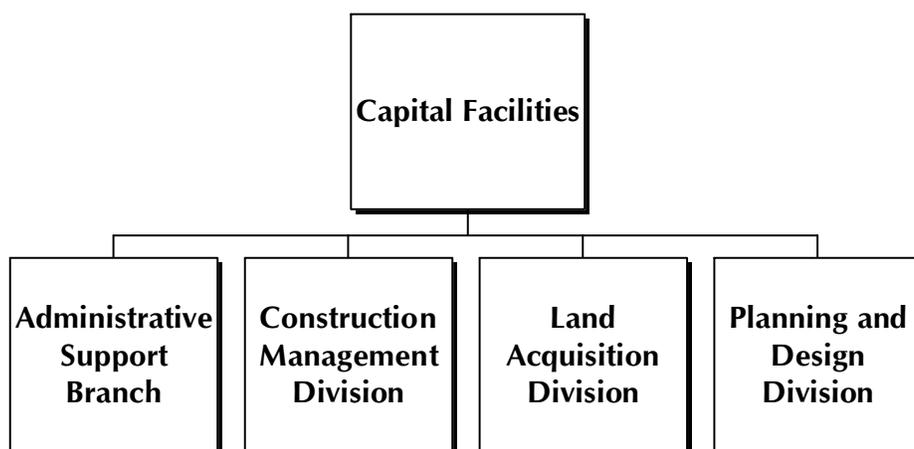


# Capital Facilities



## Mission

To provide Fairfax County with quality and cost effective building and infrastructure projects in a timely manner through teamwork in design, land acquisition, construction and administrative support and to work collaboratively with our customers to provide excellent public service.

## Focus

Capital Facilities' purpose is to complete the construction of publicly funded projects. Specifically, Capital Facilities provides the design, land acquisition and construction services for governmental facility projects such as libraries, courts, police and fire stations. The agency supports user agencies during the site selection and feasibility study phases and coordinates with the user agencies throughout the project implementation process. The agency is also responsible for the implementation of infrastructure improvement projects, such as roads, sanitary sewer extensions, sanitary pump stations, the Pollution Control Plant expansions, walkways, bus stop shelter installation and stormwater drainage projects. Through the completion of these projects, Capital Facilities contributes to the health, safety and welfare of all who reside, work and visit Fairfax County.

Capital Facilities has several initiatives, including but not limited to the improvement of project delivery and customer service. The agency has completed the process redesign initiative for walkway projects and is in the process of completing the same for building projects. The walkway redesign process resulted in a team-based approach to projects whereby one person from Planning and Design, one from Construction Management, one from Land Acquisition and one from Survey supervise the project from beginning to end. Involving members of the team at appropriate stages has proven more efficient than passing the project between divisions. In pilot projects, sidewalks were completed more quickly than in the past with lower staff cost billed to the projects. The need for project process redesign was borne out of an interest in improving the capital project business process and the perception that projects were taking too long to complete. Redesign efforts required taking a fresh look at the entire business process for designing, acquiring land rights and constructing capital projects. Each redesign effort included a detailed examination of internal processes, a review of quality and cost controls and the analysis of process steps that might be eliminated. Process redesign teams also examined how external factors have changed over the years and how those changes affect the current process. Recommendations included the elimination of unnecessary project steps, as well as the expansion and modification of team approaches to improve coordination of project details from project inception through completion.

### THINKING STRATEGICALLY

Strategic issues for the Department include:

- o Improving relationships with customers by working collaboratively and sharing information in a more timely fashion;
- o Implementing tactical information technology initiatives to improve business operations; and
- o Developing methods to allow the agency to accomplish its mission more efficiently.

## Capital Facilities

Funding for capital construction projects administered by Capital Facilities is provided from bond funds, the General Fund and grant funds and is affected by the economic climate, availability of funds from the Commonwealth of Virginia and the federal government.

