



Local Programs Procedures

LPP 11-03 Manual Update
Subject: Stewardship Agreement

Reference: *Local Assistance Procedures Development (LAPM)*,
Chapter 1-Introduction and Overview; Chapter 2-Roles and Responsibilities;
Chapter 3-Project Authorization; Chapter 7-Field Review; Chapter 8-Public
Hearings; Chapter 12-Plans, Specifications & Estimate; Chapter 13-Right of
Way; Chapter 14-Utility Relocations; Chapter 15-Advertise and Award Project;
Chapter 16-Administer Construction Contracts; Chapter 17-Project Completion

Effective Date: June 10, 2011

Approved: Original Signed By

Denix Anbiah, Chief
Division of Local Assistance

WHAT IS AN LPP

LPPs are Local Programs Procedures. These documents are used for the deployment of procedures and policies between updates of the Local Assistance manuals, guidelines and programs. They are numbered according to calendar year and order in which released. This is the third LPP issued in 2011; hence, it is LPP 11-03.

PURPOSE

The purpose of this LPP is to update several chapters of the *Local Assistance Procedures Development (LAPM)* to reflect new Federal, State, and Local Agency roles and responsibilities as a result of the most recent Joint Stewardship and Oversight Agreement.

BACKGROUND

On October 14, 2010, Caltrans and the California Division of the Federal Highway Administration (FHWA) entered into a new Joint Stewardship and Oversight Agreement (Stewardship Agreement). The purpose of the Stewardship Agreement, which is to be updated every few years, is to document the extent to which Caltrans will assume project approval and oversight responsibilities for federal-aid transportation projects in accordance with 23 USC106(c). This LPP updates several portions of the *Local Assistance Procedures Manual* (LAPM) to reflect those changes in roles and responsibilities as a result of the most recent Joint Stewardship and Oversight Agreement.

PREVIOUS PROCEDURE

In the past, federal-aid project approval, and oversight roles and responsibilities were identified as either "State Authorized" or "Full Oversight" and were based on clearly defined criteria.

NEW PROCEDURE

The new project approval and oversight strategy utilizes a comprehensive risk-based approach to managing the federal-aid transportation program. "State Authorized" and "Full Oversight" criteria of the past have been replaced with "Delegated" (low risk) and "High Profile" (high risk) project criteria. Project approval authority for "Delegated," or low risk projects have been delegated to Caltrans to the fullest extent possible by law. Certain approval authority for "High Profile," or high risk project actions are now retained by FHWA after being individually determined by Caltrans and FHWA on a project by project basis.

USER FRIENDLY FEATURES

- These new procedures are incorporated in the electronic version of the LAPM and LAPG that are available at the Division of Local Assistance (DLA) Home Page on the Internet at: <http://www.dot.ca.gov/hq/LocalPrograms/>. Under "Publications" select *Local Assistance Procedures Manual* or *Local Assistance Program Guidelines*.
- You may also purchase the Publications for Local Assistance DVD, which acts as a one-stop shop for information and promotes flexible access to helpful information for local project delivery at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/PubsDVD.htm>.
- Additional user-friendly features were developed to make the manual easier to edit and to access the DLA web site. **Note: Sidebars are used to indicate where revisions were made to affected pages. However, when a chapter is released in its entirety, sidebars are not indicated. The revised pages in this LPP are to replace the pages affected in the hard copy of the LAPM.**

- To receive an electronic notification when new information is posted on the DLA web site, please subscribe to the DLA listserver at:
<http://www.dot.ca.gov/hq/LocalPrograms/sub.htm>
- Comments and suggestions for improvement to the manual or the processes and procedures are welcome. They may be submitted to:

Department of Transportation
Division of Local Assistance, MS 1
Attention: David Saia
P.O. Box 942874
Sacramento, CA 94274-0001
FAX (916) 654-2409
David_Saia@dot.ca.gov

SUMMARY OF CHANGES

LAPM Item	Change
Chapter 1 Table of Contents	Table of Contents was modified, “Flowchart” changed to “Figure.”
Section 1.4 (Terms and Definitions page 1-3 thru 5, 9	Under “ <i>Terms and Definitions</i> ” added the following terms; “Delegated Project,” “High Profile Project” and “Stewardship Agreement.” The term “District” shifted to the next page. Revised definition under the term “State Funds.” Under the term “ <i>STIP</i> ,” “seven-year” was changed to “five-year.”
Section 1.5 (Manual Organization) page 1-9 thru 9b	Under “Chapter Summaries,” removed last sentence of Chapter 3 and changed Chapter 19 title and revised summary.
Section 1.6 (Manual Updates) page 1-9b	Removed reference to “printed format.”
Figure 1-1 & 1-2 page 1-11 thru 1-14	Changed “Flowchart” to “Figure.” Figure 1-1, updated title of Chapter 19 in box to far right.

Chapter 2	<p>Reissued in its entirety;</p> <p>The following sections were added; “Stewardship and Oversight Agreement,” “Delegated Projects,” “High Profile Projects,” “Federal-Aid Projects of \$100 Million to \$500 Million or More” and “References.” All sections were renumbered.</p> <p>The following exhibits and figures were replaced or updated; Figure 2-1, Figure 2-2, Exhibit 2-A, and Exhibit 2-B.</p>
Chapter 3 Table of Contents	Table of Contents was modified to reflect the terminology change in title of Exhibit 3-P.
Figure 3-1 page 3-1	Renamed “Flow Chart” to “Figure” and terminology was modified throughout figure.
Section 3.1 (Introduction) page 3-3 thru 7	<p>Second paragraph was replaced.</p> <p>Under “<i>Acronyms</i>,” “HES” was deleted and HSIP was added. Acronyms shifted from page 3-4 to 3-3 and from page 3-5 to 3-4.</p> <p>Under “<i>Terms and Definitions</i>”, added “Delegated Project” and “High Profile.”</p> <p>Under “<i>Terms and Definitions</i>”, removed “Full Oversight Projects” and “State-Authorized Project.”</p> <p>Under terms “FSTIP” and “FTIP,” three-year changed to four-year.</p> <p>Text shifted from page 3-7 to 3-6.</p>
Section 3.2 (Prior to Federal Authorization) page 3-7	Removed “Railroad Grade Crossing Program” from bullets.
Section 3.3 (Request for Authorization) page 3-8 thru 10	<p>“State-Authorized” changed to “Delegated” and second sentence was revised.</p> <p>Under “<i>Intelligent Transportation Systems</i>, ” the second paragraph was revised.</p> <p>Under “<i>Construction and Construction Engineering</i>, ” fourth paragraph was revised.</p> <p>“State-Authorized” changed to “Delegated.”</p>

Section 3.4 (Administrative Procedures) page 3-11 thru 12	<p>Second paragraph was revised.</p> <p>Third paragraph, “State-Authorized” changed to “Delegated” in Exhibit title and deleted “for PE and R/W phases.”</p> <p>Under “<i>Budget Authority for Projects on the SHS</i>,” revised first and second paragraphs.</p> <p>Text shifted from 3-12 to 3-11.</p>
Section 3.6 (Underfunded Projects) page 3-14	<p>Under “<i>Administrative Rules</i>”, first paragraph was deleted.</p> <p>“State-Authorized” changed to “Delegated.”</p> <p>Under “<i>Federal Reimbursement of Underfunded Projects</i>,” second paragraph was revised.</p>
Section 3.12 (References) page 3-20	<p>“Project Approval and Oversight Letter of Agreement (Stewardship Agreement) dated 12/26/2002” changed to “Joint Stewardship and Oversight Agreement” (Stewardship Agreement) dated 09/04/2006.</p>
Exhibit 3-E page 3-33	<p>“State-Authorized” changed to “Delegated” and “Full Oversight” changed to “High Profile.”</p>
Exhibit 3-F page 3-37 thru 38	<p>Rewrote “FHWA Oversight.”</p>
Exhibit 3-P page 3-59	<p>“State-Authorized” changed to “Delegated” in Exhibit title.</p>
Chapter 7 Section 7.2 (Type & Requirement for Field Review) page 7-3a & 5	<p>Replaced “State Authorized” and “Full Oversight” with “Delegated” and “High Profile.”</p> <p>Under “<i>PS&E & Construction Administration Procedures</i>,” changed “major” to “significant.”</p>
Section 7.3 (Notification) page 7-5 & 6	<p>Under “<i>Required Reviews</i>,” reworded sentence using “High Profile projects” instead of “Full Oversight.”</p> <p>Under “<i>Optional Field Reviews</i>,” changed “State-Authorized/FHWA Full Oversight” to “Delegated/High Profile.”</p>
Exhibit 7-A page 7-11	<p>Revised Item 5; replaced “State-Authorized” & “Full Oversight” with “Delegated” & “High Profile.”</p>
Exhibit 7-B page 7-13	<p>Under number 5 (Stewardship Category), replaced “FHWA Full Oversight” & “State-Authorized” with “High Profile” & “Delegated.”</p>
Chapter 8 Section 8.7 (Hearing Procedures) page 8-7	<p>Deleted "The term 'navigable river' is constructed to mean any body of water that will require a U.S. Coast Guard permit to cross over."</p>

Chapter 12 Section 12.1 (Introduction) page 12-1 & 1a	Added sentence to fourth paragraph. Revised fifth paragraph Under “ <i>Definitions</i> ”, Cost-Effectiveness/Public Interest Finding was revised.
Section 12.2 (PS&E Procedures for Significant NHS Projects) page 12-2	Section title changed from “PS&E Procedures for Major NHS Projects” to “PS&E Procedures for Significant NHS Projects.” First paragraph, first sentence, “major” changed to “significant.”
Section 12.4 (Method of Construction) page 12-4	Under “ <i>Contracting Method</i> ,” paragraph was revised.
Section 12.12 Materials and Equipment page 12-33	Under “ <i>Proprietary Items</i> ,” replaced “The local agency” with “Caltrans.”
Section 12.17 (References) page 12-40	Replaced “Stewardship Agreement known as Project Approval and Oversight between FHWA and Caltrans, dated December 2002” with “Joint Stewardship and Oversight Agreement between FHWA and Caltrans, dated September 4, 2007.”
Exhibit 12-D page 12-47 & 48	Under “ <i>A. Contracting Method</i> ,” replaced “review” with “approval” and made other minor grammar changes. Under “ <i>B. Force Account (Day Labor)</i> ,” added “approved by the DLAE,” replaced “review” with “approval,” and made minor grammar changes.
Exhibit 12-E page 12-57	Under “ <i>A. Contracting Method</i> ” and “ <i>B. Force Account (Day Labor)</i> ,” “the local agency” was replaced with “Caltrans.”
Exhibit 12-F page 12-109 & 110	Revised form and instructions.
Chapter 13 Section 13.2 (Federal-aid & the Federal/State/Local Agency Relationship) page 13-2	Revised paragraph.
Section 13.5 (Preliminary Right of Way Activities) page 13-11	Under “ <i>Field Reviews</i> ,” revised sentence using “FHWA High Profile” instead of “Full Oversight.”

Chapter 14 Section 14.1 (Introduction) page 14-2	Under “ <i>Liability Determination</i> ,” removed italics.
Section 14.2 (Federal Reimbursement) page 14-5	Replaced “State Authorized” with “Delegated” & revised reference to Chapter 2.
Chapter 15 Section 15.4 (Project Advertisement) page 15-7	Under WARNING, deleted “Full Oversight” and “Caltrans.” Under “ <i>Procedures</i> ”, revised paragraph.
Section 15.5 (Contract Bid Opening) page 15-8	Under “ <i>Introduction</i> ,” deleted last sentence in paragraph.
Exhibit 15-A page 15-17	Under “ <i>A. Project Advertisement</i> ,” deleted “Caltrans” and “Full Oversight projects.” Replaced “For NHS projects” with “For all federal-aid projects” and inserted “is required.” Under “ <i>B. Contract Bid Opening</i> ,” replaced “NHS” with “federal-aid.”
Chapter 16 Table of Contents	Corrected typo and restructured format.
Section 16.2 (Definitions of Terms) page 16-3 & 4	Deleted “Full Oversight” & “State-Authorized Project” & added “Delegated Project” & “High Profile.” The term “Local Agency” shifted to the next page.
Section 16.3 (Project Supervision & Inspection) page 16-5 & 6	Under “ <i>Introduction</i> ,” replaced “State-Authorized” with “Delegated” Shifted some text from page 6 to page 5.
page 16-26	Corrected the date in footer from “April 30, 3009” to “April 30, 2009.”
Chapter 17 Table of Contents	Table of Contents was modified due to changes made to sub-titles.
Section 17.2 (Definition of Terms) page 17-2	Deleted “Full Oversight” & “State-Authorized Project” Added “Delegated” & “High Profile.”

Section 17.3 (Final Inspection Procedures for Federal-Aid Projects) page 17-3	Changed sub-section titles from “State-Authorized” and “FHWA Full Oversight” to “Delegated” and “High Profile Projects.” Under “ <i>High Profile Projects</i> ,” changed “major” to “significant,” “FHWA Full Oversight” to “High Profile project,” and “State-Authorized” to “Delegated.”
Exhibit 17-C page 17-15	Changed “State-Authorized” and “Full Oversight” to “Delegated” and “High Profile project.” Revised the distribution list.

CHAPTER 1 INTRODUCTION AND OVERVIEW

CONTENTS

SECTION/SUBJECT	PAGE NUMBER
1.1 PURPOSE	1-1
1.2 BACKGROUND	1-1
1.3 RELATED MANUALS.....	1-1
1.4 TERMS AND DEFINITIONS.....	1-2
1.5 MANUAL ORGANIZATION.....	1-9
FEDERAL-AID PROJECTS.....	1-9
STATE FUNDED PROJECTS.....	1-10
CHAPTER SUMMARIES	1-10
1.6 MANUAL UPDATES.....	1-11

FIGURES

FIGURE/DESCRIPTION	PAGE NUMBER
FIGURE 1-1 TYPICAL PROCEDURES FOR FEDERAL-AID PROJECTS.....	1-11
FIGURE 1-2 TYPICAL PROCEDURES FOR “STATE-ONLY” PROJECTS	1-13

This page intentionally left blank

6004 Categorical Exclusions: On June 7, 2007, Caltrans and FHWA entered into an MOU pursuant to Section 6004 of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Section 6004 MOU assigns to Caltrans authority and responsibility for CE determinations under the 23 CFR 771.117(c) list and 23 CFR 771.117(d) list, plus those activities specifically listed in Appendix A – Assigned Categories of Activities of the MOU.

6005 Categorical Exclusions: On June 22, 2007, Caltrans and FHWA entered into an MOU pursuant to Section 6005 of SAFETEA-LU. Under Section 6005 MOU, Caltrans assumes responsibility for CE determinations for projects that are not on the “c” or “d” list or the Appendix A list, but for which a CE classification is appropriate under 23 CFR 771.117 “a” and “b.” Under Section 6005 MOU, Caltrans was also assigned and assumed, the USDOT Secretary’s responsibilities for environmental review, interagency consultation, and other regulatory compliance-related action pertaining to the review or approval of CEs.

- Categorical Exemption/Categorical Exclusion Form: Joint state/local form used to document the applicable MOU under which the CE determination has been made.
- Construction (Const.)/Construction Engineering (CE) - This phase includes the work of project advertising¹ through construction, preparation of as built plans, final estimates, and payments. This phase must be authorized prior to advertising, and CE must be separately identified in this authorization.
- Construction Phase - The phase of the transportation project development process that involves the physical act of building by a contractor the proposed project to all plans and specifications developed during final design.
- Consultant - A private individual, corporation, or other business organization that may be selected to provide architectural, engineering, environmental, or other related technical services for a local agency project.
- Cumulative Impact - Cumulative impact is the impact on the environment, which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.
- Delegated Project – A project under 23 USC 106(c) “Assumption by States of Responsibilities of the Secretary” (formerly “State Authorized”) in which Caltrans has authority for all aspects of the project except those activities which cannot by federal law be delegated.
- Department of Transportation - The Department of Transportation of the State of California, as created by law; also referred to as the Department, State or Caltrans.
- Direct Effects - Effects caused by a given action and occurring at the same time and place. Changes in noise levels; fill discharges in wetlands; and changes in visual conditions are some examples of direct effects.

¹ CE includes advertising only if not included in PE phase and only after the construction authorization date.

- District - A subdivision of the Department organized to administer the affairs of the Department for a specific geographical area and for the local agencies in that area (see Exhibit 2-A of the LAPM).
- DLA - Division of Local Assistance. The office in Caltrans headquarters that is responsible for administering, managing, and implementing the federal-aid highway and state local assistance programs.
- DLAE - The District Local Assistance Engineer, the individual in each district responsible for providing services and assistance to the local agencies.
- Early Coordination - Communication undertaken near the beginning of the transportation project development process to exchange information and work cooperatively with agencies and the public in an effort to determine the type and scope of studies, the level of analysis, and related study requirements.
- Effects - Includes: (a) Direct effects that are caused by the action and occur at the same time and place, (b) Indirect effects that are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable. The terms "effect" and "impact" are synonymous under NEPA. Effects include ecological, aesthetic, historic, cultural, economic, social, or health, whether direct, indirect or cumulative.
- Environment - The complex of social, natural, and cultural condition, which are present in the physical surroundings.
- Environmental Assessment (EA) - One of three (3) Classes of Action which prescribes the level of documentation required in the NEPA process. EAs are Class III Actions in which the significance of the environmental impact is not clearly established. All actions that are not Class I (EISs) or Class II (CEs) are Class III. Class III Actions require the preparation of an EA to determine the appropriate environmental document required.
- Environmental Impact Statement (EIS) - One of three (3) NEPA Classes of Action which prescribes the level of documentation required in the NEPA process. EISs are Class I Actions. These are actions that significantly affect the environment and for which an EIS must be prepared. Examples of Class I Actions include a highway project of four or more lanes on a new location, and new construction or extension of a separate roadway not located within an existing highway facility, etc.
- Federal-aid - As used in this manual, it refers to federal funds provided for the development of surface transportation and administered by the FHWA. Generally, these funds are derived from the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Title I Federal-aid Highways and other Titles. It also includes FHWA administered funds from previous acts frequently titled Highway Acts.
- FHWA - Federal Highway Administration, the federal agency responsible for administering the Federal-aid Highway Program.
- Field Review - A general term to describe a site visit for the purpose of gathering or verifying data, defining scopes of work, performing analyses, and making decisions for specific projects.
- Final Design Phase - The phase of the transportation project development process, which involves the preparation of detailed, working drawings, as well as specifications and estimates for approved transportation projects.

- Finding of No Significant Impact (FONSI) - A document by a federal agency that briefly presents the reasons why an action will not have a significant effect on the environment and for which an environmental impact statement, therefore, will not be prepared.
- FTIP - Federal Transportation Improvement Program, a four-year list of all transportation projects proposed for federal surface transportation funding within the planning area of one of the eighteen Metropolitan Planning Organizations (MPOs) in the State. These are only valid for reference when incorporated into the FSTIP and approved by FHWA/FTA (see Chapter 4 of the Caltrans *Project Development Procedures Manual* for more discussion).
- FSTIP - Federal Statewide Transportation Improvement Program, a four-year list of all state and local transportation projects proposed for federal surface transportation funding with the state. This is developed by Caltrans with cooperation of the MPOs and in consultation with the local non-urbanized government. The FSTIP includes the FTIPs, which are incorporated by reference and other rural federally funded projects. The FSTIP, including incorporated FTIPs is only valid for use after FHWA/FTA approval. See Chapter 4 of the Caltrans *Project Development Procedures Manual* for more discussion. Also see STIP below.
- FTA - Federal Transit Administration, the federal agency responsible for administering the federal transit program. Rules for the transit program are not covered in this manual (see Chapter 3, “Project Authorization,” Section 3.10 for procedures for transferring federal-aid funds from FHWA to FTA).
- Fully Funded – As related to the NEPA document, projects must be fully funded and shown in the applicable FTIP/RTP before Caltrans can approve the related NEPA document. Partial funding of a project may get their Preliminary Engineering (PE) started but the environmental NEPA document is not approvable without the total funding.
- Headquarters - The headquarters office of the Department located at 1120 “N” St., Sacramento, CA 95814.
- High Profile Project– High risk projects that meet one or more of the eleven criteria listed in Chapter 2 and in which FHWA has an involvement in the project oversight actions.
- Impacts - A term to describe the positive or negative effects upon the natural or human environment as a result of a specific project or projects.
- Independent Utility - The ability of a transportation improvement to be usable and be a reasonable expenditure even if no additional transportation improvements in the area are made.
- Indirect Effects - Effects caused by a given action, occurring later in time, or farther removed in distance, but which are reasonably foreseeable. Induced changes to land use patterns, population density or growth rate are examples.
- ISTEA – Intermodal Surface Transportation Efficiency Act of 1991 was an Act signed by the President on December 18, 1991, providing authorization for six (6) years for highways, highway safety, and mass transportation. ISTEA was superseded by TEA 21 in 1998 and by SAFETEA-LU in 2005.

