

# Wisconsin Department of Transportation

## Federal Inactive Projects Reduction, Phase I

### Lean Summary Report



#### Project Summary

The Wisconsin Department of Transportation (WisDOT) receives funding from the Federal Highway Administration (FHWA) for transportation improvement projects. To improve efficiency in the administration of Federal-aid highway programs the department is required to review, on a quarterly basis, estimates and charging activity on FHWA funded transportation projects. Projects without active charging or expenditures for 12 months are flagged as Inactive.

FHWA requires state departments of transportation to limit Federal funded Inactive projects to less than two percent of the total annual federal obligation received.

This project was chartered to examine the underlying causes of process delay and to identify impediments to project closeout in order to reduce the number of inactive projects and meet FHWA performance standards.

#### Improvements

- Identified key areas of inactivity in the process
- Identified causes of delays at the points of inactivity
- Recommended areas for future process improvement initiatives across divisions

#### MAPSS Core Goal Area

- Accountability

#### Statewide Goal Area

- Customer Satisfaction
- Employee Work Environment
- Cost of Government

#### Issue

States with greater than two percent of the total annual Federal-aid obligation authority authorized on projects with 12 months of inactive charging may have federal funds reduced on respective projects, may be withheld payments, or may be withheld approval of new Federal-aid funded projects.

#### Lean Six Sigma Process

The cross-divisional team included staff from the Division of Transportation System Development (DTSD), Division of Investment Management (DTIM), Division of Business Management (DBM), and the Office of Policy, Finance and Improvement (OPFI).

- The team held a one day kaizen to define the process and create a current state process map with metrics
- The team held a series of brainstorming sessions and identified “points of pain” with significant impact on the process
- The “5 whys” technique for root cause analysis on major causes of delay was utilized

#### Results

Customer satisfaction: In order to meet FHWA’s performance expectations, DTSD standardized a statewide monthly review process to address projects prior to them being flagged as inactive by FHWA. The division tracks and monitors the Federal Inactive project count and funding percentage in performance measure reports and regional discussions. FHWA’s final report for FFY 2014 shows 1.8 percent inactive.

Employee work environment: This project provided a clear understanding and clarification of roles of cross-divisional work tasks. The team identified major areas of delay in the process and analyzed causes of inactivity at these points. The team decided to pursue subsequent division projects individually, and all materials gathered during this project were transferred to respective division leads.

Cost of government: This effort aligns with the FHWA goal to efficiently administer the Federal-aid programs. The value of the 1.8 percent of projects that are inactive is \$13,251,606 for FFY 2014. As the department continues to implement process improvements, staff time will free up and be redirected towards other critical efforts.

#### Next Steps

Additional related Lean Six Sigma projects will reduce the total number and Federal-aid fund percentage of inactive projects. A recent DTIM Lean project focused on reducing the number of Inactive projects that are closed but require a department audit. An upcoming DBM Lean project will focus on projects that are closed but not closed to project charges.