### New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

 <b>Building Livable Spaces</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Phase II of the Springfield Governmental Center (fire station renovation and expansion) was completed in FY 2004. Also, in FY 2004, the Newington Refuse Facility Addition, Adult Detention Center Security Upgrades and Forensic Screens, and the Herndon/Monroe Park & Ride Canopy were completed. In addition, construction of the new Fairfax Center Fire Station and the West Ox Maintenance Facility (for Fire and Rescue and DVS) has begun.	✓	✓	Agencywide
In FY 2004, improvements to the Fairdale neighborhood were completed as part of the Neighborhood Improvement Program. The goal of the program is to improve older, moderate income, single family neighborhoods which have poorly developed streets and deteriorating storm drainage.	✓		Agencywide
Completed construction of a major streetscape improvement project in the Bailey's Crossroads Commercial Revitalization District. Construction of streetscape improvements is underway in the Annandale Commercial Revitalization District. These projects help provide healthy, competitive, attractive and stabilized commercial centers in the older commercial areas in Fairfax County. Improvements include landscaping, sidewalks, street lighting, bus shelters and crosswalks.	✓	✓	Agencywide
 <b>Connecting People and Places</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Continue design work on projects included in the Board of Supervisors Four-Year Transportation Initiative. DPWES is managing approximately 18 projects as part of this major transportation initiative.	✓	✓	Agencywide
Completed the Telegraph Road/Florence Lane Intersection Improvements as well as the Shawnee Road Improvements.	✓		Agencywide
Completed 17 sidewalk/trail projects and the installation of 11 bus shelters Countywide. Several more bus shelter sites are currently under construction including the first bus shelters for Express Bus Service along Route 1.	✓	✓	Agencywide

## Capital Facilities

 <b>Connecting People and Places</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
<p>Outreach efforts to inform citizens and vendors about proposed and ongoing projects were enhanced by use of the County web site. New information added to the web site includes the publication of a quarterly status report to inform citizens about ongoing capital construction projects. In FY 2004, reports were enhanced by use of a map and district index. During FY 2005, a Geographic Information System (GIS) map of capital project locations will assist citizens in finding information for ongoing projects. Additional enhancements are planned.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Planning &amp; Design</p> <p>Administrative Support</p>
<p>Continue a user survey to measure how satisfied building users are with completed buildings, such as fire stations, libraries and district police stations. An employee survey was recently completed to help identify significant issues in the Capital Facilities Business Area and ways to improve our business processes. In FY 2005-2006, a new survey of District Supervisors and Home Owner Associations will be developed and administered to determine the level of customer satisfaction with completed capital projects in each supervisory district.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Planning &amp; Design</p> <p>Administrative Support</p>
 <b>Practicing Environmental Stewardship</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
<p>Capital Facilities is instrumental in the planning, design and construction management of sanitary sewer improvement projects that provide citizens the ability to switch from septic fields to county sewer. Due to the failure of many private septic fields corrective measures are often necessary. To address this problem, the Mill Creek, Roso Street and Leehigh Village (Phase II) projects have made sanitary sewer available to 107 properties in FY 2004.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Agencywide</p>
<p>The Noman M. Cole Pollution Control Plant is increasing wastewater plant capacity to 67 million gallons a day (MGD) from 54 MGD. This \$101 million project will convert the method of water treatment to biological nitrogen removal, as well as provide additional odor control and modify the plant's information control system. Construction of 5,200 linear feet of 60-inch diameter trunk sewer line was initiated in FY 2004 to meet the future flow capacity of the Noman Cole, Jr., Pollution Control Plant (NCPCP). Construction is also underway for the replacement of the existing filter presses with centrifuges at the NCPCP which are required to dewater sludge generated at the plant.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Planning &amp; Design</p> <p>Construction Management</p>
<p>A critical component of the protection of the environment and citizens within the County is the maintenance and additions of stormwater management dams and ponds. Lake Accotink, created by a stormwater dam of Accotink Creek, will have silt and dirt removed to increase lake depth and to create a wetland sanctuary.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Construction Management</p>

