. E. Hull
From: Melanie Wright *MW*
Subject: Decentralization Report

The portion of the Decentralization Plan concerning the district offices having their own portion of the Information System budget is a positive move for Information Systems at the District level and should enable quicker acquisition of software products in the field. The decision to purchase a particular software or hardware product from the approved DIT list should be made by the District Automation Specialist and not the District Procurement Officer. The role of the District Procurement Officer should be to ensure that proper procedures are followed in acquiring bids and that purchases are made from the approved software list at DIT.

I am concerned about the recommendation that a complete assessment of staffing and space needs in the districts and residencies will not be done until completion of the Information Systems Plans.

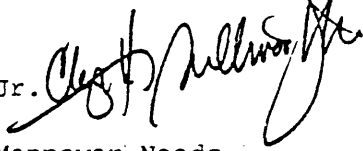
An assessment of staffing and space needs in the District Offices should be done now in order to be prepared for the hardware which will be in place in the second quarter of calendar year 1987. The residency offices should be informed of the additional hardware that will be installed in their offices and given time to make room for that hardware.

Additional staffing needs should be studied for both the district and the residency prior to installation of new systems. On-line input of various documents was never before done at a district or residency level so this is an additional duty for field staff. With mini-computers in the district creating different responsibilities for the current data processing staff, the current positions may not be adequate or appropriate for the new duties.

Accurate milestone charts of systems under development either by consultants or Central Office staff should be coordinated, distributed to the districts, and updated on a regular basis by Central office Information Systems so the district automation specialists can be informed and keep the residencies informed of computer developments. Without this information time is being spent developing systems at the district and residency level that are soon replaced by on-line development coming from Information Systems in central office.

DEPARTMENT OF HIGHWAYS & TRANSPORTATION

INTRA-DEPARTMENTAL MEMORANDUM

TO : E. E. Hull
 FROM : Cleophas Sullivan, Jr. 
 SUBJECT: Decentralization: Manpower Needs

Fairfax, Virginia
 October 20, 1986
 Route _____ Proj. _____

Reference is made to the Decentralization report developed by the Department's Leadership Forum.

In reviewing the recommendations of the Forum as they relate to personnel, specifically in the area of classification and compensation, I agree with the Leadership Forum's recommendations that classification and compensation be decentralized. However, it is inconceivable that this function can be carried out by only one person. If a creditable classification section is to be established, a staff of three employees will be needed. The number of employees and the classifications should be as follows:

One (1) Compensation and Classification Analyst - Grade 11
 One (1) Personnel Assistant - Grade 7
 One (1) Office Services Specialist - Grade 5

Additional functions which should be decentralized are:

- °Employee Relations decisions, (i.e.) grievance handling and policy interpretations.
- °Employment and Selection
- °Certain aspects of Training
- °The filling of positions and reclassification without Division Head approval.

It is hoped that the above recommendations will meet with the approval of the Department's Leadership Forum.

Sjr/ky



Allen 431

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SCHOOL OF ENGINEERING & APPLIED SCIENCE

DR. LESTER A. HOEL, CHAIRMAN
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COMMONWEALTH of VIRGINIA

HIGHWAY & TRANSPORTATION RESEARCH COUNCIL

BOX 3817 UNIVERSITY STATION
CHARLOTTESVILLE, VIRGINIA 22903-0817

IN REPLY PLEASE
REFER TO FILE NO. _____

Oct. 23, 1986

MEMORANDUM

TO: Mr. J. W. Atwell

FROM: H. H. Newlon, Jr. *Howard Newlon, Jr.*

SUBJECT: Acquisition of Purchasing Authority for
Data Processing Equipment

The recent report of Commissioner Pethtel's "Decentralization Committee" recommended transferring limited purchasing authority (\$10,000 total/\$500 any single purchase) for data processing hardware/software to the Districts and the Research Council. Naturally this recommendation has my full support. With such authority we could much more efficiently handle internal requests for minor computer software/hardware components now currently referred to Richmond.

As I understand it three things must happen before such authority can be granted to the Council: (1) we must obtain approval from your office, (2) we must designate and train a staff procurement officer, and (3) we must abide by the Department of Information Technology's purchasing policies.

Via this memo I am requesting your approval of this arrangement for the Council (per item (1) above). Assuming such approval is forthcoming please tell me how we should proceed from here. Since I already have a staff procurement officer in mind I would like to know the particulars of the training required for certification (when, where, by whom).

Thanks for your consideration. Please contact me if you have any questions concerning this matter.

cc: Dr. G. R. Allen
Mr. W. E. Kelsh
Group Leaders

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COMMONWEALTH of VIRGINIA

DEPARTMENT OF HIGHWAYS & TRANSPORTATION

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October 28, 1986

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 DIRECTOR OF OPERATIONS

Acquisition of Purchasing
 Authority for Data
 Processing Equipment


MEMORANDUM

To - Mr. Howard H. Newlon, Jr.

I have your memorandum of October 23, 1986 with regard to the above subject.

As I previously discussed with Gary Allen, I fully intend to work out a scheme with the Research Council to provide some ADP procurement authority for minor computer hardware/software components.

We have received approval from the Department of Information Technology regarding our request to delegate certain ADP procurements in each of the districts. This approval, however, is contingent upon us placing a procurement officer at each of these locations. When we have the procurement officer positions established and brought on board for the districts, your office will be included for any necessary training in this area.


 J. W. Atwell
 Director of Finance

JWA/mme

cc: Mr. O. K. Mabry

~~Mr. Gary Allen~~

Mr. F. E. Tracy