- Level-of-Service (LOS) - Also known, as “Traffic Service.” LOS is a qualitative measure describing operational conditions within a traffic stream. LOS is based on service measures such as speed and travel time, freedom to maneuver, traffic interruptions, comfort and convenience. LOS is also affected by conditions such as number of access points, lane width, number of lanes, and percentage of large vehicles. Six levels of service are defined by letter designations from A to F with LOS A representing the best operating conditions, and LOS F the worst.
- Local Agency - A California City, county, or other local public agency. In many instances this term is used loosely to include nonprofit organizations.
- Logical Termini - Features such as cross route locations that are considered rational end points for a transportation improvement and which serve to make it useable.
- Metropolitan Planning Organization (MPO) - Federally mandated regional organizations responsible for comprehensive transportation planning and programming in urbanized areas. Work products include the Transportation Plan, the Transportation Improvement Program, and the Unified Planning Work Program.
- Mitigation Measures - Specific design commitments made during the environmental evaluation and study process, which serve to moderate or lessen impacts deriving from the proposed action. In accordance with CEQ, mitigation includes avoidance, minimization, rectification, reduction, and compensation.
- National Environmental Policy Act (NEPA) - Federal environmental law requiring federal agencies to consider the environmental impacts of their actions, evaluate least damaging alternatives, and ensure decisions are made in the public’s best interest based on a balanced consideration of the need for safe and efficient transportation.
- New Location - An area or an alignment proposed for highway development that is not currently used for transportation purposes.
- NHS - National Highway System (see Chapter 2, “Roles and Responsibilities,” Section 2.2).
- No Action - An alternative that is used as the basis to measure the impacts and benefits of the preferred alternative(s) in an Environmental Assessment or EIS. The No Action alternative consists of the existing conditions on the roadway, plus any safety or maintenance improvements, which have been identified in the CDOT 5-Year Transportation Improvement Program.
- No-Build Alternative - Normally includes short-term, minor restoration types of activities (e.g., safety and maintenance improvements) that maintain continuing operation of an existing facility. The no-build alternative serves as a baseline for the comparison of other alternatives.
- Notice of Intent (NOI) - A notice published in the Federal Register that an EIS will be prepared and considered. The notice shall briefly describe the proposed action and possible alternatives, describe the agency’s proposed scoping process including whether, when, and where any scoping meetings will be held, and state the name and address of a person within the agency who can answer questions about the proposed action and the EIS.

- State funds - As used in this manual, includes the state funds provided to local agencies for specific transportation projects and programs administered by the DLA. State funds are currently provided for the following projects: Bicycle Transportation Account, Proposition 116 - Bicycle Program, Environmental Enhancement and Mitigation (EEM), Federal Apportionment Exchange, State Match programs, Proposition 1B Bond Program, and State Transportation Improvement Program. The LAPG further defines these programs.
- Stewardship Agreement – A signed agreement between the FHWA and Caltrans defining the extent to which Caltrans and FHWA have project approval and oversight responsibilities.
- STIP - State Transportation Improvement Program, a five-year list of projects proposed in RTIPs and the Proposed STIP that are approved and adopted by the California Transportation Commission (CTC) (see Chapter 4 of the Caltrans *Project Development Procedures Manual* for more discussion).
- Study Area - An identified amount of land or topography, selected, and defined at the outset of engineering, or environmental evaluations, which are sufficiently adequate in size to fully identify, analyze, document impacts and effects for proposed projects within its boundaries.
- TEA 21- Transportation Equity Act for the 21st Century was enacted on June 9, 1998, which authorized the federal surface programs for highways, highway safety, and transit for the six (6) year period 1998-2003. It was superseded by SAFETEA-LU in 2005.
- Transportation Project Development Process - An interactive, multi-phase series of activities typically spanning a period of years which involve comprehensive planning, prioritization, detailed engineering and environmental studies, and agency and public involvement which lead to the selection, design, and construction of identified transportation improvements.
- 23 USC - The section (Title 23) of the United States Code containing laws relating to highways.
- 23 CFR - The section (Title 23) of the Code of Federal Regulations containing regulations (general and permanent rules published in the Federal Register) relating to highways. Not included are regulations based on Civil Rights requirements in Title 49, the Uniform Relocation Assistance and Real Property Policies, and other federal laws and regulations as described in this manual.

1.5 MANUAL ORGANIZATION

The manual is divided into twenty chapters. Each chapter describes a process and procedural steps important to the development of a local assistance project. Projects may not need to fulfill each process to be successfully implemented and to be eligible for federal or state funding, but each should be considered.

FEDERAL-AID PROJECTS

Federal-aid projects require consideration of the processes described in each chapter in this manual. For these projects, each chapter should be reviewed to determine whether the actions, activities, and decisions required are applicable to the individual project.

The LAPG further defines these programs.

Flow Chart 1-1 outlines the federal-aid project process and references the associated chapters. This chart is not intended to represent the actual chronological sequence of federal-aid implementation.

STATE FUNDED PROJECTS

Projects seeking only state funds require less oversight and review than those seeking federal-aid funds. Not all of the processes described in the chapters of this manual apply to these projects. Chapters 1, 2, 3, 4, 5, 10, 17 and 19 apply in whole, or in part to these projects.

The LAPG further defines these programs.

Flow Chart 1-2 highlights the actions needed for state funded projects.

CHAPTER SUMMARIES

The chapters are generally in chronological sequence when developing a project, however, some of the procedures can be done concurrently, or must be repeated for the next phase of a project. The flow charts in the exhibits for this chapter define the general relationship between the processes. The flow charts at the beginning of most chapters further define the relationships between these processes and procedures.

Chapter 2, “Roles and Responsibilities,” defines the roles and responsibilities for the various entities involved in developing a local assistance project.

Chapter 3, “Project Authorization,” describes the process to obtain project authorization and fund obligation required for each phase of a federal-aid project. It also discusses the federal policy concerning funding projects at less than the full allowable federal share (underfunding) transferring funds to FTA.

Chapter 4, “Agreements,” describes the agreements needed between the local agency and the State and between the State and FHWA to obtain reimbursement of funds.

Chapter 5, “Accounting/Invoices,” describes the general accounting procedures necessary to receive reimbursement for work done in any phase of the project.

Chapters 6-8, “Environmental Procedures,” “Field Review,” and “Public Hearings,” discuss the project initiation and environmental procedures needed to bring a project to the stage at which the local agency decision-makers commit the project to final design and implementation.

Chapter 9, “Civil Rights and Disadvantaged Business Enterprises (DBE),” describes the requirements for establishing and reporting DBE program and project goals. This process may be necessary during the initial project stage, or may not be required until a later phase.

Chapter 10, “Consultant Selection,” describes the requirements for selecting and hiring consultants to perform project activities.

Chapters 11 & 12, “Design Standards and Plans, Specifications & Estimate,” describe the design standards to be used and the Plans, Specifications and Estimate (PS&E) development necessary to bring the project to the advertising and construction stage.

Chapters 13 & 14, “Right of Way” and “Utility Facilities,” describe the procedures used to acquire right of way or relocate utilities.

Chapters 15-17, “Advertise and Award Project,” “Administer Construction Contracts,” and “Project Completion,” describe the procedures from advertising through construction administration, project completion, and completion of the final reports.

Chapter 18, “Maintenance,” describes the ongoing maintenance responsibilities and activities needed to assure that the project remain a functional public asset, and the related inspection and reporting requirements.

Chapter 19, “Oversight and Process Reviews,” describes the oversight and process review methods by which Caltrans and/or FHWA use to ensure that the agencies have complied with their commitments and certifications under federal and state laws, regulations, and these procedures.

Chapter 20, “Deficiencies and Sanctions,” describes the course of action to be expected when local agencies fail to comply with state and federal requirements during their project. An appeal process is available when district decisions or sanctions are not acceptable.

1.6 MANUAL UPDATES

This manual is available to each local agency on the Internet. The Caltrans Web Server is at <http://www.dot.ca.gov>. For direct access to this manual at the Division of Local Assistance Homepage go to: <http://www.dot.ca.gov/hq/LocalPrograms/index>

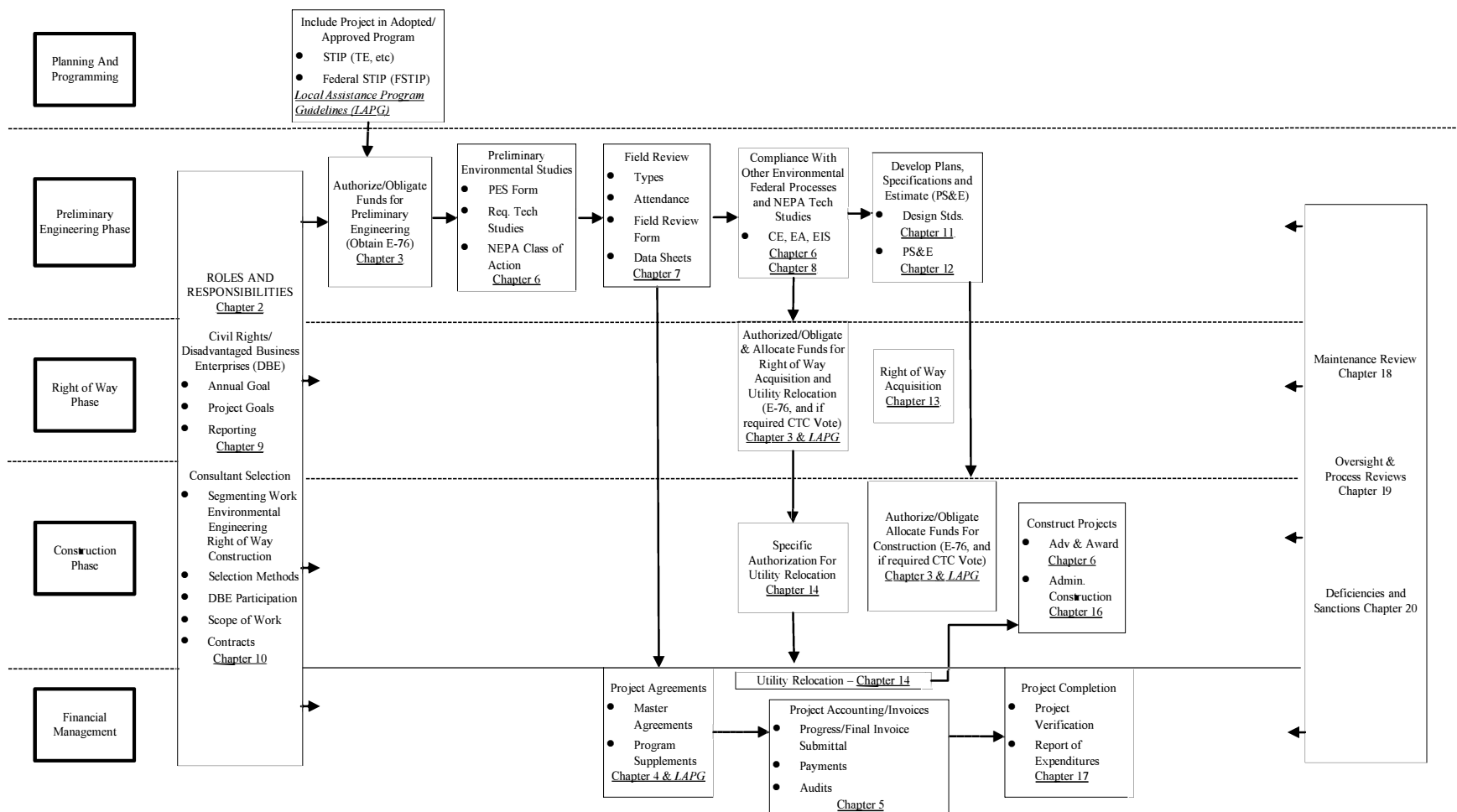
As updates are made, they will be available on the Internet and the agency will be responsible for obtaining its own printed copy if needed.

Comments and suggestions for improvement to the manual or the processes and procedures described herein are welcome. They may be submitted to:

Department of Transportation
Division of Local Assistance
Office of Policy Development & Quality Assurance- MS 1
Attention: The Chief
P.O. Box 942874
Sacramento, CA 94274-0001
FAX (916) 654-2409

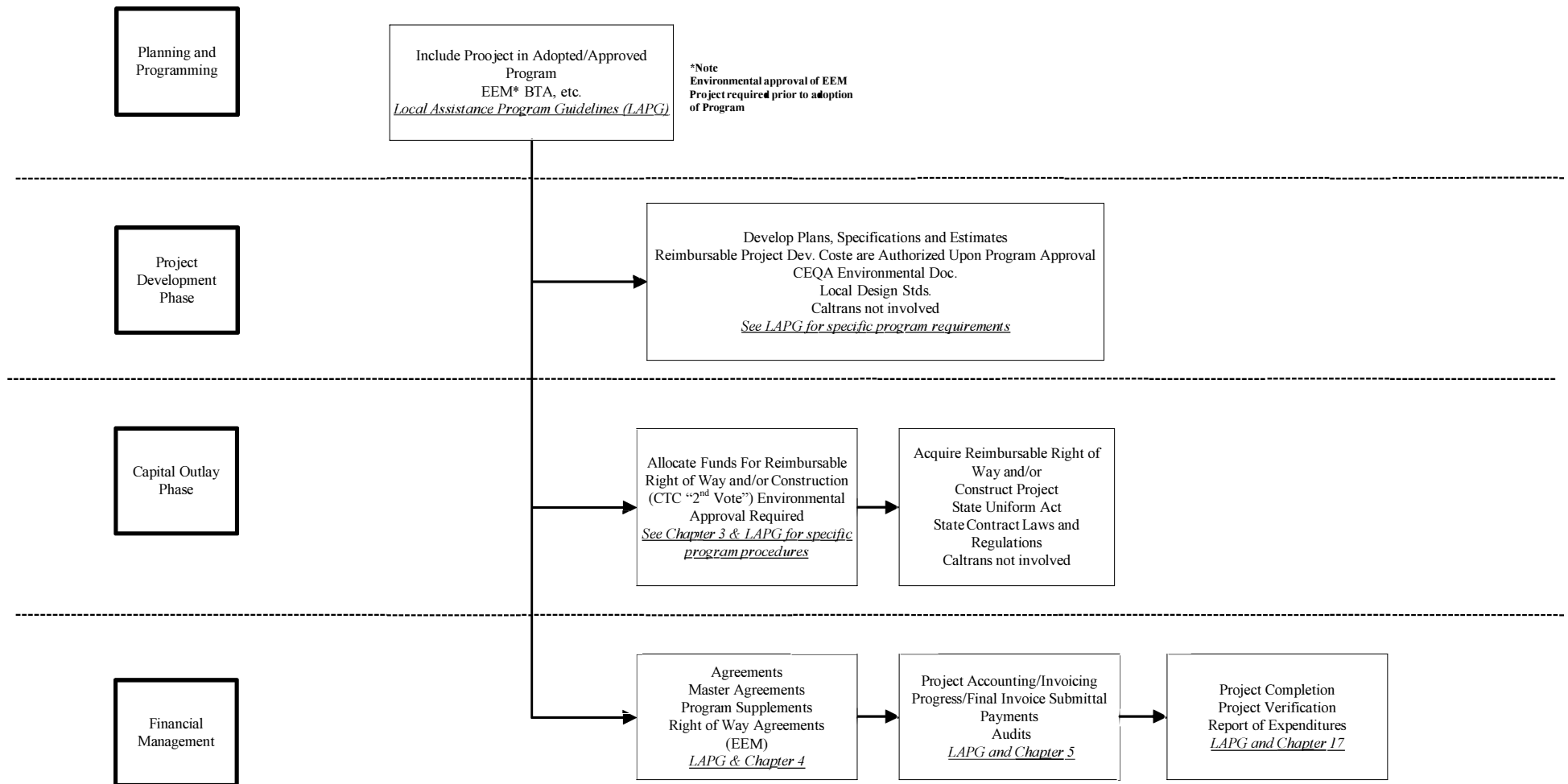
This page intentionally left blank

FIGURE 1-1 TYPICAL PROCEDURES FOR FEDERAL-AID PROJECTS



This page intentionally left blank

FIGURE 1-2 TYPICAL PROCEDURES FOR “STATE-ONLY” PROJECTS



This page intentionally left blank

CHAPTER 2 ROLES AND RESPONSIBILITIES

CONTENTS

SECTION/SUBJECT	PAGE NUMBER
2.1 INTRODUCTION	2-1
STATE FUNDED PROJECTS.....	2-1
FEDERAL-AID PROJECTS.....	2-1
2.2 NATIONAL HIGHWAY SYSTEM.....	2-2
2.3 STEWARDSHIP AND OVERSIGHT AGREEMENT.....	2-2
2.4 DELEGATED PROJECTS.....	2-3
2.5 HIGH PROFILE PROJECTS	2-5
HIGH PROFILE PROJECT SELECTION PROCESS.....	2-5
2.6 RIGHT OF WAY CERTIFICATION DELEGATION.....	2-7
2.7 PROJECTS OFF THE NATIONAL HIGHWAY SYSTEM (NON-NHS).....	2-7
2.8 PROJECTS ON THE NATIONAL HIGHWAY SYSTEM (NHS).....	2-7
FIELD REVIEWS.....	2-7
PS&E PROCEDURES FOR SIGNIFICANT NHS PROJECTS.....	2-7
DESIGN STANDARDS.....	2-7
METHOD OF CONSTRUCTION.....	2-8
RESTRICTED CONSTRUCTION CONTRACT PROVISIONS.....	2-8
CONSTRUCTION ADMINISTRATION FOR SIGNIFICANT NHS PROJECTS	2-8
QUALITY ASSURANCE PROGRAMS.....	2-8
FINAL INSPECTION	2-8
2.9 FEDERAL-AID PROJECTS OF \$100 MILLION TO \$500 MILLION OR MORE	2-8
PROJECT MANAGEMENT PLAN	2-8
FINANCIAL PLAN.....	2-9
ASSISTANCE.....	2-9
2.10 FHWA RESPONSIBILITIES	2-11
PROJECT IMPLEMENTATION	2-11
2.11 CALTRANS RESPONSIBILITIES	2-12
POLICY AND PROCEDURES	2-12
PROGRAM MANAGEMENT	2-12
PROJECT IMPLEMENTATION	2-12
PROCESS REVIEWS.....	2-13
MAINTENANCE REVIEWS	2-13

2.12 CITY, COUNTY AND OTHER LOCAL PUBLIC AGENCY RESPONSIBILITIES.....	2-13
PROJECT IMPLEMENTATION	2-14
2.13 CALIFORNIA TRANSPORTATION COMMISSION.....	2-15
PROGRAMMING	2-15
FUND ALLOCATION.....	2-15
2.14 METROPOLITAN PLANNING ORGANIZATIONS, REGIONAL TRANSPORTATION PLANNING AGENCIES AND COUNTY TRANSPORTATION COMMISSIONS.....	2-15
2.15 OTHER PUBLIC AGENCIES AND ORGANIZATIONS	2-15
2.16 REFERENCES	2-16

FIGURES

FIGURE/DESCRIPTION	PAGE NUMBER
FIGURE 2-1: HIGH PROFILE/DELEGATED PROJECT IDENTIFICATION PROCESS	2-4
FIGURE 2-2: MAJOR FEDERAL-AID PROJECT FLOWCHART	2-10

EXHIBITS

EXHIBIT/DESCRIPTION	PAGE NUMBER
EXHIBIT 2-A: CALTRANS DISTRICT LOCAL ASSISTANCE OFFICES	2-17
EXHIBIT 2-B: FEDERAL-AID PROJECT RESPONSIBILITIES LIST.....	2-19

CHAPTER 2 ROLES AND RESPONSIBILITIES

2.1 INTRODUCTION

Within Caltrans, the responsibility for administering and managing the federal and state local assistance highway programs resides in the Division of Local Assistance (DLA) under Planning and Modal Programs. Each of the twelve Caltrans districts has a District Local Assistance Engineer (DLAE) who is the local agency's primary contact for processing projects, providing assistance for local agency development efforts and answering local agency questions. Please refer to Exhibit 2-A "Caltrans District Local Assistance Offices," of this chapter for current district boundaries and mailing addresses.

