



Local Programs Procedures

LPP 01-06 Policy Change Reporting Award Information

Reference: *Local Assistance Procedures Manual*, Chapters 1, 2, 3, 4, 5, 7, 13, 15, 16 and 20; *Local Assistance Program Guidelines*, Chapters 2, 6, 8, and 11; and LPPs 96-05, 97-02, 00-02, and 00-05.

Effective Date: May 25, 2001

Approved: _____

Original Signed By

TERRY L. ABBOTT
Acting Chief
Division of Local Assistance

PURPOSE

The purpose of this LPP is to implement new policy and procedure that local agencies use in reporting construction contract award information. Procedures for other contracts and billings are unchanged. This policy shall supersede all references to the use of the Federal-aid Project Agreement (PR-2), revised Federal-aid Project Agreement (PR-2A), and the Obligation of Funds Document (FNM-76) found in the *Local Assistance Procedures Manual* (LAPM), *Local Assistance Program Guidelines* (LAPG), and the Local Programs Procedures (LPPs) referenced above.

BACKGROUND

Federal-aid Projects:

Section 106(a) of Title 23 of the United States Code (USC), as revised under the Transportation Equity Act for the 21st Century (TEA-21), combined the project authorization, obligation of funds, and the execution of the federal-aid project agreement into a single action. To support TEA-21, the Federal-Aid Data System (FADS) was upgraded and implemented this new federal-aid processing requirement. Under the upgraded FADS, one electronic form entitled "Authorization to Proceed" (E-76), replaces the PR-2, PR-2A, and FNM-76. In essence, the E-76 now acts as both project authorization and federal-aid project agreement with Caltrans.

State Transportation Improvement Program (STIP) Projects:

In 1997, Senate Bill 45 (SB 45) was passed and enacted new provisions regarding the timely use of funds for projects adopted into the STIP. The “timely use of funds” requirements (i.e., award of contract within 12 months of the date of allocation of funds for the construction component) were designed to improve the effectiveness and efficiency of transportation programming, as well as the timely delivery of transportation projects. SB 45 also allows local agencies to take a more active role in the process of transportation programming.

PREVIOUS PROCEDURE

Federal-aid Projects:

The previous procedure required the local agency to submit the project award package before the Federal-aid Project Agreement (PR-2) could be processed. Information from the award package, such as the Detail Estimate and Finance Letter, was used for execution of project agreements and project monitoring purposes. To increase or decrease the amount of project funds, a PR-2A was executed.

STIP Projects:

A requirement to submit award information was not in place.

NEW PROCEDURE

- A. Following the Authorization to Proceed (E-76), the local agency shall submit a complete Award Package to the District Local Assistance Engineer (DLAE) immediately after award of the construction contract. A copy of the Award Package shall also be included with the submittal of local agency’s first invoice for the construction contract to:

Department of Transportation, Division of Accounting
Local Program Accounting Branch, Mail Stop 33
P.O. Box 942874
Sacramento, CA 94274-0001

For information, Local Program Accounting will forward their copy of the Award Package to the Division of Local Assistance, Office of Project Implementation. If a copy of the Award Package is not included with the local agency's first invoice, the invoice will be returned to the local agency unpaid.

The Award Package shall consist of the following:

Federal-aid Projects:

- Local Agency Contract Award Checklist (LAPM, Exhibit 15-L) with attachments
- Detail Estimate (LAPM, Exhibit 15-M)
- Finance Letter (LAPM, Exhibit 15-N)
- Resident Engineer’s Construction Contract Administration Checklist (LAPM, Exhibit 15-B)
- Disadvantaged Business Enterprise Project Goal, with race-neutral and race-conscious portions identified separately

STIP Projects:

- The Award Package for State-only funded construction contracts shall consist of the completed Award Information for STIP Projects form (see Attachment A).
- B. For emphasis, covenants reflecting this policy will be included in project agreements until such time that manual updates can be put into effect.
- C. Modifications in project funding, either an increase or substantial decrease, under the new FADS requires the execution of a revised E-76. Once a project funding change becomes known by the local agency, prompt action is essential and shall be taken by the local agency to modify the project funding.

REFERENCES

- 23 CFR 106(a)
- TEA-21

Attachment A

Award Information for STIP Projects

Date: _____

To: _____

District Local Assistance Engineer
Caltrans, Division of Local Assistance

PPNO: _____

EA: _____

Project No.: _____

Project Description _____

Date Project was Advertised: _____

Award Date: _____

Award Amount: _____

Award Amount: _____

(STIP Portion only, if different from above)

Estimated Date of Completion _____