

California Department of Transportation

DIVISION OF LOCAL ASSISTANCE
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www.dot.ca.gov/programs/local-assistance



October 20, 2021

Dear Transportation Partner:

The Department of Transportation (Caltrans) Division of Local Assistance in collaboration with the Federal Highway Administration (FHWA) is continuing its proactive efforts to reduce the number of inactive projects. Especially those that have not been reimbursed for 24 months or more with unexpended federal funds of \$50,000 or more. Local agencies are expected to invoice Caltrans regularly for projects in accordance with the Code of Federal Regulations 23 CFR 630.106.

This letter intends to request Local Agencies to submit an invoice or proper documentation (see attachment Repeat Inactives Obligations Justification form) to your respective Caltrans District Local Assistance Office as outlined below before **November 5th, 2021**.

For those projects unable to submit an invoice, a justification must be submitted on the form provided. Justifications need to include an explanation of why the inactive project will not be able to bill during the quarter, when the project is expected to bill, and the current cost estimate for the project. If a justification is not submitted by **November 5th, 2021**, unexpended funds will be de-obligated and the project subject to closure.

It is the Local Agency's responsibility to work in collaboration with their respective District Local Assistance Engineer prior to November 5th to ensure their projects are removed from the list. If Caltrans does not receive an invoice or justification, adverse actions will be taken on these projects identified on the accompanying list.

Adverse actions include:

- If the justification is approved and a current cost estimate is provided, the project sponsor will not be impacted but will be required to provide an updated justification and current cost estimate for each subsequent quarter until project is no longer inactive.

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- If the justification is not submitted or approved, all unexpended funds will be de-obligated, and the project will be subject to closure.
- If a current cost estimate is not provided, all unexpended funds will be de-obligated, and the project will be subject to closure.
- If a current cost estimate is provided and supports the need for less than the current amount of unexpended federal funds on the project, then a portion of the funds will be de-obligated to reflect the current cost estimate.
- If a current cost estimate is provided and supports the need for the current amount of unexpended federal funds on the project, then no funds will be de-obligated.
- If during a 12 month period the project sponsor submits multiple unapproved justifications or has multiple instances of not submitting a justification, they will not receive authorization or obligation of Federal funding for new projects until certain actions have been demonstrated (e.g., project sponsor complies with the required 6-month billing cycles per the Caltrans/LPA Master Agreement).

Caltrans will communicate adverse actions, acceptance, or denial of project justifications by December 6, 2021. We require local agencies to invoice regularly for reimbursable costs to avoid inactivity or adverse action in the future.

Sincerely,



Dee Lam
Division Chief

Attachments:

Repeat Inactives Obligations Justification
Form CA Repeat Inactive Projects List

c: Steven Keck, Chief Financial Officer, Caltrans
Gilbert Petrisans, Division of Accounting, Caltrans
Mark Samuelson, Division of Local Assistance, Caltrans
Sujaya Kalainesan, Division of Local Assistance, Caltrans
Felicia Haslem, Division of Local Assistance, Caltrans
Fardad Falakfarsa, Office of Federal Resources, Caltrans

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Matt Brady, District 1 Director, Caltrans
Dave Moore, District 2 Director, Caltrans
Amarjeet Benipal, District 3 Director, Caltrans
Dina El-Tawansy, District 4 Director, Caltrans
Timothy M. Gubbins, District 5 Director, Caltrans
Tony Tavares, District 7 Director, Caltrans
Mike Beauchamp, District 8 Director, Caltrans
Dennis Agar, District 10 Director, Caltrans
Gustavo Dallarda, District 11 Director, Caltrans
Ryan Chamberlain, District 12 Director, Caltrans
Brad Mettam, D1 Deputy District Director, Planning, Caltrans
Thomas Balkow, D2 Deputy District Director, Planning, Caltrans
Sukhvinder Takhar, D3 Deputy District Director, Planning, Caltrans
Jean Finney, D4 Deputy District Director, Planning, Caltrans
Scott Eades, D5 Deputy District Director, Planning, Caltrans
Michael Navarro, D6 Deputy District Director, Planning, Caltrans
Paul Marquez, D7 Deputy District Director, Planning, Caltrans
Ray Desselle, D8 Deputy District Director, Planning, Caltrans
Dennee Alcalá, D9 Deputy District Director, Planning, Caltrans
Marlon Regisford, D10 Deputy District Director, Planning, Caltrans
Ann Fox, D11 Deputy District Director, Planning, Caltrans
Lan Zhou, D12 Deputy District Director, Planning, Caltrans
Paul Schneider, FHWA
Matt Schmitz, FHWA
Rodney Whitfield, FHWA
Aimee Kratovil, FHWA
Miguel Ramos, FHWA
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