The responsibility for implementing individual projects on the local streets, roads, and other transportation systems resides with the local agencies, principally the cities and counties.

STATE FUNDED PROJECTS

State funded local assistance projects must be developed in accordance with policy and procedural requirements as specified in state law, by the California Transportation Commission (CTC), and Caltrans. These state policies and procedural requirements are separate from federal requirements. It is Caltrans' policy to provide these funds to local transportation programs with a minimum of state oversight. However, because procedures vary with each state funding program the *Local Assistance Program Guidelines* (LAPG) should be referenced for a detailed explanation of the roles and responsibilities.

FEDERAL-AID PROJECTS

The Federal Highway Administration (FHWA) is the federal agency most typically involved in the transportation projects undertaken with federal funding and/or approval action for the programs discussed in this manual. It has the authority and responsibility for implementing and monitoring federal laws, regulations, and executive orders affecting these programs. When a project involves federal funding, the FHWA is involved according to these responsibilities and the delegations in the Stewardship Agreement described below. When another federal agency has permit jurisdiction or other role in the development of a project, the FHWA frequently becomes involved in the process as either lead or co-lead federal agency.

Caltrans obtained major delegations of authority and/or responsibility from FHWA as allowed under the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005 and previous Transportation Acts. Since the reengineering of local assistance procedures in 1995, Caltrans has passed on these delegations to local agency partners to the greatest extent possible. With each delegation goes the accountability for initiating and completing each project phase in accordance with the appropriate state, and federal laws and regulations without extensive FHWA, or State oversight. Caltrans has the responsibility to ensure that locals are administering the federal-aid program in conformance with the applicable federal requirements.

Federal-aid projects must be included in a regional transportation plan and the approved Federal Statewide Transportation Improvement Program (FSTIP). This inclusion must precede fund authorization for any activity for which federal-aid funds are being sought. The responsibility for selecting the program of projects for inclusion in the urbanized area Federal Transportation Improvement Program (FTIP) resides with the Metropolitan

Planning Organizations (MPOs). The County Transportation Commissions and Regional Transportation Planning Agencies (RTPAs) have also a role in programming projects for the FSTIP and the state funded State Transportation Improvement Program (STIP). Their selections must be done in consultation with the state, cities, counties, and other transportation agencies within the area. The FTIPs are incorporated into the FSTIP. Caltrans works with the non-MPO local agencies to program projects in the FSTIP.

Exhibit 2-B “Project Responsibilities List,” outlines the roles and responsibilities of the parties involved in local federal-aid transportation projects. The chapters in this manual provide the details for carrying out these responsibilities.

2.2 NATIONAL HIGHWAY SYSTEM

ISTEA established provisions for Congress to adopt a National Highway System (NHS) to provide an interconnected system of principal arterials that serve major population centers, international border crossings, ports, airports, public transportation facilities, intermodal transportation facilities, other major travel destinations, meet national defense requirements, and serve interstate and interregional travel.

Until Congress made its official adoption, the NHS was defined as all principal arterials, including the Interstate System. On November 28, 1995, the President signed the legislation defining the NHS to include all Interstate routes, a selection of urban and rural principal arterials, the defense Strategic Highway Network including Strategic Highway Network Connectors and Intermodal Connectors. Currently there are about 160,000 NHS miles nationwide, including 7,655 NHS miles in California. Only about 324 of the 7,655 NHS miles in California are off the State Highway System (SHS).

See LAPG, Chapter 3, *Federal-Aid Routes & Functional Classifications*, for further discussion and a listing of the local agency NHS routes.

2.3 STEWARDSHIP AND OVERSIGHT AGREEMENT

The purpose of the FHWA/Caltrans Joint Stewardship and Oversight Agreement (Agreement) is to define roles and responsibilities, outline authorities, and assure accountability in effectively and efficiently managing program and project delivery of the Federal-Aid Highway Program (FAHP).

Authority for the Stewardship Agreement comes from 23 USC 106(c) which requires the United States Department of Transportation (USDOT) and the State to enter into an agreement for the extent to which the State assumes the project approval and oversight responsibilities of the USDOT.

Unlike previous Stewardship Agreements, the current Agreement utilizes a risk-based approach to manage the FAHP. This innovative way of doing business represents a paradigm shift in the joint and collaborative management of the FAHP. Through this Agreement, the FHWA has delegated responsibility for oversight and approval of low-risk project level activities to Caltrans.

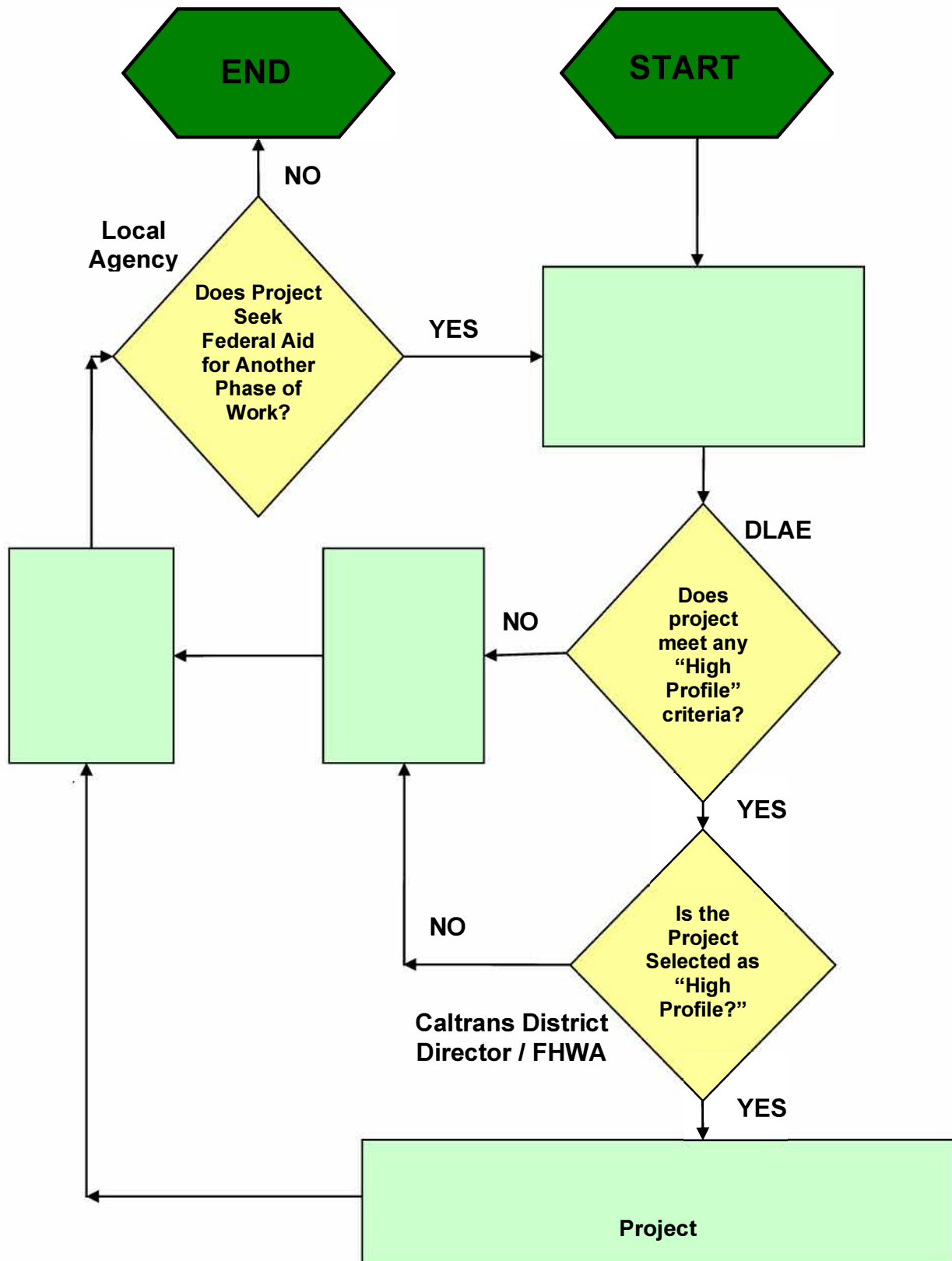
The approach to high-risk project oversight is conducted in two steps as explained in Section 2.5: 1) select the projects that traditionally pose a risk to the health of the FAHP (High Profile projects), and 2) within each High Profile project, further delegate approval authorities for activities that pose a low risk to that individual project.

2.4 DELEGATED PROJECTS

Projects not selected as High Profile are lower-risk and referred to as “Delegated” projects. For Delegated projects, Caltrans has authority for all aspects of a Federal-aid project except those activities which may not be delegated by federal law (requiring FHWA approval). Prior to September 2007 these projects were referred to as “State-Authorized” projects defined by set criteria (rather than risk) such as non-Interstate 3R projects, Interstate construction projects under \$1 million, non-NHS projects, etc. Delegated projects include projects that are routine and inherently low risk in which Caltrans has a high level of experience and well documented procedures and processes in place for ensuring compliance with federal requirements. Project level approval authority for these projects follows that outlined in the Project Responsibilities List (Exhibit 2-B).

Over 99% of Local Assistance Projects are Delegated in which Caltrans or the local agency has approval authority for most project level activities. The FHWA’s delegation of low risk project level approval to Caltrans only functions as long as those activities remain low risk. If oversight reveals concerns with Caltrans approval process for delegated activities, these activities have the potential to become high risk (High Profile), and therefore could alter Caltrans or the FHWA’s involvement in their approval.

FIGURE 2-1: HIGH PROFILE/DELEGATED PROJECT IDENTIFICATION PROCESS



2.5 HIGH PROFILE PROJECTS

High-risk projects are designated as “High Profile” projects. Prior to September 2007 these projects were referred to as FHWA “Full-Oversight” projects based on set criteria (rather than risk) such as Interstate construction over \$1 million, major Intelligent Transportation System, etc. While Caltrans is responsible for approving most project level activities on low risk (Delegated) projects, the FHWA maintains many project level approval activities for High Profile projects.

Project level approval authority for “High Profile” project are project specific. Very few Local Assistance projects are designated as High Profile. Each High Profile project requires a unique Project Oversight Agreement, an example of which is shown in Appendix B of 2010 FHWA/Caltrans [Joint Stewardship and Oversight Agreement](#).

HIGH PROFILE PROJECT SELECTION PROCESS

High Profile determinations are a joint, cooperative effort made on a project-by-project and phase-by-phase basis. Projects not meeting the criteria below are considered Delegated.

The criteria for High Profile project consideration are listed below. However, a project can meet one of these criteria but still not be determined by FHWA as High Profile.

- Controversial and Congressional Interest projects
- Pilot projects
- Executive Order 13274 projects – Environmental Stewardship and Streamlining
- Interstate Projects containing:
 - Design exceptions relating to the controlling criteria
 - New or modified access points
 - Innovative contracting method projects with Federal funds
- Invitational projects
- Major Intelligent Transportation Systems (ITS) projects
- Major Projects (>\$500 M)
- Non-Traditional Revenue Sources projects
- Special Experimental Projects– Alternative Contracting (SEP-14)
- Special Experimental Projects Public Private Partnerships (SEP-15)
- Unusual Bridge and Structure projects

Caltrans and the FHWA jointly determine which projects are considered to be High Profile based on the criteria listed above. Appendix B of the FHWA/Caltrans [Joint Stewardship and Oversight Agreement](#) defines each criterion and provides examples. The High Profile project determination is made at the District level in conjunction with FHWA.

One goal under the Agreement is to identify High Profile projects and FHWA approval/involvement level as early as possible (prior to “Authorization to Proceed”). Continuous, open communication takes place throughout the year regarding the selection of High Profile projects. Quarterly meetings between Caltrans and the FHWA are scheduled to discuss any changes to the known or anticipated High Profile projects. Those projects selected as High Profile are mutually agreed upon by the appropriate Caltrans District and FHWA.

The steps for identifying High Profile Local Assistance projects are as follows (see Figure 2-1):

1. **Pre-Authorization:** Caltrans Local Assistance procedures, checklists, and forms required local agencies to assess proposed projects against the High Profile criteria and identify whether they think the project qualifies as a High Profile project prior to each “Authorization to Proceed”.
2. **Initial Authorization to Proceed:** The local agency indicates whether the project meets any High Profile project criteria in their initial “Request for Authorization to Proceed” package (Exhibit 3-E of the Local Assistance Procedures Manual). The Caltrans District will assess the “Request for Authorization to Proceed” package to determine if the project meets any of the criteria for High Profile projects listed above. The District may request assistance from Caltrans Headquarters’ Division of Local Assistance (DLA).

If the assessment reveals that the project does meet one or more of the above criteria, then the Caltrans DLAE will contact the FHWA Representative to discuss the assessment of the project. At this point, the Caltrans and FHWA representatives will jointly decide if the project meets the above criteria. If the joint decision is that one or more of the criteria are met, then the, representatives will jointly decide if the criteria met are enough to warrant selection as a High Profile project. If the project does not meet the criteria, as determined by the District Local Assistance Engineer (DLAE), then the project will move forward as a Delegated project.

Once a project has been selected as a High Profile project, a Project Oversight Agreement (refer to Appendix B of the [2010 Joint Stewardship and Oversight Agreement](#)) will be filled out to identify FHWA and Caltrans project approval authorities for that particular project. The High Profile Project Agreement will document those areas where FHWA will have approval authority. It will also provide a project description, Federal-aid and State project numbers, and a discussion of FHWA’s involvement on the project outside of the approval authority.

The DLAE will work directly with the Local Agency and FHWA to assure that the project responsibilities of the High Profile Project Agreement are fulfilled.

Caltrans headquarters’ DLA may assist the District as requested. (For Major Projects, this information will be captured in an Oversight Agreement.) If a project is determined to be High Profile at the initial “Authorization to Proceed,” then the High Profile Project Agreement will be revisited once the project moves closer to construction. The information within the High Profile project Agreement will be jointly agreed upon by the Caltrans District Director (or designee) and FHWA representatives and will include signatures acknowledging this Agreement. Appropriate local agency representative signature is optional.

3. **Subsequent Authorization to Proceed:** As in the initial “Request for Authorization to Proceed,” the project will be reassessed against the High Profile project criteria by Caltrans DLAE and FHWA at each of the subsequent “Request for Authorization to Proceed” milestones. At these milestones, it will be jointly decided if the project meets the High Profile criteria and should be de-selected, selected, or continued as a High Profile project. If the reassessment at these milestones reveals that the project meets one of the High Profile criteria and should be selected as a High Profile project, then the same process described under step 2 of above will be followed. Otherwise, the project will proceed as a Delegated Project.

Once a project or phase is determined to be High Profile, the process is carried one step further by highlighting activities on the project responsibilities list that can be further delegated. The FHWA maintains approval authority for those activities that cannot, by law, be delegated and activities that may pose a risk to individual projects. Highlighted boxes in the “High Profile” projects column of the Project Responsibilities List (refer to Appendix B of the [2010 Joint Stewardship and Oversight Agreement](#)) are designated as either the FHWA or Caltrans and signed and dated by both agencies. The documented and signed project responsibilities list may also include a general summary of other involvement, including attending regular meetings, conducting project inspections, etc.

2.6 RIGHT OF WAY CERTIFICATION DELEGATION

In addition to the delegations discussed above, the FHWA has also approved Caltrans request for delegation of right of way certificate approval for Delegated projects and not subject to FHWA oversight per the Stewardship Agreement. Procedures for processing local agency right of way certifications are described in Chapter 13, “Right of Way,” of this manual.

2.7 PROJECTS OFF THE NATIONAL HIGHWAY SYSTEM (NON-NHS)

The reengineering of local assistance procedures in 1995 gave local agencies additional responsibility and accountability for non-NHS projects. Many of the responsibilities delegated to Caltrans under the Stewardship Agreement are further delegated to the local project sponsors. Caltrans preliminary engineering, construction review and approval activities are reduced, and other activities involving environmental reviews, project authorization, Disadvantaged Business Enterprises, consultant selection, and agreement procedures are streamlined to eliminate duplication of effort and multiple reviews.

2.8 PROJECTS ON THE NATIONAL HIGHWAY SYSTEM (NHS)

The delegation of responsibilities to local agencies described above for non-NHS projects also applies for NHS projects. With the following exceptions (discussed in detail in the appropriate chapters of this manual), procedures are the same for both types of projects.

FIELD REVIEWS

Field reviews are required for local agency projects on the National Highway System and encouraged for all other Federal-aid projects. If the field review is not performed, document on the field review form the reasons why the field review was not performed as a completed field review form is required for all Federal-aid projects.

PS&E PROCEDURES FOR SIGNIFICANT NHS PROJECTS

When Caltrans requires a field review for significant NHS projects, PS&E procedures (standards, agencies involved, use of consultants, project management, specifications, etc.) will be discussed. These procedures will be put in writing for Caltrans approval before final design is initiated. With approval, the local agency will then certify their PS&E(s) for these projects the same as they do for non-NHS projects upon completion of the PS&E. Caltrans may review the PS&E(s) if resources are available, or as part of a process review. NHS projects that are not “significant” will not require these approval procedures.

DESIGN STANDARDS

Local agencies are required to use only American Association of State Highways and Transportation Officials (AASHTO), 3R, and other design standards officially approved for use on NHS projects that are off the SHS. For SHS projects, Caltrans standards are to be used. Locally approved design standards are not allowed on NHS projects, however,

Caltrans may approve exceptions on a project-by-project basis except on High Profile projects, which requires FHWA approval.

METHOD OF CONSTRUCTION

In general, an open and competitive bidding process must be used for construction contracts on federal-aid projects. Exceptions to competitive bidding of construction contracts must be approved by Caltrans for “Delegated” projects. FHWA approval may also be required on High Profile projects.

RESTRICTED CONSTRUCTION CONTRACT PROVISIONS

Warranty clauses are restricted on NHS projects and the use of proprietary items is restricted on all federal-aid projects.

CONSTRUCTION ADMINISTRATION FOR SIGNIFICANT NHS PROJECTS

When Caltrans requires a field review for significant NHS projects, the local agency’s construction administration procedures (staging, agencies involved, use of consultants, project management, quality assurance, etc.) will be discussed. These procedures will be put in writing for Caltrans approval before the “Request for Authorization for Construction” is approved. Caltrans will not review the construction administration unless requested and resources are available, or as part of a process review.

QUALITY ASSURANCE PROGRAMS

Local agencies shall use the Quality Assurance Program described in this manual for projects on or off the NHS. Caltrans will perform Independent Assurance (IA) if Caltrans test methods are used.

