

Wisconsin Department of Transportation

Let Project Closeout Process Lean Initiative Report



Project Summary

The Division of Transportation System Development (DTSD) oversees highway construction projects statewide. Projects awarded through public bid letting are called Let projects. The Let project closeout process includes several steps for closing out a project and making a final payment to the prime contractor. The current performance goal for this process is to issue final payment to the prime contractor within six months of the work completion date.

The goal of this project is to increase the number of Let projects closed within six months of the work completion date to 45 percent by July 2014.

The first phase of this project was completed on February 1, 2013.

Improvements

- Identified best practices which lead to quicker project closeout
- Developed a future state process map
- Identified six foundational elements which when addressed will support implementation of process improvement and standardize the process across regions
- Identified top impediments to closing final projects within six months

MAPSS Core Goal Area

- Accountability

Statewide Goal Area

- Culture of government
- Customer satisfaction
- Employee work environment

Issue

The Let project closeout process includes numerous steps for closing out a project and making a final payment to the prime contractor. The current performance goal is to issue final payment the prime contractor within six months of the “work complete” date. Based on project tracking data, less than 25 percent of regional Let projects are closed out within six months of their completion date.

Lean Six Sigma Process

- As the first phase of a larger project, completed a comprehensive assessment of current state workflow/business procedures at each of the regional offices and statewide local programs
- Developed and validate process maps for each region
- Developed and collected current state performance metrics
- Held a two-day kaizen event with team members and other key stakeholders to develop future state process/workflow
- Developed desired state process map and recommended support tools

Results

Culture of government: DTSD has established baseline data for measuring process improvement. The team identified tools such as a glossary of key terms, process flow charts, a manual section specifically to address Let project closeout, and updates to project tracking systems that support standardization of the process.

Customer satisfaction: Implementing the best practices and next steps recommendations will result in an increased number of projects closing and final payments being issued to contractors within six months of work completion.

Employee work environment: Team members engaged in the process with enthusiasm and a desire to improve the process. Defining team roles and creating a specific section related to project closeout will support the worker in successfully achieving DTSD’s goals. During the kaizen event, 38 staff received basic Lean Six Sigma training.

Next Steps

- Share a detailed final report and best practices with team members and division management
- Establish six workgroups to address each of the foundational elements identified to support implementation of process improvement: standardizing key term definitions; defining the Process Owner and Project Lead roles and responsibilities; standardizing team make-up across regions; create process flowcharts; updating tracking software to reflect new definitions; and creating projects closeout sections in the *Standard Specification* and the *Construction Materials Manual*
- Create two new Lean project charters to address the top two impediments to closeout: Materials Certification lead time and Payroll Clear Date lead time