## Capital Facilities

 Exercising Corporate Stewardship	Recent Success	FY 2006 Initiative	Cost Center
The Capital Facilities' Land Acquisition Process Redesign Team (LAPRT) reviewed all land acquisition processes required for the implementation of capital projects. The LAPRT will be identifying ways to streamline and expedite the land acquisition process in an effort to improve the overall delivery of capital projects. In FY 2004 the Building Process Redesign effort was completed and various recommendations are being implemented to help streamline the design and construction of building projects.	☑	☑	Agencywide

### Budget and Staff Resources

Agency Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	123/ 123	123/ 123	127/ 127	127/ 127	129/ 129
Expenditures:					
Personnel Services	\$6,764,202	\$8,154,890	\$7,449,018	\$8,705,664	\$8,705,664
Operating Expenses	6,006,101	6,407,016	6,713,783	6,554,912	6,554,912
Capital Equipment	8,933	0	20,000	0	0
<b>Subtotal</b>	<b>\$12,779,236</b>	<b>\$14,561,906</b>	<b>\$14,182,801</b>	<b>\$15,260,576</b>	<b>\$15,260,576</b>
Less:					
Recovered Costs	(\$4,650,376)	(\$5,794,826)	(\$5,108,954)	(\$6,206,411)	(\$6,206,411)
<b>Total Expenditures</b>	<b>\$8,128,860</b>	<b>\$8,767,080</b>	<b>\$9,073,847</b>	<b>\$9,054,165</b>	<b>\$9,054,165</b>
Income:					
Land Acquisition Charges for Service	\$2,170	\$1,100	\$1,100	\$1,100	\$1,100
<b>Total Income</b>	<b>\$2,170</b>	<b>\$1,100</b>	<b>\$1,100</b>	<b>\$1,100</b>	<b>\$1,100</b>
<b>Net Cost to the County</b>	<b>\$8,126,690</b>	<b>\$8,765,980</b>	<b>\$9,072,747</b>	<b>\$9,053,065</b>	<b>\$9,053,065</b>

### FY 2006 Funding Adjustments

The following funding adjustments from the FY 2005 Revised Budget Plan are necessary to support the FY 2006 program:

- ◆ **Employee Compensation** **\$296,178**  
 An increase of \$296,178 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ **Additional Engineer II Positions** **\$20,000**  
 Net funding of \$20,000 results from an increase of \$119,596 in Personnel Services, partially offset by an increase of \$99,596 in Recovered Costs to provide for 2/2.0 SYE additional Engineer II positions required to assist with construction administration at the West Ox Road Complex as well as numerous construction projects included in the fall 2004 Bond Referendum. It should be noted that the total FY 2006 net cost for these positions is \$51,920 which includes \$31,920 in fringe benefits included in Agency 89, Employee Benefits. For further information on fringe benefits, please refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

## Capital Facilities

- ◆ **Streetlight Operation and Other Operating Expenses** **(\$158,871)**  
A net decrease of \$158,871 in Operating Expenses includes a decrease of \$258,767 comprised of an increase of \$48,000 for the operation of 2,483 additional street lights, primarily due to new development, revitalization projects and lights petitioned by citizens, offset by a decrease of \$306,767 associated with encumbered, one-time expenses carried over into FY 2005. In addition, an increase of \$82,573 for Information Technology charges is based on the agency's historic usage and \$24,000 is included in PC Replacement Charges. These increases are partially offset by a decrease of \$6,677 for Department of Vehicle Services charges based on anticipated charges for fuel, vehicle replacement, and maintenance costs.
  
- ◆ **Recovered Costs** **(\$176,989)**  
An increase of \$176,989 in Recovered Costs is based on projected salary and operating requirements.

### Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2006 Advertised Budget Plan, as approved by the Board of Supervisors on April 25, 2005:*

- ◆ The Board of Supervisors made no adjustments to this agency.