FINAL INSPECTION

The local agency will make a final inspection of completed “Delegated” projects prior to FHWA authorizing reimbursement of the final project voucher.

2.9 FEDERAL-AID PROJECTS OF \$100 MILLION TO \$500 MILLION OR MORE

PROJECTS OF \$500 MILLION OR MORE

The passage of “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU) requires a local agency receiving any amount of federal financial assistance for a “major” project with an estimated total cost of \$500 million or more (includes all phases) and local agencies for such projects as may be identified by FHWA, submit to Caltrans for each project:

- A Project Management Plan
- An Annual Financial Plan

A cost Estimate Review must be completed by FHWA prior to the Final NEPA document, and prior to the construction authorization for all major projects (\geq \$500 million).

PROJECT MANAGEMENT PLAN

A draft Project Management Plan shall be submitted prior to the Record of Decision (ROD), Finding of No Significant Impact (FONSI), or Categorical Exclusion (CE) determination. A final Project Management Plan shall be submitted within 90 days after the ROD, FONSI, or CE determination which determine the scope of the projects. The plan shall:

- Document the procedures and processes that are in effect to provide timely and appropriate information to the project decision makers to effectively manage the scope, costs, schedules, quality of, and the federal and state requirements applicable to the project. Document the role of the agency leadership and management team in the delivery of the project
- Be updated and submitted prior to the authorization of federal financial assistance for construction and updated thereafter as required.

FINANCIAL PLAN

A Financial Plan for major projects of \$100 million to \$500 million or more shall:

- Be submitted when all elements of the plan are fully completed, but not later than when requesting authorization of federal financial assistance for construction. If the local agency waits until requesting authorization to submit the Financial Plan for projects \$500 million or more, the authorization will be delayed since FHWA HQ has to concur in the approval of the Financial Plan. For design build projects, the plan must be received prior to award of the design build contract.
- Be updated and submitted annually once the initial Financial Plan is approved until construction is substantially complete.
- Be based on detailed estimates of the cost to complete the project.
- Provide for the annual submission of updates to Caltrans that are based on reasonable assumptions as determined by Caltrans of future increases in the costs to complete the project.
- Use costs expressed in year of expenditure dollars and estimated using a risk-based approach consistent with current FHWA Cost Estimating Guidance located at:http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm

PROJECTS BETWEEN \$100 MILLION AND \$500 MILLION

SAFETEA-LU also requires that all local agencies receiving any amount of federal financial assistance for a project with an estimated total cost of \$100 million or more that is not covered by the above shall prepare an annual Financial Plan and make the plan available to Caltrans/FHWA upon request. FHWA-California Division has made a “blanket” request that Financial Plans for “major” projects with an estimated total cost of \$100 million or more, but less than \$500 million be submitted with the “Construction Authorization” request.

The process for submitting, reviewing, and approving these plans is shown in Figure 2-2. These projects require a “Project Oversight Agreement” ([Joint Stewardship Agreement, Appendix B](#)) signed by FHWA, Caltrans and, if applicable, the local agency.

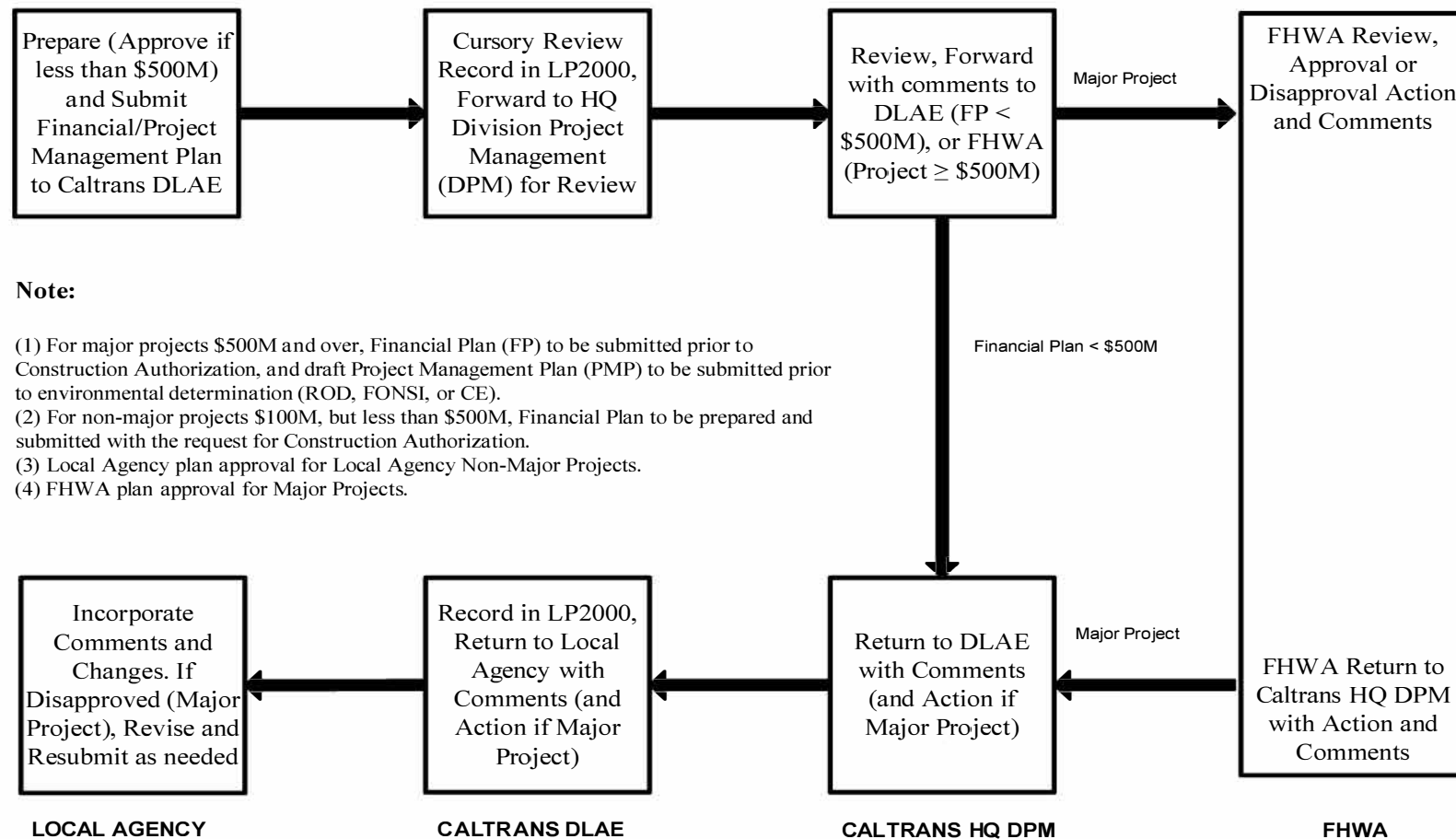
ASSISTANCE

Information regarding the preparation, timing, etc., of the above plans is available through the DLAE. Other valuable information that may be helpful in the preparation of the above plans as well as other project areas is available at the FHWA Web site at:

http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm

FIGURE 2-2: MAJOR FEDERAL-AID PROJECT FLOWCHART

LOCAL AGENCY PROJECTS EQUAL OR OVER \$100 M (FP) & \$500 M (FP&PMP)



2.10 FHWA RESPONSIBILITIES

As discussed above, the FHWA has the overall responsibility for the Federal-Aid highway Program (FAHP) pursuant to 23 USC § 106 with the exception of the environmental responsibilities under SAFETEA-LU Sections 6004 and 6005 (23 USC § 326 and 327). In addition, the FHWA is ultimately responsible for ensuring the financial integrity and compliance with applicable federal laws and regulations.

Through the stewardship agreement, FHWA and Caltrans have committed to work cooperatively to identify appropriate stewardship and oversight initiatives using a risk-based, performance management approach. At the program level, strategic stewardship and oversight are to be achieved by effectively managing the program through: continuous program-level involvement; promoting new initiatives and concepts; participating on relevant joint task forces, joint committees, and joint quality improvement teams; assisting other stakeholders with program-related issues; conducting program assessments; conducting program reviews; and performance monitoring via performance measures and indicators.

PROJECT IMPLEMENTATION

At the project-level, strategic stewardship and oversight are accomplished through: conducting routine approval actions; verifying compliance through project-level samples; and conducting strategic project oversight. Routine approval actions are identified in Exhibit 2B and are those actions which have not been delegated to Caltrans. These include, but are not limited to:

- Federal-aid project agreements and modifications
- obligation of federal funds
- reimbursement to Caltrans of interim and final vouchers
- project-level conformity determinations
- right-of-Way Certificate 3
- protective buying and hardship acquisition
- new/modified interstate access determination of engineering and operations acceptability (minor access changes assigned to Caltrans, see letter dated September 15, 1994)
- design exceptions on the interstate
- Buy America waivers
- innovative contracting practices

Strategic project oversight is accomplished through the High Profile project process described in Section 2.5. For projects that are determined to be of high-risk to the FAHP, FHWA and Caltrans will jointly determine which project-level approvals will be retained by the FHWA Division office or delegated to Caltrans. In general, all major projects (those projects with total cost greater than \$500 Million) will be High Profile projects.

2.11 CALTRANS RESPONSIBILITIES

Caltrans is responsible and accountable to the FHWA for administering the successful implementation of federal-aid programs and projects in accordance with laws, regulations, and policies that govern the federal-aid program. Caltrans also administers the implementation of state funded programs and projects for the California Transportation Commission and State Legislature.

These responsibilities are divided into three areas: Policy and Procedures, Program Management, and Project Implementation.

POLICY AND PROCEDURES

Caltrans establishes uniform policies and procedures to assist the local agencies in meeting the program requirements for their projects. Caltrans in collaboration with FHWA interprets federal and state laws, rules and regulations, and provides guidance in the form of manuals, guidebooks, handbooks, reference materials and service, and training to assist the agencies in planning, designing, constructing, and maintaining their transportation systems.

Caltrans policy and procedure development is achieved in coordination and consultation with the FHWA, representatives of local agencies, MPOs, RTPAs, other affected agencies, and organizations.

PROGRAM MANAGEMENT

Each specific local assistance program provides funding which requires distribution, management, and oversight control to ensure that the funds are expended in accordance with the program requirements and that allocations and budget authority are not exceeded. Caltrans distributes both state and federal fund allocations to the MPOs, RTPAs, cities, counties and others as specified by law.

Once the distributions are established, Caltrans provides program guidance for their expenditure. Some programs may require annual or periodic project application and selection to establish eligibility lists. Caltrans also monitors project implementation to ensure that the projects are implemented in a timely manner to achieve program goals. The Local Assistance Program Guidelines describes each current program.

PROJECT IMPLEMENTATION

Some major federal-aid project implementation steps delegated by the FHWA to Caltrans cannot be further delegated to the local agency level and remain Caltrans' responsibility. These are shown in Exhibit 2-B and include:

- Funding Eligibility Determinations
- Acceptance of Right of Way certification and airspace agreement
- Railroad Agreement approval
- Utility Agreement and relocation approval
- Environmental approval actions pursuant to SAFETEA-LU Sections 6004 and 6005
- Financial Plans for projects over \$100 million
- Low Risk ITS project development
- Interstate access determination
- Some Public Interest Findings

- Approval of preliminary plans for major and unusual structures
- Design exceptions (for NHS)
- Value engineering (for NHS)
- Authorization of utility or railroad force account work
- Hiring of consultants in a management role
- Noise determination for PS&E approval
- Supplemental Work item justification
- Approval of liquidated damage rates
- Approval of major changes (requiring additional federal funds) and extra work
- ER damage assessments and report approval

The individual chapters covering these topics should be consulted for details concerning the responsibilities. Where the FHWA has not delegated final approval, Caltrans monitors local agency activities, reviews or prepares documents, and makes recommendations to FHWA.

Caltrans also provides assistance to the local agencies in interpreting the regulations, manuals and guidelines as they apply to specific project conditions. The District Local Assistance Offices and Headquarters DLA personnel are available to aid the local agency through the required process and procedural steps.

Where expertise is not otherwise available, the local agency may also request assistance from Caltrans technical specialists in solving special technical problems. Environmental issues, engineering services, right of way concerns, hazardous wastes, labor compliance, equal employment opportunity, Title VI, and Disadvantage Business Enterprise are among these areas where assistance is available. The use of this expertise must be requested early and be well coordinated to assure that Caltrans limited resources and personnel will be available when needed.

OVERSIGHT

As outlined in Chapter 19 “Oversight and Process Reviews,” of the *Local Assistance Procedures Manual* (LAPM), Caltrans and FHWA will use the process review and other oversight methods to determine if local agencies are in compliance with all federal-aid laws, regulations, and procedures. The oversight findings will be used to evaluate all aspects (including Title 23 requirements) of the local agencies federal-aid program and to improve local assistance procedures.

MAINTENANCE REVIEWS

Annually, Caltrans reviews project maintenance for selected agencies using federal-aid funds so that every agency is covered during a four-year cycle. Chapter 18 “Maintenance,” of the LAPM describes these maintenance review procedures in detail.

2.12 CITY, COUNTY AND OTHER LOCAL PUBLIC AGENCY RESPONSIBILITIES

The cities, counties, joint power authorities, transit agencies and other public agencies have the primary responsibility for implementing the specific projects which carry out the programs described in this manual. Nonprofit entities may also qualify for this. For the purpose of this manual, these agencies/entities are commonly called local agencies.

PROJECT IMPLEMENTATION

The local agency is responsible for the conception, planning, programming, environmental investigation, design, right of way, construction and maintenance of the projects on their local transportation system. It must ensure that its staff members, consultants and contractors comply with the applicable state and federal laws, regulations and procedures in developing, and constructing its projects.

If a local agency has never implemented a federal-aid or state funded project, or does so infrequently; it should review the processes with the DLAE prior to beginning any implementation activity. It may wish to seek the administrative services of another agency, which is more familiar with the process and procedure details.

Caltrans exercises its FHWA delegated authority by further delegating federal authority to local agencies to the greatest extent possible for those federal-aid projects that are located off of the State Highway System. The local agency is delegated decision-making authority and responsibility for most design and construction-related activities of federal-aid projects. These include:

- Getting the project into the FSTIP
- Preparing the Request for Authorization for each project phase
- Decision to hold field review for projects off the NHS
- Determining/Approving project DBE Availability Advisory percentage
- For ITS projects and other projects with ITS elements, make a preliminary classification of High-Risk, Low-Risk, or Exempt.
- Selecting consultant and approving consultant contracts
- Approving local design standards for projects off the NHS
- Approving design exceptions for projects “off” the NHS
- Preparing and Certifying PS&E (Caltrans must approve the local agencies’ PS&E procedures for most NHS projects and FHWA for High Profile)
- Qualifying/selecting right of way consultants
- Right of Way acquisitions and relocation
- Preparing and approving Quality Assurance Programs (non-NHS projects only)
- Advertising and awarding construction project
- Construction contract administration and inspection (Caltrans must approve the local agencies construction administration procedures for high cost, complex, corridor-type NHS projects)
- Construction contract acceptance on delegated projects
- Coordinating railroad agreements
- Contract compliance

The individual chapters covering these topics should be consulted for details concerning the responsibilities.

2.13 CALIFORNIA TRANSPORTATION COMMISSION

The California Transportation Commission (CTC) has programming and fund allocation responsibility for some federal-aid and state funded programs used for local assistance projects. It is the responsibility of the local agency to notify the DLAE to request a CTC vote where applicable.

PROGRAMMING

The CTC currently selects federal Transportation Enhancements projects for inclusion in the STIP.

FUND ALLOCATION

When a project is ready for implementation, the CTC must vote to allocate funding to the following programs. This action is commonly called the “**second vote**.”

2.14 METROPOLITAN PLANNING ORGANIZATIONS, REGIONAL TRANSPORTATION PLANNING AGENCIES AND COUNTY TRANSPORTATION COMMISSIONS

These organizations have broad transportation planning duties and responsibility for programming most projects using federal-aid or state allocations from the programs described in this manual.

These organizations are responsible for providing each local agency with their application rules, procedures and timelines. They are also responsible for providing the local agency with results of the decisions about its projects and the agency, CTC and federal approval dates.

The local agency must work closely with these organizations to ensure that its projects are placed in the appropriate TIP with the correct funds in the proper years. Federal funds and many state funds cannot be obtained without this programming step.

Chapter 4 of the *Caltrans Project Development Procedures Manual* discusses the programming process in more detail.

2.15 OTHER PUBLIC AGENCIES AND ORGANIZATIONS

Other federal, state, regional and local entities may have an interest, role or jurisdiction in the development and implementation of a local project. Examples at the federal level include the Environmental Protection Agency, the Army Corps of Engineers, and the Fish and Wildlife Service. At the state level, examples include the Department of Fish and Game, Air Resources Board, and State Historic Preservation Officer. Regional agencies include the Air or Water Quality Control Boards and Flood Control Districts.

The State Resources Agency selects the projects to be funded by the CTC for the EEM program.

The role of these agencies will vary with the project scope, location and environmental impact. Coordination should begin early to prevent critical delays later in the project development.

Quasi-public or nonprofit organizations may apply for and receive programmed funds for some programs, notably EEM. These agencies must follow the same rules and regulations, which apply to any other local agency developing a state or federal-aid funded project. When such an agency does not have a full staff of administrative, engineering, contracting, or accounting personnel, Caltrans encourages it to work through a local agency that can provide these services and is familiar with the applicable rules.

