COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818

MEMORANDUM

September 4, 2026

TO: Chiefs
District Engineers
Central Office Division Administrators
District Project Development Engineers
District Planning and Investment Managers

FROM: Stephen C. Brich, P.E.

SUBJECT: FY2027 Supplement on Portfolio Management

VDOT's mission is to plan, deliver, operate, and maintain a transportation system that is safe, enables easy movement of people and goods, enhances the economy, and improves our quality of life. Each project we deliver brings significant benefits to the traveling public, whether in the form of improving safety or reducing congestion.

In response to the rapid, concurrent growth in the financial value of the Six-Year Improvement Program (SYIP) over the last decade, I issued an executive memorandum in January 2025 outlining VDOT's shift towards a portfolio management approach. Since that time, we have successfully worked to align policies, procedures, priorities, expectations, and metrics with the following desired outcomes:

- Bring stability and predictability to the program
- Establish a pipeline that ensures successful obligation of federal funds
- Fully leverage financial resources
- Meet industry commitments and capacity
- Achieve established performance targets
- Make efficient use of internal and external resources
- Understand and adapt to the anticipated impact of new legislation, regulations, or policies

VDOT, localities, and industry partners must maintain this progress to ensure that project execution remains aligned with funding levels. The Department, and its local partners, have increased and prioritized the output in the construction program by intentionally balancing the number and size of projects and resources available with the increased revenues as well as focusing on the timelines with which projects are delivered.

By copy of this supplemental memorandum, I am re-affirming VDOT's expectation that we will continue to grow and improve our Portfolio Management approach to executing the SYIP. This memorandum also provides updated expectations for project development durations and alignment with Commonwealth Transportation Board (CTB) SYIP Development and Management Policy.

To successfully sustain construction program project throughput to fully leverage financial resources, all participants in the project development process must continue to observe the following four priorities:

(1) Focus on Timely Execution of Projects
(2) Eliminate the Current and Future Backlog of Projects
(3) Keep Projects on Schedule
(4) Align Guidance and Direction Related to the Six-Year Improvement Program (SYIP) Project Funding

Priority 1 – Focus on Timely Execution of Projects

Projects are expected to advance at a pace consistent with the timeframes in Table 1 below, which updates benchmark project development timeframes for three (3) project categories. Projects tracking behind these established benchmarks will be flagged as Slow Progress and should proactively be escalated for issue resolution and schedule recovery.

Projects making slow progress toward construction, with extended schedules beyond expected timeframes or that have documented critical issues making timely development and construction advertisement unlikely, thus eroding the value and benefits for which a project was selected, will be evaluated for potential recovery, continued advancement, and/or potential re-programming by the CTB in conjunction with SYIP development processes.

Table 1. Benchmark for Expected Project Development Timeframes

Project Type*	PE to CN
Tier 1 with Right of Way or Tier 2	4.5 years**
Tier 1 no Right of Way	2.5 years
Tier 1 CN only	6 months

***Tier 1 = Construction value less than $15 million; Tier 2 = Construction value $15 million or greater or design-build procurement**
****Unless funding program policy dictates a shorter duration**

Priority 2 – Eliminate the Current and Future Backlog of Projects

While VDOT strives to deliver projects on-time and on-budget, in the past, there have been many projects that have fallen behind schedule due to various reasons. While some backlog in a large

construction program is to be expected, quickly resolving issues that may delay projects, identifying ways to keep new projects from becoming part of the Construction Backlog, and minimizing the amount of time a project is part of the Construction Backlog must be a priority.

It is my expectation that once a project has been identified as part of the Construction Backlog, every effort will be made to reach construction advertisement within 12 months.

Projects that will remain on the Construction Backlog, further delaying previously scheduled construction advertisement, for more than 12 months, will be evaluated for potential recovery, continued advancement, and/or potential re-programming by the CTB in conjunction with SYIP development processes.

Priority 3 – Keep Projects on Schedule

Starting planned new phase starts is critical to increasing construction project throughput to fully leverage financial resources and bringing stability and predictability to the program.

New phase starts must begin as programmed and advance to construction at a pace consistent with the expected project development timeframes shown in Table 1. This expectation will be monitored annually by tracking progress towards starting new project phases and closing scoping on time for projects in the SYIP Portfolio. Central Office Divisions will coordinate with District leadership and external partners to advance sufficient work getting underway to ensure future construction throughput remains aligned with funding levels.

Priority 4 – Align Guidance and Direction Related to Six-Year Improvement Program (SYIP) Project Funding

There are numerous strategies and decisions that are made at the staff/division/district level to achieve a variety of objectives. These objectives are not always perfectly aligned and compete for limited staff and consultant resources and may conflict with the desired outcomes identified for the overall program.

The Chief Financial Officer Directorate will establish the overarching strategy for developing and managing the SYIP and serve as the single point of contact for funding guidance and decision-making related to projects in the SYIP. This includes, but is not limited to, ensuring alignment of individual project intake/selection processes with established desired outcomes for the current portfolio. In addition, the Director of Infrastructure Investment Division (IID) is the source of information regarding allocations and programming guidance. Questions regarding how to address funding needs on projects in the SYIP, including the appropriate timing, type, and amount of funding, will be directed through District leadership to IID, who will then coordinate with other Central Office Divisions, as needed, to resolve.

The Chief Engineer and Engineering Directorate will continue to oversee tasks related to project development and delivery of projects in the Portfolio. They will continue to identify opportunities to improve existing project development processes and tools to support these expected timeframes. If

issues impacting the timely delivery of projects cannot be resolved at the District level, with appropriate Central Office Division support, they should be elevated to the Deputy Chief Engineer for resolution in coordination with other Chiefs, as necessary.

The annual portfolio will continue to identify the amount of work to be executed in each district to fully leverage financial resources. Statewide performance monitoring metrics reviewed at various performance meetings (e.g., Monthly Project Delivery Meeting, Chief Engineer/Chief of Maintenance and Operations Quarterly Performance Meeting, etc.) will be based on the portfolio metrics identified in this memo. We will continue to review additional performance monitoring metrics for alignment with the Portfolio Management approach.