### Changes to FY 2005 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2005 Revised Budget Plan since passage of the FY 2005 Adopted Budget Plan. Included are all adjustments made as part of the FY 2004 Carryover Review and all other approved changes through December 31, 2004:*

- ◆ **Carryover Adjustments** **\$306,767**  
Encumbered carryover of \$306,767 in Operating Expenses.

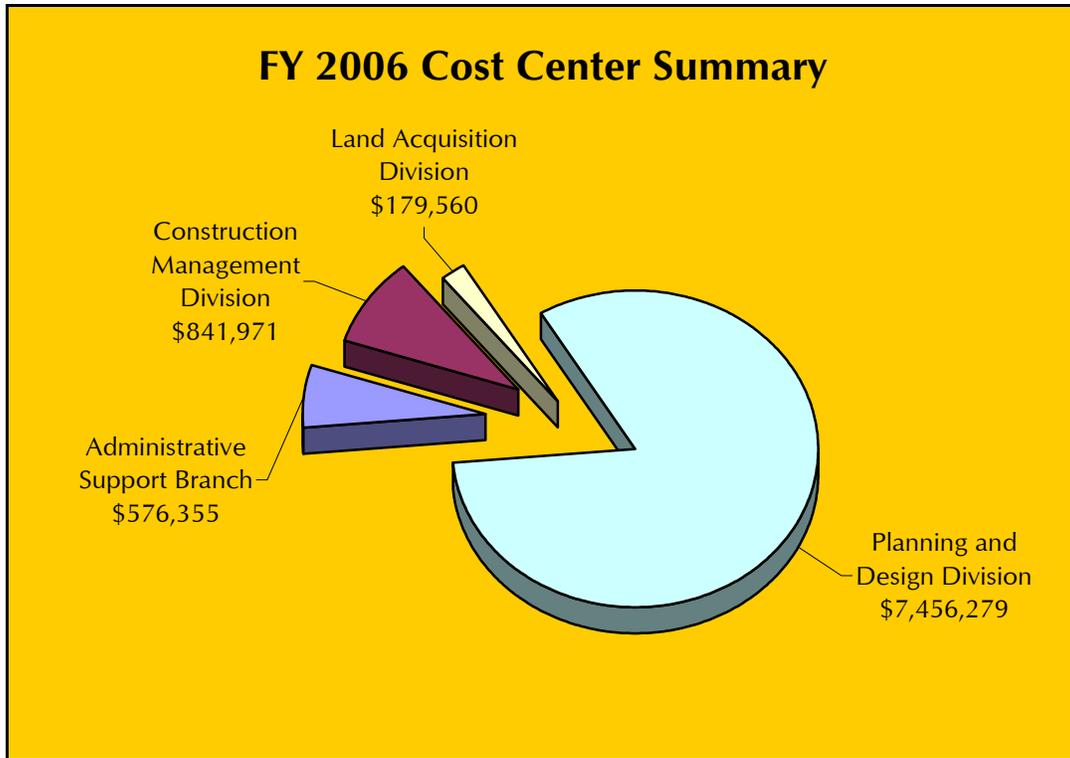
*The following funding adjustments reflect all approved changes to the FY 2005 Revised Budget Plan from January 1, 2005 through April 18, 2005. Included are all adjustments made as part of the FY 2005 Third Quarter Review:*

- ◆ **Additional Positions** **\$0**  
2/2.0 SYE positions were transferred from Wastewater Treatment to Capital Facilities to assist with the Pedestrian Safety Program. There is a net effect of \$0 to the agency as the costs associated with these positions will be recovered from Pedestrian Safety projects.

# Capital Facilities

## Cost Centers

Capital Facilities has four cost centers including Administrative Support, Construction Management, Land Acquisition and Planning and Design.