2.16 REFERENCES

Joint Stewardship and Oversight Agreement:

<http://www.dot.ca.gov/hq/oppd/stewardship/>

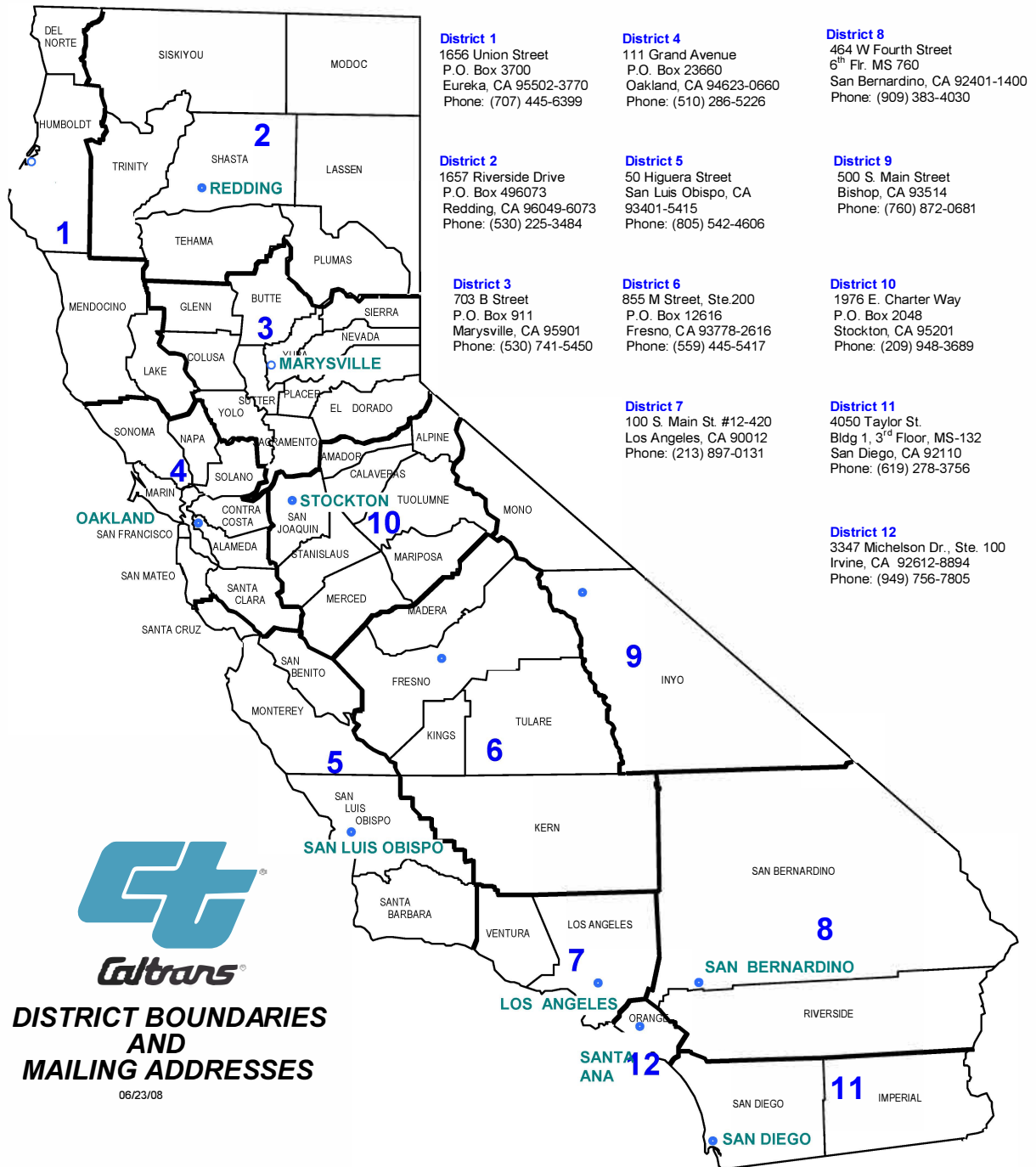
SAFETEA-LU Section 1904

23 USC 106(c)

FHWA Major Projects website:

http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm

EXHIBIT 2-A CALTRANS DISTRICT LOCAL ASSISTANCE OFFICES



This page intentionally left blank

**EXHIBIT 2-B: FEDERAL-AID PROJECT RESPONSIBILITIES LIST
FOR DELEGATED PROJECTS OFF THE STATE HIGHWAY SYSTEM
(Pursuant to 2010 FHWA & Caltrans Joint Stewardship and Oversight Agreement)**

Project Action/Activity	Local Agency	Caltrans District	Caltrans HQ	FHWA
Project Authorization (Chapter 3)				
Construction Engineering > 15% Total Contract Item Costs	Prepare	Approve	Review	Verify
Project Agreement and Modification [23 CFR 630.110]	Prepare	Recommend	Approve ²	Verify ³
Obligate Funds	-	-	-	Approve ⁴
Funding Eligibility Determinations	Prepare	Recommend	Approve	Verify ⁵
Reimbursement Vouchers (interim and final)	-	-	Prepare	Approve
Section 1.9 Approvals of Incurred Costs. [23 CFR 1.9]	Prepare	Recommend	Recommend	Approve
Agreements (Chapter 4)				
Master Agreement	Sign	File Copy	Prepare/Approve	-
Program Supplement Agreement	Sign	File Copy	Initiate/Approve	-
Accounting/Invoices (Chapter 5)				
Invoice	Prepare	Approve ⁶	Approve ⁷	-
Project Eligibility	Prepare	Approve	Review	-
Environmental Procedures (Chapter 6)				
Project-Level Transportation Conformity Determination for CE pursuant to SAFETEA-LU 6005 MOU	Prepare	Request	-	Approve
NEPA Approval Consistent with SAFETEA-LU 6004 & 6005 MOUs (for detailed NEPA actions and approvals refer to LAPM Chapter 6 and the SER)	Prepare	Approve	-	-
Field Review (Chapter 7)				
Field Review	Perform	Participates ⁸	-	-
Minor ITS Project development [23 CFR 940.11] (SERF)	Prepare	Approve	-	-

² Approval and signatures are needed by both Caltrans and FHWA.

³ Subject to FHWA's random sample verification process. Verification is defined as routine, independent confirmation of sampled projects.

⁴ Obligation of funds by FHWA is the final step in the project authorization process.

⁵ Subject to FHWA's random sample verification process.

⁶ Actions in italics such as "Review" indicate a change in procedures.

⁷ DLAE performs initial review and approval. Headquarters Local Programs Accounting performs final review of invoice prior to payment by the State which is subsequently reimbursed by FHWA.

⁸ DLAE participates in field reviews unless otherwise documented in project files.

Project Action/Activity	Local Agency	Caltrans District	Caltrans HQ	FHWA
Public Hearings (Chapter 8)				
Public Hearing [23 CFR 771.111(h)]	Perform & Certify	-	-	-
Civil Rights & Disadvantaged Business Enterprises (Chapter 9)				
DBE Implementation Agreement [LAPM]	Prepare	Approve	-	-
DBE Annual Goals [LAPM]	Prepare	Approve	-	-
ADA Coordinator [49 CFR 27.13(a)]	Certify	Accept	-	-
ADA Complaint Procedure [49 CFR 27.13(b)]	Certify	Accept	-	-
ADA Agency Self-Evaluation [28 CFR 35.105]	Certify	Accept	-	-
ADA Transition Plan [28 CFR 35.150]	Certify	Accept	-	-
Consultant Selection (Chapter 10)				
Consultant Selection [23 CFR 172.7-172.9]	Perform	Review ⁹	-	-
Consultant Agreements	Approve	Review ¹⁰	-	-
PIF – Use of Non-Competitive Negotiated Consultant Contracts [23 CFR 172.5(3)]	Prepare	Approve	-	-
Cognizant Agency Audit [23 CFR 172.7-172.9]	Prepare	Review ¹¹	-	-
Consultants in Management Role [23 CFR 172.9(d)]	Approve	Review ¹²	-	-
Design Standards (Chapter 11)				
Preliminary Plans for Major and Unusual Structures	Prepare	Approve	-	-
Design Standards	Approve	-	-	-
Design Exceptions, non-Interstate [23 CFR 625.3]	Approve	-	-	-
Experimental Features	Prepare	Recommend	Recommend	Approve
Value Engineering [23 CFR 627, SAFETEA-LU 1904]	Approve	Review ¹³	-	-
Financial Plans for Projects from \$100 Million to \$499 Million [SAFETEA-LU 1904]	Prepare	Review & Approve	-	-
High Risk ITS Project Development [23 CFR 940.11]	Prepare	Recommend	Recommend	Approve

⁹ DLAE receives DBE information and may participate in consultant selection process upon request and contingent on available resources.

¹⁰ DLAE coordinates review of proposed consultant contract costs, etc. with Caltrans Audits & Investigations.

¹¹ DLAE coordinates review of proposed consultant contract indirect cost rates, etc. with Caltrans Audit & Investigations.

¹² DLAE reviews completed “Conflict of Interest for Consultants in Management Positions” form and the procedure used to hire consultant.

¹³ For all Federal-aid projects exceeding \$25 million on the National Highway System and bridge projects exceeding \$20 million on or off the Federal-aid system. DLAE to coordinate review of local agency Value Analysis Study with District Value Analysis Coordinator.

Project Action/Activity	Local Agency	Caltrans District	Caltrans HQ	FHWA
Major Projects and TIFIA Loan Projects – Project Management Plan and Financial Plan [SAFETEA-LU 1904]	Prepare	Review ¹⁴	Review	Approve
Low Risk ITS Project development [23 CFR 940.11]	Prepare	Approve	-	-
Plans, Specifications & Estimates (Chapter 12)				
PS&E [23 CFR 630.205, 23 USC 106]	Approve & Certify	Verify	-	-
Public Interest Finding (PIF) – Statewide Application	-	Recommend	Prepare	Approve
Environmental Commitments are incorporated	Prepare	Verify	-	-
PIF – Use of publicly furnished materials [23 CFR 635.407]	Approve	-	-	-
PIF – Use of proprietary products and processes [23 CFR 635.411]	Approve	-	-	-
PIF – Use of contracting method other than competitive Bidding [23 CFR 635.104/204]	Prepare	Approve	-	-
Utility or Railroad Force Account Work [23 CFR 645.113 & 646.216]	Approve	Verify	-	-
PIF – Advertising Period less than 3 Weeks [23 CFR 635.112]	Prepare	Approve	-	-
PIF – Use of Force Account [23 CFR 635.204,205]	Prepare	Approve ¹⁵	-	-
PIF – Use of Mandatory Borrow/Disposal Sites [23 CFR 635.407]	Approve	-	-	-
PIF – Use of Publicly-Owned Equipment [23 CFR 635.106]	Approve	-	-	-
Buy America Waiver [23 CFR 635.410]	Prepare	Recommend	Recommend	Approve
Innovative Contracting Requirements [SEP 14 & 15]	Prepare	Recommend	Recommend	Approve
Right-Of-Way (Chapter 13)				
Qualify Local Agencies	-	Approve	-	-
Qualify/Select Consultants	Perform/ Select	Verify	-	-
R/W certificate 3 – Conceptually concur as a condition of PS&E approval [23 CFR 635.309(r)(3)]	Prepare	Recommend	Recommend	Approve
Accept ROW certificate 1 and 2 as a condition of PS&E approval [23 CFR 635.309(c)(1)&(2)]	Prepare	Approve	-	-
Functional Replacement [23 CFR 710.509]	Prepare	Recommend	Recommend	Approve
Protective Buying and Hardship Acquisition [23 CFR 710.503]	Prepare	Recommend	Recommend	Approve
Public Interest Finding (PIF) – Concur on declaring Federally funded R/W as excess for disposal [23 CFR 710.403, 409]	Prepare	Recommend	Recommend	Approve
Railroad Agreement [23 CFR 646.216 (3)(d)]	Prepare	Approve		

¹⁴ DLAE to coordinate with Division of Project Management.¹⁵ Copy of approved force account PIFs to be forwarded to FHWA. For ARRA projects, force account PIFs are to be submitted to FHWA for approval.

Project Action/Activity	Local Agency	Caltrans District	Caltrans HQ	FHWA
Request for Credits for Early Acquisition of ROW [23 CFR 710.501]	Prepare	Recommend	Recommend	Approve
Request for Direct Federal Acquisition [23 CFR 710.603]	Prepare	Recommend	Recommend	Approve
Request for Federal Land Transfer [23 CFR 710.601]	Prepare	Recommend	Recommend	Approve
Request for Waivers of comparable replacement dwelling requirements [49 CFR 24.204(b)]	Prepare	Recommend	Recommend	Approve
Withholding of Federal Payments upon failure to perform [23 CFR 710.203(c), 23 CFR 1.36]	Prepare	Recommend	Recommend	Approve
Utilities Relocation (Chapter 14)				
Utility Agreement [23 CFR 645.113, 119]	Prepare	Approve	-	-
Utility Relocation [23 CFR 645 subparts A and B]	Prepare	Approve	-	-
Advertise & Award Project (Chapter 15)				
Advertise Project	Prepare	Recommend	Recommend	Approve ¹⁶
Bid Analysis [23 CFR 635.114]	Prepare & Approve	Review		
Consultant Agreements [23 CFR 172.7-172.9]	Approve	Review	-	-
Public Interest Finding (PIF) - Advertising Less than 3 Weeks [23 CFR 635.112]	Prepare	Approve	-	-
PIF - Use of Contracting Method other than Competitive Bidding [23 CFR 635.104 & 204]	Prepare	Approve	-	-
Advertisement Addendum [23 CFR 635.1129(c)]	Approve	-	-	-
Award of Project [23 CFR 635.114]	Approve	-	-	-
Rejection of All Bids [23 CFR 635.114]	Approve	-	-	-
Award Package – Including DBE Reporting	Prepare	Review	Report ¹⁷	-
Administer Construction Contract (Chapter 16)				
Construction engineering by local agency [23 CFR 635.105]	Certify	Approve	-	-
Contract Administration and Inspection	Certify	Review ¹⁸	Verify ¹⁹	Verify ²⁰
Subcontracting Requirements [23 CFR 635.114]	Certify	-	-	-
Quality Assurance Program [LAPM Chapter 16.14]	Approve	Accept	-	-
Contract Change Orders (CCO) w/no increase in Federal funds	Approve ²¹	-	-	

¹⁶ Approval for advertising is included with receipt of construction authorization for the project.

¹⁷ DBE data is reported to Caltrans Civil Rights.

¹⁸ DLAE may select areas for review.

¹⁹ DLA Oversight Engineers perform periodic reviews of contract administration for ARRA projects.

²⁰ FHWA can verify any aspect of the project as part of a construction field review.

²¹ Local agencies are financially responsible for change orders executed without additional e-76 funds.

Project Action/Activity	Local Agency	Caltrans District	Caltrans HQ	FHWA
E-76 Modification for CCO with increase in Federal funds	Prepare	Recommend	Approve	Approve ²²
Environmental Commitments (permit conditions and required mitigation) [23 CFR 771.109(b)]	Implement	-	-	-
Contract Time Extensions [23 CFR 635.120&121]	Approve	-	-	-
Termination of Construction Contract [23 CFR 635.125]	Approve ²³	-	-	-
Settlement of Construction Contract Claims [23 CFR 635.124]	Approve ²⁴	-	-	-
Incentive/Disincentive Amount Justification [23 CFR 635.127]	Approve	-	-	-
Liquidated Damages [23 CFR 635.127]	Approve	Review	-	-
Reimbursement Invoice	Prepare	Approve ²⁵	Approve	-
Project Completion (Chapter 17)				
Final Inspection/Contract Acceptance [23 USC 114(a)]	Approve	-	-	-
Materials Certification [LAPM Exhibit 17-G]	Certify	Review	Review ²⁶	
Project Verification	Recommend	Verify	-	-
Final Report of Expenditures	Prepare	Approve	-	Verify
Post-Project Audits	-	-	Perform ²⁷	-
Maintenance (Chapter 18)				
Maintenance of completed Federal-aid Projects	Perform	Review	-	-

²² Local agencies must receive e-76 modification approval prior to executing the CCO.

²³ Local agencies are financially responsible for termination agreements executed without necessary e-76 funds. Anticipated profits for work not performed is not eligible for Federal reimbursement.

²⁴ Local agencies are financially responsible for settlement of contract claims without necessary e-76 funds. Any contract adjustment shall be fully supported.

²⁵ DLAE performs initial review and approval. Headquarters Local Programs Accounting performs final review of invoice prior to payment by the State which is subsequently reimbursed by FHWA.

²⁶ DLA Oversight Engineers perform periodic reviews.

²⁷ Performed by Caltrans Audits & Investigations with assistance from the DLAE.

This page intentionally left blank

CHAPTER 3 PROJECT AUTHORIZATION

CONTENTS

SECTION/SUBJECT	PAGE NUMBER
3.1 INTRODUCTION	3-3
GENERAL.....	3-3
ACRONYMS	3-3
TERMS AND DEFINITIONS	3-5
3.2 PRIOR TO FEDERAL AUTHORIZATION.....	3-7
3.3 REQUEST FOR AUTHORIZATION.....	3-8
PRELIMINARY ENGINEERING	3-8
INTELLIGENT TRANSPORTATION SYSTEMS.....	3-9
RIGHT OF WAY	3-9
RIGHT OF WAY UTILITY RELOCATIONS	3-9
CONSTRUCTION AND CONSTRUCTION ENGINEERING	3-10
3.4 ADMINISTRATIVE PROCEDURES	3-11
BUDGET AUTHORITY FOR PROJECTS ON THE STATE HIGHWAY SYSTEM (SHS)	3-11
3.5 OBLIGATION, ENCUMBRANCE & LIQUIDATION OF FUNDS	3-12
FINANCE LETTER	3-12
3.6 UNDERFUNDED PROJECTS.....	3-13
ADMINISTRATIVE RULES	3-14
FEDERAL REIMBURSEMENT OF UNDERFUNDED PROJECTS	3-14
3.7 LOCAL ADVANCE CONSTRUCTION PROCEDURES	3-14
3.8 TAPERED MATCH.....	3-15
3.9 FLEXIBLE MATCH	3-16
3.10 FTA TRANSFER.....	3-16
HIGHWAY FUNDS ELIGIBLE FOR TRANSFER.....	3-17
FTA GRANT PROGRAMS.....	3-18
FTA TRANSFER PROCEDURES.....	3-19
3.11 MPO/RTPA PROGRAMMED FUND BALANCES	3-19
3.12 REFERENCES	3-20

FIGURES

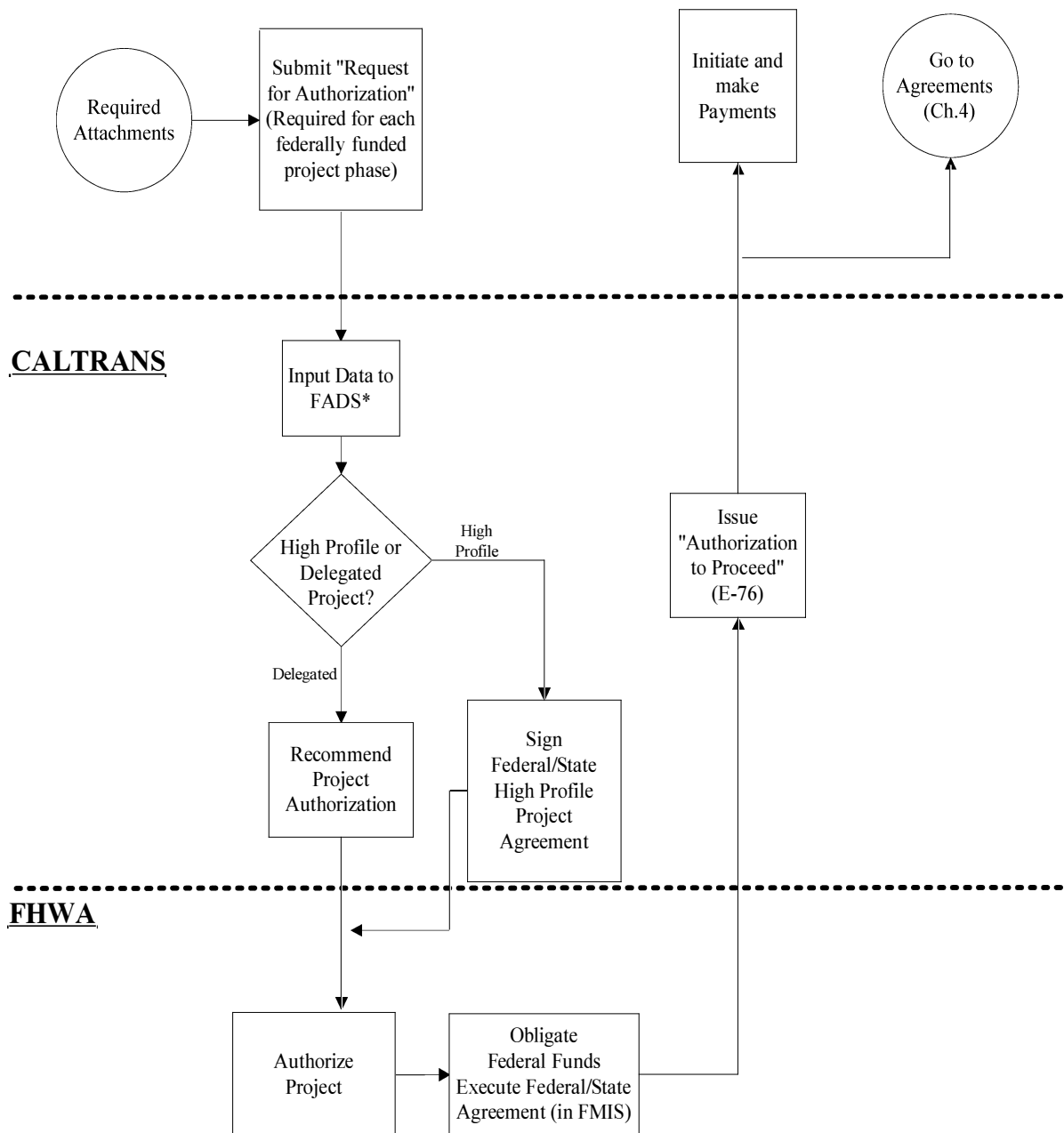
FIGURE/DESCRIPTION	PAGE NUMBER
FIGURE 3-1: FINANCIAL MANAGEMENT PROJECT AUTHORIZATION/OBLIGATION	3-1

EXHIBITS

EXHIBIT/DESCRIPTION	PAGE NUMBER
EXHIBIT 3-A: REQUEST FOR AUTHORIZATION TO PROCEED WITH PRELIMINARY ENGINEERING	3-21
EXHIBIT 3-B: REQUEST FOR AUTHORIZATION TO PROCEED WITH RIGHT OF WAY	3-23
EXHIBIT 3-C: REQUEST FOR AUTHORIZATION TO PROCEED WITH UTILITY RELOCATION	3-25
EXHIBIT 3-D: REQUEST FOR AUTHORIZATION TO PROCEED WITH CONSTRUCTION	3-29
EXHIBIT 3-E: REQUEST FOR AUTHORIZATION TO PROCEED DATA SHEET(S).....	3-33
EXHIBIT 3-F: INSTRUCTIONS FOR REQUEST FOR AUTHORIZATION DATA SHEET(S)	3-35
EXHIBIT 3-G: FEDERAL PROJECT LOG SHEET (MINIMUM REQUIREMENTS).....	3-41
EXHIBIT 3-H: REQUEST FOR CAPITAL SUBVENTION REIMBURSEMENT ALLOCATION.....	3-43
EXHIBIT 3-I: REQUEST FOR LOCAL ADVANCE CONSTRUCTION AUTHORIZATION	3-45
EXHIBIT 3-J: REQUEST FOR TRANSFER OF FEDERAL FUNDS TO THE FEDERAL TRANSIT ADMINISTRATION (FTA)	3-47
EXHIBIT 3-K: ADMINISTRATIVE PROCEDURES FOR TRANSFER OF LOCAL FEDERAL-AID FUNDS	3-49
EXHIBIT 3-L: LOCAL ASSISTANCE PROJECT PREFIXES	3-51
EXHIBIT 3-M: FEDERAL HIGHWAY TRANSPORTATION PROGRAMS	3-53
EXHIBIT 3-N: FEDERAL HIGHWAY DISCRETIONARY PROGRAMS	3-55
EXHIBIT 3-O: SAMPLE LOCAL FEDERAL-AID PROJECT FINANCE LETTER.....	3-57
EXHIBIT 3-P: SAMPLE "DELEGATED PROJECT AUTHORIZATION"	3-59

**FIGURE 3-1 FINANCIAL MANAGEMENT PROJECT
AUTHORIZATION/OBLIGATION****FINANCIAL MANAGEMENT PROCEDURES
PROJECT AUTHORIZATION/OBLIGATION
For Developing All Local Federal-Aid Projects****LOCAL
AGENCY**

Federal authorization must precede any project phase for which federal reimbursement will be requested



*FADS: Federal Aid Data System

This page intentionally left blank

CHAPTER 3 PROJECT AUTHORIZATION

3.1 INTRODUCTION

GENERAL

Prior to beginning highway work for which federal reimbursement will be requested, the project or project phase must be formally authorized (approved) by the Federal Highway Administration (FHWA). Each federally funded phase of work such as: Preliminary Engineering (PE), Right of Way (R/W), Utility Relocation (R/W-UTIL), and Construction (CON) require a separate federal authorization (the authorization of federal funds may be subdivided within a phase as well). Any work performed prior to federal “Authorization to Proceed” is not eligible for federal reimbursement and may disqualify that phase. *

On October 14, 2010, the FHWA and California Department of Transportation (Caltrans) entered into the current “Joint Stewardship and Oversight Agreement.” This Agreement outlines the roles and responsibilities for oversight and approval of federally funded transportation projects under the jurisdiction of the FHWA. The Agreement defines two categories of projects—“Delegated” and High Profile.” For “Delegated” projects, the FHWA has delegated as many project oversight and approval actions to Caltrans as the law allows. On “High Profile” projects, approval actions are determined on a project-by-project risk basis as agreed to by the FHWA and Caltrans. Regardless of whether the project is Delegated or High Profile, Caltrans recommends federal authorization and the FHWA must formally authorize the work. The determination as to whether a project is “Delegated” or “High Profile” is based on the criteria listed in Section 2.5, and the process defined in Figure 2-1, in Chapter 2 of the Local Assistance Procedures Manual.

** Exception – For Emergency Relief projects, prior FHWA approval is not required for Emergency Opening and Preliminary Engineering. Permanent Restoration work must have prior FHWA program approval and authorization, unless the work is done as part of Emergency Opening repairs.*

ACRONYMS

AC - Advance Construction
CE - Construction Engineering
CFR - Code of Federal Regulations
CMAQ - Congestion Mitigation and Air Quality Improvement Program
CON - Construction
CTC - California Transportation Commission
CTIPS - California Transportation Improvement Program System
DBE - Disadvantaged Business Enterprise
DLA - Caltrans Division of Local Assistance
DLAE - Caltrans District Local Assistance Engineer
DMT - Caltrans Division of Mass Transportation
DTR - Caltrans District Transit Representative
EA - Expenditure Authorization Number (for accounting purposes)
ER – Emergency Relief
E-76 - Electronic Authorization to Proceed
FADS - Federal-Aid Data System (State Database)

FHWA - Federal Highway Administration
FMIS - Fiscal Management Information System (Federal Database)
FPN - Federal Project Number
FSTIP - Federal Statewide Transportation Improvement Program
FTA - Federal Transit Administration
FTIP - Federal Transportation Improvement Program
FFY - Federal Fiscal Year
FY - Fiscal Year (State)
HBP - Highway Bridge Program
HSIP - Highway Safety Improvement Program
IIP - Interregional Improvement Program portion of STIP
ISTEA - Intermodal Surface Transportation and Efficiency Act of 1991
ITS - Intelligent Transportation Systems
LAPG - Local Assistance Program Guidelines
LAPM - Local Assistance Procedures Manual
LPA - Local Programs Accounting Branch
LSSRP - Local Seismic Safety Retrofit Program
MPO - Metropolitan Planning Organization
NEPA - National Environmental Policy Act
NBI - National Bridge Inventory
NBIS - National Bridge Inspection Standards
OA - Obligation Authority
OFR - Caltrans Office of Federal Resources
PA/ED - Project Approval/Environmental Document
PE - Preliminary Engineering
PPNO - Project Planning Number
PSA - Program Supplement Agreement
PS&E - Plans, Specifications and Estimate
RIP - Regional Improvement Program (Portion of STIP)
RSTP - Regional Surface Transportation Program
RTPA - Regional Transportation Planning Agency
R/W - Right of Way
SAFETEA-LU - Safe, Accountable, Flexible, Efficient, Transportation Equity Act – A Legacy for Users
SEMP - Systems Engineering Management Plan
SERF - Systems Engineering Review Form
SR2S - Safe Routes to School Program
STD - State Transportation Department
STIP - State Transportation Improvement Program
STP - Surface Transportation Program
TE - Transportation Enhancements Program
TEA-21 - Transportation Equity Act for the 21st Century
UDBE – Underutilized Disadvantaged Business Enterprise

USC - United States Code

TERMS AND DEFINITIONS

Allocation - An administrative distribution of funds.

Apportionment - A statutorily prescribed division or assignment of funds. An apportionment is based on prescribed formulas in the law and consists of dividing authorized obligational authority for a specific program among the states.

Authorization to Proceed - Federal project funding eligibility approval for a particular phase of work by the Federal Highway Administration (FHWA).

Construction Engineering - Supervision and inspection of construction activities, additional staking functions considered necessary for effective control of the construction operations, testing materials incorporated into construction, checking shop drawing, and measurements needed for the preparation of pay estimates.

Delegated Project - A lower risk project not selected as High Profile project, for which Caltrans has authority for all aspects of a Federal-aid project except those activities which may not be delegated by federal law (requiring FHWA approval). Prior to September 2007 these projects were referred to as “State-Authorized” projects defined by set criteria (rather than risk) such as non-Interstate 3R projects, Interstate construction projects under \$1 million, non-NHS projects, etc. Over 99% of Local Assistance projects are Delegated in which Caltrans or the local agency has approval authority for most project level activities.

Disadvantaged Business Enterprise (DBE) – A for-profit “small business concern” that is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals. One or more such individuals must also control the management and daily business operations. These individuals must be citizens lawfully admitted permanent residents of the United States and (1) any individual who a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis, or (2) who are either African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, (persons whose origin are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal or Sri Lanka), Women, or any other group found to be socially and economically disadvantaged by the Small Business Administration (see CFR, Part 26).

E-76 - Federal-aid Program Document titled: “Authorization to Proceed” Form. It provides federal authorization to begin reimbursable work for a specific phase of work.

Federal Fiscal Year - The accounting period for the federal budget. The Federal Fiscal Year (FFY) is from October 1 until September 30. The FFY is designated by the calendar year in which it ends. For example, FFY 06 runs from October 1, 2005, until September 30, 2006.

Finance Letter - Project funding summary document required by Local Programs Accounting. It is prepared by the administering agency and submitted to Caltrans as backup information for the federal-aid/state project agreement.

FSTIP - Federal Statewide Transportation Improvement Program, a four-year list of all state and local transportation projects proposed for federal surface transportation funding and/or are considered regionally significant. This is developed by Caltrans in cooperation with MPOs/RTPAs and in consultation with local and other rural entities. The FSTIP, including FTIPs, requires FHWA/FTA approval.

FTIP - Federal Transportation Improvement Program, a four-year list of all transportation projects proposed for federal surface transportation funding within the planning area of one of the eighteen Metropolitan Planning Organizations (MPOs) in the state. These are only valid for reference when incorporated into the FSTIP and approved by FHWA/FTA (see Chapter 4 of the Caltrans Project Development Procedures Manual for more discussion).

High Profile - High Profile projects are high risk projects for which the FHWA maintains project level approval for many project delivery activities. Prior to September 2007 these projects were referred to as FHWA “Full-Oversight” projects based on set criteria (rather than risk) such as Interstate construction over \$1million, major Intelligent Transportation System, etc. Very few Local Assistance projects are High Profile projects.

LAPG - The *Local Assistance Program Guidelines* manual provides local project sponsors with a complete description of the federal and state programs available for financing local public transportation related facilities.

LAPM - The *Local Assistance Procedures Manual* describes the processes, procedures, documents, authorization, approvals and certifications, which are required in order to received federal-aid and/or state funds for many types of local transportation projects.

Local Agency - A city, county or other public entity.

Local Assistance Project - A local surface transportation project funded with federal and/or state funds for the operation, maintenance, and acquisition or development of facilities or land, provided the local entity retains ownership after completion of the project. Examples include:

- Project on Local Street with federal CMAQ funds
- Project on Local Street with RIP (STIP) funds

National Environmental Policy Act (NEPA) - Federal environmental law requiring federal agencies to consider the environmental impacts of their actions, evaluate least damaging alternatives and ensure decisions are made in the public’s best interest based on a balanced consideration of the need for safe and efficient transportation.

Obligation - The federal government’s legal commitment (promise) to pay or reimburse the states or other entities for the federal share of a project’s eligible costs.

Obligation Authority (OA) - Total amount of federal funds that may be obligated in a FFY.

Overall Work Plan (OWP) - The OWP is the MPO/RTPA’s transportation planning structure/plan for the state fiscal year, July 1 through June 30.

Preliminary Engineering (PE) -This phase includes all project initiation and development activities (including NEPA approval) undertaken through the completion of PS&E. It may include preliminary Right of Way engineering and investigations necessary to comply with the provisions of NEPA.

Underutilized Disadvantaged Business Enterprise (UDBE) - A firm meeting the definition of a DBE as specified in 49 CFR, Part 26 and is one of the following groups: African Americans, Asian-Pacific Americans, Native Americans, and Women.

3.2 PRIOR TO FEDERAL AUTHORIZATION

Prior to federal authorization, all federally funded transportation projects must be included in the current federally approved Federal Transportation Improvement Program/Federal Statewide Transportation Improvement Program (FTIP/FSTIP). The FTIP/FSTIP (or amendment thereto) must identify scope of work, project location, project sponsor, federally funded phases of work, programmed FFY, and the types and amounts of federal funds. ER projects that involve substantial functional, locational, or capacity changes also must be included in the FTIP/FSTIP.

For ITS projects and other projects with ITS elements, a preliminary classification of the project should be made as High-Risk (formerly “Major”), Low-Risk (formerly “Minor”), or Exempt. For further explanation, reference the Chapter 13 “Intelligent Transportation Systems (ITS) Program,” of the LAPG.

Non capacity increasing projects funded by the following federal programs are typically included in Caltrans’ administered Lump Sum listing of projects. The following Lump Sum listings of projects are developed, in cooperation with the MPOs/RTPAs and local agencies:

- Highway Bridge Program (HBP previously HBRRP)
- Local Seismic Safety Retrofit Program (LSSRP)
- Highway Safety Improvement Program (HSIP)
- Safe Routes to School (SRTS) Program

Note: *Transportation Enhancements (TE) funded projects are now programmed in the State Transportation Improvement Program (STIP) (see Chapter 23 “Local Agency State Transportation Improvement Projects,” of the LAPG for requirements associated with federally funded STIP projects).*

Projects funded with regionally programmed Surface Transportation Program (STP) or Congestion Mitigation and Air Quality Improvement (CMAQ) funds may be included in a Regional Lump Sum listing of projects as adopted by the appropriate MPO/RTPA. The RTPA/MPO is responsible for project eligibility determination and financial constraint of the regional program. When a local agency requests federal authorization of a project, the MPO/RTPA’s approved list of projects must be provided to the Caltrans District Local Assistance Engineer (DLAE).

Planning type projects funded with PL (MPO Planning Funds) or Section 5303 funds are not required to be listed in the FTIP/FSTIP when they do not lead to construction, however, these projects must then be included in a federally approved planning document such as Overall Work Plan (OWP).

Soon after a project is selected and programmed for inclusion or amended into the FTIP/FSTIP, the sponsoring agency should contact the Caltrans DLAE to discuss how and when they plan to proceed with project implementation. The discussion should cover the timing and process for the authorization/obligation of federal funds, whether a “Formal Field Review” is required or recommended (see Chapter 7, “Field Reviews,” of the LAPM), and the California Transportation Commission (CTC) allocation(s) of STIP funds, if necessary.

If federally funded work is to be performed by a consultant or contractor, the local agency must have a Caltrans approved California Department of Transportation Disadvantaged Business Enterprise Implementation Agreement (Exhibit 9-A) and the approved Local Agency DBE Annual Submittal Form (Exhibit 9-B). The Local Agency

DBE Annual Submittal Form is due to the DLAE by June 1 of each year for the following FFY. (See Chapter 9, “Civil Rights and Disadvantaged Business Enterprise,” of the LAPM.)

3.3 REQUEST FOR AUTHORIZATION

The project sponsor identified in the FTIP/FSTIP to receive the federal funds is responsible for requesting the Federal Authorization to Proceed. The project sponsor must prepare and submit a “Request for Authorization to Proceed” package to the appropriate Caltrans District Local Assistance Office. The request package should include, as a minimum, the agency’s “Request for Authorization to Proceed” (see Exhibits 3-A, B, C, or D), “Request for Authorization to Proceed Data Sheets(s)” (see Exhibit 3-E), and all required support documentations. The Caltrans District Local Assistance Office must submit to Caltrans Headquarters Division of Local Assistance (DLA), the “Federal Project Log Sheet” (Exhibit 3-G) with the appropriate documents attached.

If the Request for Authorization package is complete and all federal and state requirements have been satisfied, a minimum of three (3) weeks processing time should be allowed to receive federal Authorization to Proceed for “Delegated” projects. More time will be required for “High Profile” projects. Additional time may also be required near the beginning or end of the FFY.

If the “Request for Authorization to Proceed” package is incomplete, unacceptable or missing information that cannot be quickly obtained by FAX, telephone, e-mail, or other source, the package will be returned to the local agency for resubmittal.

PRELIMINARY ENGINEERING

Eligible preliminary engineering (PE) work includes location and environmental studies, NEPA approval (Chapter 6, “Environmental Procedures,” of the LAPM), final design (Plans, Specifications and Estimate [PS&E]) and other related work including the cost of advertising leading to physical construction of a project. Preliminary R/W studies, as needed for NEPA compliance (see Chapter 13, “Right of Way,” of the LAPM), may be considered eligible and authorized as part of PE.

Only eligible work performed after the date of federal authorization is eligible for federal reimbursement. The preliminary studies portion of PE may be authorized prior to an optional or mandatory field review (see Chapter 7, “Field Reviews,” of the LAPM). This allows for the reimbursement of selecting consultants and other specialists who may be needed for field review. However, a completed Field Review form shall be submitted to Caltrans within four- months from the initial PE authorization. Otherwise, the authorization to proceed will be canceled automatically.

“Authorization to Proceed with PE” must lead to R/W acquisition or construction in a timely manner. Per 23 CFR 630.112 (c)(2), if R/W is not acquired or a construction contract is not awarded by the close of the tenth fiscal year following the year of PE authorization, any expended federal funds must be returned to the federal government, unless a time extension is granted by the FHWA.

INTELLIGENT TRANSPORTATION SYSTEMS

For Intelligent Transportation Systems (ITS) projects, PE includes Systems Engineering, equipment, software development, and use of a Systems Manager or Systems Integrator (see Chapter 13 “Intelligent Transportation Systems (ITS) Program,” of the LAPG for details on Systems Engineering and the project development process for ITS projects).

The System Engineering analysis of High-Risk (formerly “Major”) ITS projects, as defined in Chapter 13 of the LAPG, must be approved by the FHWA prior to PE. The Systems Engineering Review Form (SERF) of High-Risk ITS projects must be approved by FHWA prior to, or shortly after PE authorization. Development of the Systems Engineering Management Plan (SEMP) is contingent upon federal review comments and approval of the SERF. FHWA approval of the SEMP is required prior to proceeding to detailed component design.

Low-Risk (formerly “Minor”) ITS projects can undergo the traditional one PE phase authorization and will not require FHWA approval of the SERF and SEMP. However, the local agency still must complete the SERF, as part of the Field Review Form.

Exempt ITS projects can undergo the traditional one PE phase authorization and will not require the SERF and SEMP.

RIGHT OF WAY

Eligible Right of Way (R/W) work includes the preparation of R/W plans, making economic studies, other R/W related-preliminary work, appraisal for parcel acquisition, review of appraisals, payments for real property acquired, preparation for and trial of condemnation cases, management of properties acquired, furnishing of relocation assistance, and other related labor expenses (see 23 CFR 710 for details). This work is covered in the local agency’s “Request for Authorization to Proceed with Right of Way,” (Exhibit 3-B of this chapter). **Only eligible work performed after federal “Authorization to Proceed” with R/W may receive federal reimbursement.**

As noted above, some R/W activities necessary for the completion of the NEPA process may be authorized as part of PE. However, an approved NEPA document is required prior to the majority of R/W activities (e.g., negotiating with property owners, acquisition and relocation assistance, see Chapter 13, “Right of Way,” of the LAPM). The request for R/W authorization must include an approved NEPA document and completed Field Review Form if not submitted previously.

RIGHT OF WAY UTILITY RELOCATIONS

If federal reimbursement is sought for utility relocations (adjustments), all work must be performed in accordance with the FHWA’s “Alternate Procedure” 23 CFR 645.119 (e)(2). Refer to Chapter 14, “Utility Relocations,” of the LAPM for detailed information and procedures related to eligible costs, required federal actions (Authorization to Proceed [E-76], FHWA Specific Authorization to Relocate Utilities and FHWA Approval of Utility Agreement[s]), sequence of activities, notifications, support documentation and federal reimbursement.

The DLAE must identify the name of the utility owner, type of facility, and estimated cost to relocate/adjust each utility in the “State Comments” section of the E-76.

IMPORTANT: If federal funds are used to finance any phase of work on a project, all project R/W activities, including utility relocation must conform to requirements of 23 CFR, Part 645. Failure to comply will jeopardize federal funding.