## Administrative Support Branch



<b>Funding Summary</b>					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	9/9	9/9	8/8	8/8	8/8
<b>Total Expenditures</b>	<b>\$555,141</b>	<b>\$491,566</b>	<b>\$438,171</b>	<b>\$576,355</b>	<b>\$576,355</b>

<b>Position Summary</b>					
1	Management Analyst IV	1	Programmer Analyst III	1	Administrative Assistant IV
3	Accountants I	2	Network/Telecom Analysts II		
<b>TOTAL POSITIONS</b>					
<b>8 Positions / 8.0 Staff Years</b>					

## Goal

To provide planning and design of County government facilities to meet user agencies' requirements and conform to adopted design standards within available funding resources and approved time frames.

# Capital Facilities

## Construction Management Division



Funding Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	59/ 59	59/ 59	60/ 60	61/ 61	62/ 62
<b>Total Expenditures</b>	<b>\$796,873</b>	<b>\$788,211</b>	<b>\$841,212</b>	<b>\$841,971</b>	<b>\$841,971</b>

Position Summary					
1 Director	1 Engineering Technician I	3 Senior Survey Analysts/Coordinators			
1 Management Analyst II	2 Supervising Engineering Inspectors	4 Survey Party Chiefs/Analysts			
2 Engineers IV	7 Senior Engineering Inspectors	4 Survey Instrument Technicians			
6 Engineers III	1 County Surveyor	1 Administrative Assistant III			
17 Engineers II (2)	1 Deputy County Surveyor	2 Administrative Assistants II			
1 Engineering Technician III	1 Chief of Survey Parties	3 Survey Aides			
4 Engineering Technicians II					
<b>TOTAL POSITIONS</b>					
62 Positions (2) /62.0 Staff Years (2.0)			( ) Denotes New Positions		

### Goal

To provide contract administration, inspections and land surveys for all assigned County capital construction projects which will enhance governmental services to County citizens (excluding School Board Construction).

## Land Acquisition Division



Funding Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	14/ 14	14/ 14	13/ 13	13/ 13	13/ 13
<b>Total Expenditures</b>	<b>\$97,666</b>	<b>\$171,853</b>	<b>\$171,853</b>	<b>\$179,560</b>	<b>\$179,560</b>

Position Summary					
1 Director	1 Engineering Technician II	5 Right-of-Way Agents			
3 Engineering Technicians III	2 Senior Right-of-Way Agents	1 Administrative Assistant III			
<b>TOTAL POSITIONS</b>					
13 Positions / 13.0 Staff Years					

### Goal

To acquire easements, dedications, rights-of-way and other fee purchases requested by Fairfax County agencies in order to keep capital construction projects on schedule.

# Capital Facilities

## Planning and Design Division



Funding Summary					
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	41/ 41	41/ 41	46/ 46	45/ 45	46/ 46
<b>Total Expenditures</b>	<b>\$6,679,180</b>	<b>\$7,315,450</b>	<b>\$7,622,611</b>	<b>\$7,456,279</b>	<b>\$7,456,279</b>

Position Summary					
1	Director	13	Engineers III	2	Administrative Assistants III
1	Management Analyst II	13	Engineers II	1	Administrative Assistant I
4	Engineers IV	8	Engineering Technicians III		
2	Project Coordinators	1	Engineering Technician II		
<b>TOTAL POSITIONS</b>					
<b>46 Positions / 46.0 Staff Years</b>					

### Goal

To provide essential professional engineering design and project management services in support of Capital Improvement Project Implementation including: sanitary sewers, pump stations, slope stability projects, commuter parking lots, building projects including fire stations, libraries, police stations, parking structures and other County facilities as well as commuter rail facilities, neighborhood improvement projects, commercial revitalization projects, roads, trails, sidewalks, developer defaults and streetlights.