CONSTRUCTION AND CONSTRUCTION ENGINEERING

Eligible construction costs include, the actual cost to construct the highway itself including its appurtenant facilities and any removal, adjustment or demolition of buildings or major obstruction, utility or railroad work that is a part of the physical construction of the project construction engineering, and administrative settlement of cost for contract claims.

Federal “Authorization to Proceed” with construction must be received prior to advertising the construction contract. **Projects advertised prior to federal authorization are NOT eligible for federal reimbursement.**

The request package for “Authorization to Proceed” with construction must include a Field Review form, a copy of the approved NEPA document (either a signed Categorical Exclusion [CE], Finding of No Significant Impact [FONSI], or Record of Decision [ROD]), if not previously submitted, approved Right of Way Certification, project finance letter, engineer’s estimate, PS&E Certification (Exhibit 12-C), PS&E Checklist (Exhibit 12-D) and PS&E package.

For projects of \$100 million or more, but less than \$500 million, a Financial Plan must be prepared and submitted to the DLAE with the request for construction authorization. For major projects of \$500 million or more, a Financial Plan must be submitted prior to the request for construction authorization and submittal of a draft Project Management Plan is required prior to environmental approval. For major projects, the Final Project Management Plan is due 90 days after the environmental decision document (i.e. FONSI or ROD). A Cost Estimate is required to be included in each Financial Plan. Both the Financial Plan and Project Management Plan are to be submitted to the DLAE for FHWA approval. The requirements for both of these plans are discussed in Chapter 2 “Roles and Responsibilities,” of the LAPM.

Construction Engineering (CE) includes, the supervision and inspection of construction activities, additional staking functions considered necessary for effective control of the construction operations, testing materials incorporated into the construction, checking shop drawings, and measurements needed for establishing pay quantities. CE costs must be specifically included in the “Authorization to Proceed with Construction” and authorized to be eligible for federal reimbursement. CE costs must also be included on the project finance letter. If CE is authorized after construction begins, only those CE costs incurred after the date of the CE authorization are eligible for federal reimbursement.

Typically, the federal reimbursement of CE costs is limited to 15% of the total federal funds obligated for construction. Construction costs exclude costs of PE, right of way and CE. For implementation purposes, CE costs in excess of 15% on “Delegated” projects must be reviewed for reasonableness and approved by the Caltrans DLAE.

If Caltrans source inspection services will be requested, the local agency must submit/justify their request (refer to Exhibit 16-V “Source Inspection Request From Local Agency To Caltrans District Local Assistance Engineer,” of the LAPM) at least 30 days prior to local agency submittal of their “Request for Authorization to Proceed with Construction.” Caltrans may perform the requested source inspection services, subject to the availability of their inspectors (see “Source Inspection,” Section 16.14, “Quality Assurance Program,” of the LAPM).

Some ITS projects may be fully deployed without ever advancing to construction. There are other ITS projects with nonconstruction activities, which might be handled as consultant, low-bid, or service contracts (see Section 13.9, “Procurement/Construction,” of the LAPG).

3.4 ADMINISTRATIVE PROCEDURES

The Caltrans Federal-Aid Data System (FADS) and the FHWA Fiscal Management Information System (FMIS) are the databases used in the federal authorization/obligation process.

Upon receipt of a complete and acceptable Local Agency “Request for Authorization to Proceed” package, Caltrans District Local Assistance Office creates an electronic project file (E-76) and inputs the required project information into the FADS database. The Caltrans District Local Assistance Office then transmits the E-76 project file and required backup information to Caltrans Headquarters Division of Local Assistance (DLA). The DLA Area Engineer reviews the submittal package for completeness and accuracy, focusing on project eligibility, federal and state requirements, availability of federal funds and obligation authority, and required support documentation (see Exhibit 3-G “Federal Project Log Sheet” of this chapter). The DLA Area Engineer recommends FHWA approval of “Delegated” or “High Profile” projects and then transmits the E-76 to FHWA (California Division). FHWA authorizes all projects and transmits all federally funded project records to FMIS. FHWA then accesses FMIS and electronically signs each federally funded project to obligate the federal funds (place under agreement with Caltrans).

Upon the federal obligation of funds, the Caltrans DLAE notifies the project sponsor and issues an “Authorization to Proceed” (see Exhibit 3-P Sample “Delegated Project Authorization”) and a federal project summary, and then documents the federal authorization and obligation dates. **Costs incurred prior to federal authorization are not eligible for reimbursement. Projects advertised prior to federal authorization are not eligible for federal reimbursement.**

For significant changes in Scope of Work and cost increases or reductions, the local agency must submit a modified “Request for Authorization to Proceed” package. The District, DLA and FHWA will process this E-76 request in the same manner as above.

The authorized amount for all phases of the project obligated but not fully expended will be adjusted based on the Finance Letter (Exhibit 3-O of this chapter), which is attached to the Request for Authorization.

BUDGET AUTHORITY FOR PROJECTS ON THE STATE HIGHWAY SYSTEM (SHS)

For Caltrans administered projects located on the SHS financed with local assistance funds, a federal and/or state Capital Subvention Reimbursement Allocation must be secured prior to Caltrans encumbering the local assistance funds for the project. The DLAE must submit a completed and signed “Request for Capital Subvention Reimbursement Allocation Form” (Exhibit 3-H of this chapter) for projects located on the SHS. For projects administered by Caltrans, the DLAE must ensure that the Caltrans Project Manager completes and signs Exhibit 3-H. For projects administered by a local agency, Exhibit 3-H is no longer required. The Request for Capital Subvention Allocation must be attached to each Request for Authorization package.

The Office of Resource Management in the DLA will concur with the request and forward it to the Capital Budgets Branch in the Division of Budgets. Upon approval of the request, the Division of Budgets will notify LPA, the Highway Appropriations and Management Section in Accounting, District Resource Management, the Subvention Management Branch in the DLA, and the DLAE. For projects partially on the SHS, consult with the DLAE.

If a Cooperative Agreement is necessary for the project, it should be executed prior to requesting authorization to proceed. For policy information, refer to *Cooperative Agreement Manual*, maintained by Division of Design located at this web site:
<http://www.dot.ca.gov/hq/oppd/coop/cooptoc.html>

3.5 OBLIGATION, ENCUMBRANCE & LIQUIDATION OF FUNDS

The obligation of federal funds is a commitment by the FHWA to reserve the authorized federal funds for the project. The FHWA obligates federal funds for all federally funded projects under their jurisdiction. Typically, the obligation of federal funds is automatic upon federal authorization of the project (or phase of work) provided the state has sufficient Obligation Authority (OA) and federal fund balances for the current FFY.

FINANCE LETTER

The Finance Letter is a project specific financial summary document (prepared by the Local Agency and approved by Caltrans DLA) required by LPA as support documentation for the project funding agreement. The Finance Letter identifies:

Project reference data such as responsible and administering agency (ies), project number, EA, PPNO, whether or not the project is on the State Highway, etc.

Federally funded phases of work, to date.

Total project costs and cost eligible for federal participation by phase of work, to date.

Federal, state, local and other fund sources (by fund type and amount) funding each phase of work, to date.

Federal reimbursement rates for progress invoice purposes (by phase of work and fund types).

Local agency certification and signature.

Project specific remarks.

For each request for federal authorization, the project sponsor must attach a detailed project Finance Letter (See Exhibit 3-O of this chapter) identifying the phases of work for which federal reimbursement is sought. In addition, the project Finance Letter must specify the types and amounts of federal, state and local match funds contributing to the project.

Following the obligation of federal funds, State Budget Authority must be reserved by “encumbering” the funds on a project specific program supplement agreement (PSA). The PSA must be signed by the project sponsor and executed by Caltrans prior to requesting the reimbursement of funds (see Chapter 4 “Agreements”).

Caltrans will prepare the PSA upon receiving the complete Field Review Form from the local agency. The Field Review Form shall be submitted by the local agency to Caltrans within four months from the date of authorization for PE, or along with the first request for authorization for the project if PE is done with nonfederal funds. In an effort to streamline the agreement process, revised agreements are typically no longer required for each phase of work.

California Government Code 16304 stipulates that any federal and state local assistance funds encumbered for a project are typically available for disbursement for a period of seven (7) and five (5) years, respectively, from the beginning of the fiscal year(s) the funds are appropriated in the State Budget Act. A DLA prepared project Finance Letter (based on information provided by the project sponsor) is sent to the project sponsor and reflects various project fund reversion dates. It is imperative that a local agency request federal authorization only when they are ready to do the work and only for work that will be completed and invoiced within this time period. Federal authorization for the remaining project work should be requested at a future date.

3.6 UNDERFUNDED PROJECTS

When the federal funds programmed for a project in the FTIP/FSTIP are insufficient to reimburse a local agency at the maximum federal reimbursement rate (legal pro rata) permitted for a federal fund type, the project is defined as “federally underfunded.” From a federal perspective, underfunded projects result in more federal projects for a given amount of federal funds. The increased oversight/administration costs make this an inefficient way of utilizing federal funds.

Section 630.106 of Title 23 (Highways) of the United States Code of Federal Regulations (CFR) stipulates:

(f)(1) The federal-aid share of eligible project costs shall be established at the time of project authorization in one of the following manners:

- *Pro rata, with the authorization stating the federal share as a specified percentage; or*
- *Lump sum, with the authorization stating that federal funds are limited to a specified dollar amount not to exceed the legal pro rata.*

(2) The pro rata or lump sum share may be adjusted before or shortly after contract award to reflect any substantive change in the bids received as compared to the State Transportation Department's (STD's) estimated cost of the project at the time of FHWA authorization, provided that federal funds are available.

(3) Federal participation is limited to the agreed federal share of eligible costs incurred by the state, not to exceed the maximum permitted by enabling legislation.

(g) The state may contribute more than the normal nonfederal share of Title 23, U.S.C. projects. In general, financing proposals that result in only minimal amounts of federal funds in projects should be avoided, unless they are based on sound project management decisions.

Therefore, except as permitted by 23 CFR 630.106 (f)(2), once a federal fund source is placed under agreement (E-76) for a phase of work, the pro rata reimbursement rate for that federal fund type (apportionment) and phase of work is fixed for the life of the project. In other words, when a phase of work is placed under federal agreement (E-76), the project sponsor has agreed to deliver a scope of work for an agreed upon amount of federal funds. If project costs increase, the federal share of the eligible costs is fixed at the federal pro rata established at the time of the project was placed under agreement. For this reason, MPOs/RTPAs should strive to fund projects at the maximum federal reimbursable rate.

ADMINISTRATIVE RULES

For Delegated projects, Caltrans DLAE will consider underfunding on a project-by-project basis. However, if there is a potential for a Region to lapse funds to the “Use It or Lose It” provisions of AB1012, Caltrans will not permit the initial underfunding of projects for that Region.

Many federal “earmark” and “discretionary” federal funding programs (Demonstration Discretionary Bridge, etc.) release or allocate federal funds on an annual basis. For long-term and/or high cost projects, the total anticipated federal funds might not be available at the time of the initial federal authorization for the project phase of work. Therefore, for these types of funds, FHWA will permit adjustment to the federal pro rata as the federal funds become available.

FEDERAL REIMBURSEMENT OF UNDERFUNDED PROJECTS

At the time of Federal Authorization (E-76), the federal reimbursement rate for a project or phase of work is established by dividing the authorized federal funds by the federal participating costs of work, not to exceed the legal pro rata.

For progress invoices, the federal reimbursement rate is limited to the rate established in FMIS by the most current Federal Authorization to Proceed/Obligation of Funds (E-76) at the time of award. On the final invoice, the federal reimbursement rate may fluctuate to ensure that the local agency receives the total federal funds to which it is entitled not to exceed the legal pro rata or obligated federal funds.

3.7 LOCAL ADVANCE CONSTRUCTION PROCEDURES

When federal funds are not available for obligation due to an insufficient balance of funds or OA, a local agency may request in writing federal authorization to proceed with the project (or project phase) under advance construction procedures (see Exhibit 3-1, “Request for Local Advance Construction Authorization” in this chapter).

Under local advance construction procedures, following federal authorization to proceed, the local agency will use its own funds to perform work eligible for future federal reimbursement. The local agency must have sufficient local funds to pay for all project costs until such time as federal funds become available. An FTIP amendment may be required when the Advance Construction Authorization is converted to a real obligation of federal funds (see Exhibit 3-1 “Request for Local Advance Construction Authorization” in this chapter). The local agency must consider the risk that the federal funds may never become available.

FTA TRANSFER PROCEDURES

Under ISTEA the transfer of FHWA funds to the FTA was accomplished via the Federal Authorization and Obligation Process (E-76). The transferred federal funds remained with FHWA (Washington D.C.) until the FTA submitted project invoices that were reimbursed by the FHWA.

The FHWA and FTA have since developed procedures that provide for the direct transfer of federal funds and Obligation Authority (OA) to the recipient federal agency. Caltrans submits a formal FTA transfer request to the FHWA (California Division) via a "Request for Transfer of Federal Funds to the FTA" letter (see Exhibit 3-J). Upon FHWA concurrence, the federal funds are transferred and deducted from the appropriate State and RTPA/MPO apportionment balances.

See Exhibit 3-K, "Administrative Procedures for Transfer of Local Federal-aid Funds to the Federal Transit Administration," for a step-by-step discussion of the transfer of FHWA apportioned local federal-aid funds to the FTA.

Federal-aid funds programmed in the STIP also may be transferred to the FTA. The DLAE and DLA are not involved in the transfer process (except for TE funds) instead, Caltrans DMT and the Office of Federal Resources within the Division of Budgets process the transfer of these funds.

Detailed procedures for Transfer of STIP to the FTA funds under the Section 5307, 5311, and 5310 Grant programs are available on the Caltrans DMT website at:

<http://www.dot.ca.gov/hq/MassTrans/>

Upon transfer of FHWA apportioned federal funds to the FTA, the Applicant Agency, typically will deal directly with the FTA on all subsequent project-related matters. However, occasionally a FTA transfer project may qualify to receive State Match Funds through the STIP. The project must be programmed to receive the STIP State Match Funds by an RTPA/MPO and be used, eligible activities under Article XIX of the California State Constitution.

Prior to reimbursement with STIP State funds: 1) the CTC must allocate the STIP match funds, 2) a Program Supplement Agreement (PSA) between the Applicant Agency and Caltrans must be signed and executed, 3) the Applicant Agency must prepare and sign a project specific Finance Letter, and 4) the Applicant Agency must provide evidence that payment of federal funds were invoiced/received from the FTA. Invoice format and procedures must adhere to Chapter 5, "Accounting/Invoices," of the LAPM.

3.11 MPO/RTPA PROGRAMMED FUND BALANCES

Under state law, certain federal funds are apportioned to the RTPA/MPO regions by formula. These funds include RSTP and CMAQ funds. These funds are programmed to local agencies for specific projects through the FTIP/FSTIP processes. Both Caltrans and the FHWA monitor the obligation and balance of federal funds. Caltrans maintains reports showing the obligation

of funds summarized at the District, MPO and county levels. These reports show fund balances and list the individual city and county projects. Please refer to the Division of Local Assistance Home Page for balances located at:

- http://www.dot.ca.gov/hq/LocalPrograms/Reports_db.htm

3.12 REFERENCES

23 CFR 635.301 et. seq. at: <http://www.fhwa.dot.gov/legsregs/legislat.html>

23 CFR 630.106

23 CFR 645

23 CFR 940

USC 134(k)

49 USC, Section 5301, et. seq. (Federal Transit Laws)

A Guide to Federal-Aid, Programs, Projects and Other Uses of Highway Funds, Federal Publication No. FHWA-IF-99-006, dated May 1999

Federal-Aid Data System Instructions 06/06/02

Federal Uniform Relocation Assistance and Real Property Acquisition Act

Financing Federal-Aid Highways, Federal Publication No. FHWA-PL-99-015 dated August 1999.

Local Assistance Program Guidelines (LAPG) Web site:

<http://www.dot.ca.gov/hq/LocalPrograms/public.htm>

Joint Stewardship and Oversight Agreement (Stewardship Agreement)

<http://www.dot.ca.gov/hq/oppd/stewardship/>

SAFETEA-LU Web site: <http://www.fhwa.dot.gov/safetealu/index.htm>

EXHIBIT 3-E - REQUEST FOR AUTHORIZATION TO PROCEED DATA SHEET(S)**PROJECT REFERENCE DATA**

DIST-CO-RTE-AGENCY: _____

FTIP / FSTIP ID: _____

FEDERAL PROJECT NO.: _____

PPNO (STIP): _____

CALTRANS EA: _____

CTIPS REFER. NO.: _____

BRIDGE NO.(s): _____

RESPONSIBLE/IMPLEMENTING AGENCY

RESPONSIBLE AGENCY: _____

IMPLEMEN. AGENCY: _____

PROJECT DESCRIPTION

PROJECT TITLE: _____

WORK DESCRIPTION: _____

PROJECT LOCATION

PROJECT LOCATION: _____

URBAN (IZED) AREA: _____ INDIAN RESERV. : (Y/N) _____

CONG. DIST. & %'s: _____ TOLL ROAD: (Y/N) _____

RURAL (Y/N): _____

FEDERAL AID ROUTE

FED-AID SYSTEM: (Y/N) _____ FUNCIONAL CLASSIF. : _____

STATE HWY: (Y/N) _____ STATE ROUTE: _____

ADMINISTERING AGENCY

LOCAL or CALTRANS (CT): _____ IF CT, PROJ. MANAGER: _____

THIS FEDERAL AUTHORIZATION REQUEST

OVERSIGHT: _____	<input type="checkbox"/> DELEGATED	or	<input type="checkbox"/> HIGH PROFILE
ADV. CON. (Y/N): _____			100% SAFETY (Y/N): _____

COST SUMMARY:

PHASE OF WORK	TOTAL	FED PART	FED 1	FED 2	STATE	OTHER	LOCAL
PREV. OBLIG	_____	_____	_____	_____	_____	_____	_____
THIS REQUEST	_____	_____	_____	_____	_____	_____	_____
SUBTOTAL	_____	_____	_____	_____	_____	_____	_____

PHASE OF WORK	TOTAL	FED PART	FED 1	FED 2	STATE	OTHER	LOCAL
PREV. OBLIG	_____	_____	_____	_____	_____	_____	_____
THIS REQUEST	_____	_____	_____	_____	_____	_____	_____
SUBTOTAL	_____	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____	_____

FEDERAL DEMONSTRATION PROJECT INFORMATION

PUBLIC LAW, SECTION: _____

FEDERAL DEMO ID: _____

LEGISLATIVE PROJECT NO.: _____

ESTIM. CONST. DATE: _____

RELATED DEMO PROJECTS: _____

Exhibit 3-E
Request for Authorization to Proceed Data Sheet(s)

Local Assistance Procedures Manual

FTIP / FSTIP DATA

MPO/RTPA NAME: _____ FTIP / FSTIP YEAR: _____
FED. FUNDED PHASES: _____ SHEET OR AMD. NO.: _____
APPROVAL DATE: _____
FED FUND TYPES/TOTALS: _____ APPRV'D EPSP (Y or N): _____

DISADVANTAGED BUSINESS ENTERPRISE (DBE) SUBMITTALS:

Race Conscious Implementation Agreement (Exhibit 9-A) CT APPROVAL DATE: _____

Local Agency DBE Annual Submittal Form (Exhibit 9-B):

FED FISCAL YEAR: _____ CT APPROVAL DATE: _____

INITIAL AUTHORIZATION & ESTIMATED COMPLETION DATES

<u>PHASE OF WORK</u>	<u>INITIAL FEDERAL AUTHORIZATION DATE</u>	<u>ESTIMATED COMPLETION DATE</u>
PE	_____	_____
RW	_____	_____
CON	_____	_____

ENVIRONMENTAL DATA

NEPA DOCUMENT TYPE:

<input type="checkbox"/> CE	_____	Date Caltrans SEP/DLAE signed CE Form (use the latest date)
<input type="checkbox"/> EA / FONSI	_____	Date Caltrans DD (DDD or designee) signed the FONSI
<input type="checkbox"/> EIS / ROD	_____	Date Caltrans signed the ROD
EIS Number	_____	Year of Public Release of EIS and EIS number (assigned by FHWA)
AIR BASIN	_____	(For CMAQ Program Funds)

R/W ESTIMATE

R/W ACQ PARCELS: _____ \$ _____
RAP (FAMILY): _____ \$ _____
(BUSINESS): _____ \$ _____
LRH/HRDSHP: _____ \$ _____
UTILITIES: _____ \$ _____
SUPPORT: _____ \$ _____
TOTAL: _____ \$ _____

UTILITY RELOCATION / ADJUSTMENTS

<u>UTILITY OWNER</u>	<u>UTILITY TYPE</u>	<u>COST TO RELOCATE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL UTILITY RELOCATION COSTS		_____

DESCRIPTION OF R/W PARCELS BY TYPE OF ACQUISITION/ACTIVITY

<u># PARCELS</u>	<u>ACQUISITION TYPE AND/OR ACTIVITY</u>	<u># ACRES</u>	<u>EST. COST</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

R/W CERTIFICATION

R/W CERT. NO. _____ Date Approved by Caltrans: _____

LOCAL AGENCY COMMENTS

THIS REQUEST PREPARED BY:

NAME: _____
TITLE: _____
PHONE NO.: _____
E-MAIL: _____

AGENCY CONTACT FOR PROGRAM SUPPLEMENT AGREEMENT

NAME: _____
TITLE: _____
PHONE NO.: _____
E-MAIL: _____

Distribution: DLAE

Indian Reservation: Indicate (Y/N) whether or not the project is located on an Indian Reservation.