### Key Performance Measures

#### Objectives

- ◆ To monitor design and construction activities in order to maintain construction cost growth at no more than 5.0 percent.
- ◆ To perform Value Engineering (VE) studies in accordance with the adopted BOS policy in order to identify cost savings while meeting required performance and achieve a return on investment ratio of 15:1.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
Projects completed	102	79	80 / 56	60	63
Projects completed with total cost over \$10,000,000	1	2	NA / 0	2	0
Projects completed with total cost over \$100,000 and under \$10,000,000	30	28	NA / 19	18	20
Projects completed with total cost under \$100,000	71	49	NA / 37	40	43
Projects completed on time	98	77	75 / 53	NA	NA
Projects completed within budget	97	78	74 / 51	55	58
VE studies completed/accepted cost savings	3 / \$3,250,368	4 / \$2,838,509	NA / 1 / \$168,572	2 / \$900,000	2 / \$900,000

## Capital Facilities

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Efficiency:</b>					
Design costs as a percent of construction costs for projects with total cost over \$10,000,000 (1)	8.8%	10.4%	NA / NA	15.0%	NA
Design costs as a percent of construction costs for projects with total cost over \$100,000 and under \$10,000,000	13.4%	11.2%	NA / 28.1%	25.0%	25.0%
Design costs as a percent of construction costs for projects with total cost under \$100,000	49.0%	73.0%	NA / 70.5%	70.0%	70.0%
Construction contract administration costs as a percent of construction costs for projects with total cost over \$10,000,000 (1)	2.4%	1.1%	NA / NA	2.0%	NA
Construction contract administration costs as a percent of construction costs for projects with total cost over \$100,000 and under \$10,000,000	7.6%	5.0%	NA / 12.4%	10.0%	10.0%
Construction contract administration costs as a percent of construction costs for projects with total cost under \$100,000	12.0%	14.0%	NA / 13.5%	15.0%	15.0%
Staff cost per land acquisition instrument acquired for projects with total cost over \$10,000,000 (1)	NA	NA	NA / NA	NA	NA
Staff cost per land acquisition instrument acquired for projects with total cost over \$100,000 and under \$10,000,000	\$1,909	\$1,702	NA / \$1,484	\$1,632	\$1,795
Staff cost per land acquisition instrument acquired for projects with total cost under \$100,000	\$2,141	\$2,471	NA / \$3,815	\$4,096	\$3,776
Cost per VE study	\$32,531	\$19,250	NA / \$30,204	\$30,000	\$30,000
<b>Service Quality:</b>					
Percent of projects completed on time	96%	97%	94% / 95%	NA	NA
Percent of projects completed within budget	95%	99%	92% / 91%	92%	92%
Percent of Customer Service Survey questions with average responses "4" or better on a scale of "1" to "5"	NA	NA	NA / 70.3%	NA	75.0%

## Capital Facilities

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Outcome:</b>					
Contract cost growth (2)	1.9%	3.3%	5.0% / 4.4%	5.0%	5.0%
Return on investment ratio for VE studies	33:1	27:1	NA / 6:1	15:1	15:1

(1) No projects over \$10,000,000 were completed during FY 2004; therefore, there is no FY 2004 actual for this indicator.

(2) Cost Growth = (Final Construction Contract Cost - Initial Construction Contract Cost) / Initial Construction Contract Cost \* 100

Methodology for determining the number and percent of projects completed on time and within budget is being reviewed. These categories will be reported in future years after the new methodology is established.

### Performance Measurement Results

During 2004, a Capital Facilities Performance Measures Task Force worked to develop realistic, meaningful performance measures for publication in the FY 2006 Capital Facilities Annual Budget. The multi-disciplinary task force examined the current performance measures, researched performance measures being reported by other jurisdictions, and recommended new performance measures, as well as changes to existing performance measures. Work is still continuing on some of these indicators, such as a redefinition of the methodology related to the number of projects completed on time.

For Value Engineering (VE) studies, one new objective and related performance indicators are included for the first time in FY 2006. The VE study process involves a thorough, intensive review of project plans by a group of individuals with engineering expertise in various disciplines. The review identifies the functions of products, establishes the worth of those functions, and generates alternatives through the use of creative thinking. VE studies are performed at the preliminary design stage where the design is 35 percent complete and studies are conducted by using a combination of in-house staff and consultants depending on the type and size of the project. After VE study recommendations are evaluated by project managers and impacted agencies, they are reviewed by the Director of DPWES, who ultimately decides which recommendations, and associated savings will be accepted. VE studies are required by the Board of Supervisors for all "vertical" projects (libraries, fire stations, governmental centers, etc.) with an estimated construction cost in excess of \$5 million, and for all "horizontal" projects (roads, neighborhood improvements, etc.) with an estimated construction cost in excess of \$2 million. The amount of VE cost savings and return on investment ratios vary from one fiscal year to another and are somewhat dependent on the both the type and size of projects reviewed. During FY 2002 and FY 2003, the number of projects reviewed totaled three and four, respectively, and included one large project (over \$10 million) in each fiscal year; in FY 2004 only one VE study was conducted on one fire station project that just met the \$5 million threshold construction value. Please note that no projects in excess of \$10,000,000 were completed in FY 2004, nor are any expected in FY 2006. As a result, the related performance measurements are shown with "NAs." There is more opportunity for identifying VE cost savings in very large projects than in smaller projects; in addition, for each fire station project, Capital Facilities provides a fire station manual that includes requirements and specifications; the provisions in this manual result in less VE cost savings on fire stations. The reduction in return on investment ratios from FY 2002 (33:1) and FY 2003 (27:1) to FY 2004 (6:1) are due to the VE review of only one small fire station project in FY 2004.

# Capital Facilities

The following new efficiency measures are included:

- Design costs as a percent of construction costs;
- Construction contract administration costs as a percent of construction cost; and
- Staff cost per land acquisition instrument acquired.

Design costs include in-house design costs and consultant design costs, as well as the cost of survey work during design. Construction contract administration costs include the cost for in-house staff to administer construction contracts, as well as the cost of survey work during construction. The cost of construction includes the costs for contracted construction, in-house construction, and utility connections/relocations. The efficiency measure for staff costs per land acquisition instrument acquired is calculated by dividing land acquisition staff costs by the number of instruments, e.g. easements, acquired.

The efficiency measures are further broken out by the size of the completed projects. It is substantially more efficient to design and administer construction for larger projects; the staff cost per instrument is also less for larger projects. The 3 category breakout clearly shows the economy of scale achieved with larger projects.

For projects with costs over \$100,000 and under \$10,000,000, the design cost percent increase from FY 2003 (11.2 percent) to FY 2004 (28.1 percent) and the construction administration cost percent increase from FY 2003 (5.0 percent) to FY 2004 (12.4 percent) are due to the atypical mix of projects completed in this category in FY 2004. During FY 2004, only four projects had total costs in the \$1 to \$2 million range, and only one project cost more than \$3,000,000; no projects cost more than \$4 million. In FY 2003, five projects cost between \$1 million and \$4 million and four projects had costs over \$4 million and under \$10 million. The increased costs reflect reduced efficiency in design and administration of smaller contracts.

The efficiency measure trend in the category of projects costing less than \$100,000 show increased costs from FY 2002 to FY 2004 for both design and construction costs. These increases can be attributed to the use of federal funding, which requires substantially more staff time to coordinate the environmental impact, land acquisition, design and construction components of the each project. The mix of federally funded projects will continue to increase in FY 2005 and FY 2006.

The agency continues to maintain cost growth of less than 5.0 percent. The use of abbreviated designs has been expanded where possible in order to improve project delivery times. Using abbreviated designs may result in increases in cost growth, but current cost growth rates remain below the 5.0 percent benchmark.

In FY 2004, the agency did not complete the estimated number of projects originally anticipated to be completed. Wet weather patterns over the past two construction seasons continued to hamper construction activities. In addition, extremely active hurricane seasons in 2003 (Isabel) and 2004 have impacted construction. These weather conditions resulted in fewer projects being completed (56) than estimated (80) in FY 2004. However, over the past seven fiscal years the average number of projects completed per year is 57, making the FY 2004 number of 56, quite reasonable considering the challenge adverse weather conditions presented.