Congressional Districts: Enter the congressional district(s) that are impacted by the project and the percentage of funds for each district.

Toll Road: Indicate (Y/N) if a toll road is involved. To monitor toll road projects or work performed on toll roads, enter a “Y.”

Rural Area: Defines as an area having a population of less than 50,000.

Federal-Aid System: Indicate the federal-aid system on which the project is located. Valid entries are:

Interstate
NHS Non-Interstate
Other Federal-aid System
Not on Any Federal-aid System

Functional Classification: Streets and highways are grouped into classes or systems according to the character of service they provide. If there are multiple functional classifications involved, enter the higher classification. Valid entries for functional classification are:

Freeway and Expressway
Principal Arterial
Minor Arterial
Major Collector Minor Collector
Local
No Functional Class

State Highway: Indicate (Y/N), whether or not the project is located within the right of way limits of an existing or proposed state highway. If so, enter the State Highway Route number (e.g., I-405).

Administering Agency (Local or Caltrans): Indicate the name of the agency administering the project. If the project is located on a state highway and Caltrans is the project administrator, enter the name of the Caltrans Project Manager.

FHWA Oversight: Indicate whether or not this project is “Delegated” or “High Profile” (see Section 2.5 High Profile Projects, and Figure 2-1 High Profile Project Identification Process, in Chapter 2 of the LAPM).

The criteria for High Profile project consideration are:

- Controversial and Congressional Interest projects
- Pilot projects
- Executive Order 13274 projects – Environmental Stewardship and Streamlining
- Interstate Projects containing:
 - Design exceptions relating to the 13 controlling criteria
 - New or modified access points
 - Innovative contracting method projects with Federal funds
- Invitational projects
- Major Intelligent Transportation Systems (ITS) projects
- Major Projects (>\$500M)
- Non-Traditional Revenue Sources projects
- Special Experimental Projects – Alternative Contracting (SEP-14)
- Special Experimental Projects Public Private Partnership (SEP-15)
- Unusual Bridge and Structure projects

High Profile projects require an FHWA/Caltrans signed Project Oversight Agreement (see Exhibit 2-D in Chapter 2 LAPM).

Advance Construction Authorization: Indicate (Y/N) whether or not an Advance Construction Authorization is being requested. If so, a local agency must submit a “Request for Advance Construction Authorization” form (see Exhibit 3-I).

100% Safety Eligible: Indicate (Y/N), whether or not this project is using 100% Safety funds in accordance with Title 23 of United States Code (U.S.C.) Section 120.

Cost Summary: Identify all project-related costs through the current request. The “TOTAL” cost of work is the sum of both the total federal participating and nonfederal participating project costs. The “federal participating” cost is equal to the cost of all work eligible for federal participation. Identify the “federal funding program and dollar amount” for each phase of work. Identify the funds previously obligated as well as these funds current request. The total federal funds obligated should not exceed the funds programmed in the federally approved FTIP/FSTIP (unless prior approval is received from appropriate MPO/RTPA), Caltrans Administered Federal Program (such as Bridge, Safety) or allocated by the FHWA (discretionary/earmarked federal funds).

Finally, enter the “LOCAL” and/or other types of federal matching funds. Identify previous obligations and the current request for each phase of work. (If more space is needed, use a separate sheet of paper.)

Public Law, Section, and Legislated Project No: Identify the Public Law, Section and Legislated Project No. identifying to DEMO project.

Federal DEMO ID: This five (5) character alphanumeric identifier is required for all Demonstration (DEMO) funded projects. The first two characters are alpha (represent name of state) and the last three (3) characters are numeric (sequential number for the state), e.g., CA015, CA016.

The federal DEMO ID is assigned by the FHWA and relates to a specific DEMO project identified in public law. The DEMO ID is listed in the allocation memo to the FHWA Division office in Sacramento from the FHWA in Washington, D.C.

(DEMO) Estimated Construction Date: Enter the estimated start date (MM/YYYY) of physical construction for the DEMO project with its appurtenant facilities. This information must be reported for all DEMO funded projects. This includes any removal, adjustment or demolition of buildings or major obstructions, and utility or railroad work that is a part of the contract for physical construction.

Related DEMO Project(s): Occasionally, a DEMO funded transportation project is funded by multiple DEMO IDs. FHWA administrative procedures require that a separate federal project numbers be established for each DEMO ID to facilitate the tracking of federal funds on a DEMO ID basis. For projects funded with multiple DEMO IDs, cross-reference any directly related FPNs.

MPO/RTPA: Enter the name of the Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA) within which the project is located.

Federal Funded Phases: Identify the project phases of work programmed to receive federal funds in the FTIP/FSTIP.

Federal Fund Types: Identify all fund types by federal or state program (e.g. STPL, CMAQ, HBP, STIP, etc.) and amounts programmed for the project.

FTIP/FSTIP/Year and No.: Enter the Federal Fiscal Year the FTIP/FSTIP was approved. For amendments to the FTIP/FSTIP, enter the amendment number and approval date. Federal Fiscal Year 2003/2004 is identified as 03/04

Approval Date: Enter the date that the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) approved the FTIP or FSTIP (or amendment thereto) for the work being authorized. Enter the date in a MM/DD/YY (i.e., 10/05/02) format.

Approved Expedited Project Selection Procedures (EPSP): Indicate (Yes or No) whether or not Caltrans has approved the appropriate MPO/RTPA’s EPSP.

EXHIBIT 3-P SAMPLE "DELEGATED PROJECT AUTHORIZATION"

FEDERAL AID PROGRAM

CALIFORNIA DEPARTMENT OF TRANSPORTATION

LOCATOR	08-SBD-0-SBD	PROJECT LOCATION	PREV. AUTH/AGREE DATE
PREFIX	CML	INTERSECTION OF PERSHING AND REDICK AVENUES	-----
PROJECT NO.	5033(029)		PE 08/05/02
SEQ NO	2		R/W
DIST-EA	08-924726L	TYPE OF WORK	CON
AGENCY	SAN BERNARDINO	LNG/LCNG REGIONAL REFUELING	SPR
ROUTE		FED. RR NOS	MCS
TIP DATA:		PUC CODE(S)	OTH
MPO/YEAR	SCAG	EXEMPT FROM FHWA REVIEW	APPR CODES Q400
DATE	01/02	ENV STATUS	LINE NOS 10
STIP REF:		R/W STATUS	IMPRV TYPE 15
		BEGIN MP .000	FUNC. SYS N
URBANIZED	SAN BENDO-RIVER	END MP .000	
URB/RURAL	URBAN AREA	INV RTE	
	PHASE	PROJECT COST	FEDERAL COST
	PREV. OBLIGATION	154500.00	136799.00
	PE THIS REQUEST	.00	-20.00
	SUBTOTAL	154500.00	136779.00
	TOTAL	154500.00	136779.00
			AC COST
			.00
			.00
			.00
			.00

PPNO - 08-2001017

STATE REMARKS

THIS PROJECT PROPOSES TO CONSTRUCT A REGIONAL FUELING STATION FACILITY FOR LNG/LCNG VEHICLES. THIS IS AN EXEMPT PROJECT. REQUEST FOR THE PRELIMINARY ENVIRONMENTAL. HN SEQUENCE #1 WAS A REQUEST FOR PRELIMINARY ENGINEERING FUNDS TO BE REIMBURSED WITH Q400 CMAQ FUNDS AT 88.53% UP TO THE FEDERAL AMOUNT SHOWN. PL THIS IS A REQUEST TO DE-OBLIGATE PRELIMINARY ENGINEERING FUNDS EXCEEDING THE MAXIMUM REIMBURSEMENT RATIO OF 88.53% AND TO MATCH THE FINANCE LETTER AMOUNT. REIMBURSE THE REMAINING Q400 CMAQ FUNDS AT 88.53% UP TO THE FEDERAL AMOUNT SHOWN. PL

	TOTAL COST	PART COST	FEDERAL FUNDS (Q400)	LOCAL FUNDS		
PREL. ENGR.	\$ 154,500	\$ 154,500	\$ 136,779	\$ 17,721		
AUTHORIZATION TO PROCEED WITH PRE FUNDS REDUCTION			PREPARED BY	ON 06/24/05	916-653-7349	
			REVIEWED BY	ON 06/24/05	8-453-7349	
			AUTHORIZED BY	ON 06/24/05		
ELECTRONIC SIGNATURE DOCUMENT TYPE MEND/MOD			SIGNED BY	ON 06/24/05	FOR CALTRANS	
			OBLIGATED BY	ON 06/27/05	FOR FHWA	
LATEST FHWA ELECTRONIC SIGNATURE			EXECUTED BY	ON 08/06/02		

Distribution: DLAE

This page intentionally left blank

CHAPTER 7 FIELD REVIEW

7.1 INTRODUCTION

In conjunction with the preliminary environmental investigation, an important early action in developing a local transportation project financed with federal-aid funds is the methodical and systematic collection of initial engineering and related project data and information. For this manual, this data gathering project-scoping step is called the “Field Review.”

Each agency should establish a process for clearly defining the location, scope, cost, and the other parameters considered when developing a project. This step is very important in guiding the project development team to the successful production of the Plans, Specifications and Estimate (PS&E).

The field review for local agency transportation projects off the State Highway System (SHS) serves the same purpose as the Project Study Report serves for state highway projects. It is intended to bring together all interested parties and come to an agreement on the project requirements necessary to comply with federal and state laws and regulations. For local agency projects on the SHS, consult the Caltrans *Project Development Procedures Manual* (<http://www.dot.ca.gov/hq/oppd/pdpm/pdpmn.htm>), the District Local Assistance Engineer (DLAE), and the project manager to coordinate development responsibilities.

The field review process considers and documents the following actions:

- Assigns a local agency project manager to oversee the project studies, PS&E development and/or construction.
- Brings together representatives from various involved or interested agencies, including, but not limited to, the agency, Caltrans, other regional and local agencies, transit districts, other state or federal permitting agencies, public utilities, and railroads. FHWA may also be represented.
- Affords an opportunity for discussions of alternative proposals.
- Secures agreement on general design features and exceptions to American Association of State Highway and Transportation Officials (AASHTO) standards, or 3R, or local standards selected for the project.
- Identifies pedestrian facilities within the project area that will or may need to be brought up to current federal, state and/or local standards to be Americans with Disabilities Act (ADA) compliant.
- Determines if the project is a federal-aid Intelligent Transportation Systems (ITS) project. If so, determines if it is a High-Risk (formerly “Major”), Low-Risk (formerly “Minor”) or Exempt ITS project.
- Determines timing and costs associated with preparing and processing required technical studies and the NEPA document (see “Environmental Procedures” included in Chapter 6, “Environmental Procedures,” of the *Local Assistance Procedures Manual* (LAPM) and Caltrans *Standard Environmental Reference* [SER] at this web site: <http://www.dot.ca.gov/ser/vol1/vol1.htm>).

- Determines right of way and relocation assistance requirements.
- Discusses and evaluates proposed funding, eligibility requirements, and federal or state participation.
- Determines who advertises, awards, administers (AAA), and maintains the proposed project.
- Defines the project schedule and target advertising date.
- Discusses value engineering analysis, for each federal-aid project on the federal-aid system with an estimated total cost of \$25 million or more and bridge projects with an estimated total cost of \$20 million or more. For more information on this subject, please see Chapter 12 “Plans, Specifications & Estimate,” Section 12.5 “Value Engineering Analysis,” of the LAPM.

7.2 TYPE AND REQUIREMENT FOR FIELD REVIEW

The type of field review chosen for a project depends on many factors including: highway system, project type (Delegated or High Profile), project complexity, total cost, and type of funds. The two types of field reviews are formal and informal.

PS&E AND CONSTRUCTION ADMINISTRATION PROCEDURES

When Caltrans requires a field review for significant NHS projects, PS&E and construction administration procedures (standards, agencies involved, use of consultants, project management, value engineering analysis, specifications, materials testing, etc.) will be discussed. The PS&E procedures will be put in writing for Caltrans' and FHWA's approval before the local agency starts final design (see Chapter 12, "Plans, Specifications & Estimate," of the LAPM).

The construction administration procedures will also be put in writing. The procedures must be approved by Caltrans and FHWA before construction will be authorized (see Chapter 15, *Advertise and Award Project* of the LAPM).

NHS projects that are not considered "significant" will not require these approvals.

OPTIONAL REVIEW

A field review is optional for all projects off the NHS (non-NHS). The field review is also optional for all NHS projects determined by Caltrans to be minor in nature. It is a suggested practice for all projects.

7.3 NOTIFICATION

The local agency contacts the DLAE to discuss when and how they wish to proceed with project implementation, if this was not already done as part of the initial project authorization process.

REQUIRED REVIEWS

For required field reviews, the DLAE determines the type of field review required and coordinates, as appropriate, with the local agency on scheduling. The DLAE notifies Caltrans and FHWA attendees. The local agency is responsible for making other review preparations and notifying other interested parties. Each attendee should receive a copy of the draft Field Review Form before the actual field review.

In addition to the District Local Assistance (DLA) representative, Caltrans attendees, when applicable, should include an environmental reviewer, a right of way reviewer, and a representative from the Office of Structure Design (if a structure is involved). In order to optimize their value to the local agencies, these Caltrans specialists should become familiar with the project prior to attending the field reviews. Others may attend as appropriate. If the project involves a state highway, a representative from the appropriate District Project Development or Traffic Branch must be contacted to determine their involvement in the project development, and the need for a Project Report and encroachment permit.

A representative from FHWA should be consulted for all High Profile projects. Request for FHWA consultation should be coordinated through the DLAE (see Chapter 2, "Roles and Responsibilities," and Chapter 6, "Environmental Procedures," for further details).

OPTIONAL FIELD REVIEWS

For projects that Caltrans has determined a field review is not required, the local agency is responsible for deciding whether to perform a field review (formal or informal) and for notifying all potentially affected agencies, utility companies, etc. and making arrangements for any on-site or office meetings. In deciding whether and how to conduct a review, an agency should consider the following factors: functional classification, project type and Delegated/High Profile status, project complexity, total cost, interested, and affected parties and type of funds.

If a local agency wishes Caltrans (or FHWA) staff to participate in the field review process, a request must be made to the DLAE. Caltrans participation is based on the following factors:

- Availability of Caltrans staff and time requirements
- Experience of local agency staff
- Complexity of project, type of structures
- Funding program
- Right of way and design issues

For railroad crossing projects, the PUC participates in the review process.

Discussions with the DLAE should also indicate whether Caltrans participation in any subsequent phases of the project is expected. This is especially important if PS&E reviews are needed for structures. Caltrans and the agency should reach a clear agreement early in the process on the extent of Caltrans staff participation in any phase of project development.

7.4 TENTATIVE PLANS

The local agency should have a tentative plan as well as horizontal and vertical alignment sketches available for review by participants, either prior to, or at the field review. On projects that involve bridges, the agency should also provide preliminary hydrologic and hydraulic data (see Exhibit 11-D). This information need not be in great detail, but sufficient to make an engineering review of the proposal.

7.5 PREPARATION OF FIELD REVIEW FORM

The local agency shall prepare and complete the Field Review Form (Exhibit 7-B [or DAF for ER projects]) for all federal-aid projects, even if a Field Review were not required. (For ER projects, the DAF is used in lieu of the Field Review Form, see Chapter 11 of the LAPG) The field review form documents the results and decisions of the field review and other initial project research. It also provides data necessary to prepare the “Request for Authorization” and the Program Supplement Agreement.

The field review process and documents should be completed, as early as possible. For Highway Bridge Program (HBP) funded (Bridge) projects, the field review documents, including major structure data sheets, must be completed prior to any request for authorization. For other types of projects, authorization for preliminary engineering may be granted prior to submittal of the field review to Caltrans when federal reimbursement is needed, to hire consultants or others in order to obtain information needed to complete the field review. The field review document must be completed and submitted prior to, or concurrently with the first occurrence of either step below:

INSTRUCTIONS FOR FIELD REVIEW FORM

The Applicant shall complete the Field Review Form in accordance with Chapter 7, “Field Review” of this manual. The District Local Assistance Engineer (DLAE) should be consulted for clarification. If Caltrans or other interested parties are to be involved in meetings, to assist in completion, the applicant should fill out the form as completely as possible prior to any meeting(s). The form must be completely filled out prior to submission of the PES Form.

Item 1. PROJECT LIMITS

Briefly describe the physical limits or nature of project. Attach a list, as needed, for multiple or various locations. Indicate length of project to nearest one-tenth of mile. Use 0.1, if a spot location. Include additional sheets, if needed, to clearly define the project location or scope of work.

Item 2. WORK DESCRIPTION

Briefly describe major components of the proposed work, e.g., signals, bridge replacement, ridesharing, pedestrian features, etc.

Item 3. PROGRAMMING DATA

All federal-aid funded projects (except Emergency Relief unless additional capacity is being added) are required to be included in a Regional Transportation Plan and the most current FHWA/FTA approved FSTIP. If project is within an MPO area, indicate the MPO or RTPA's FTIP¹ that includes the project and the fiscal years of the FTIP. Also list the page of the FTIP or Amendment Project Planning Number (PPNO), if available and the FHWA/FTA approval date. For non-MPO areas include the same information from FSTIP.

Indicate the federal funds and phases listed in the FTIP/FSTIP. For CMAQ projects name the Air Basin.

Item 4. FUNCTIONAL CLASSIFICATION

For a roadway project, check appropriate functional classification category. See the discussions of specific fund programs in the *Local Assistance Program Guidelines* (LAPG) for system eligibility. Indicate N/A for projects not related to a specific road or street system.

Item 5. STEWARDSHIP CATEGORY

For roadway projects, indicate if project is on the National Highway System (NHS), and whether project is FHWA Delegated or High Profile per Stewardship Agreement. With some exceptions, projects on the State Highway System are subject to Caltrans Oversight, and High Profile projects are subject to FHWA oversight; otherwise, the project is subject to DLAE oversight. Refer to Chapter 2 of this manual.

Item 6. CALTRANS ENCROACHMENT PERMIT REQUIRED

An encroachment permit is required for projects encroaching within the state highway right of way. The applicant should contact the District Permit Officer early in the process.

¹ The FTIP must be incorporated into an FHWA approved FSTIP.

Item 7. COST BREAKDOWN ESTIMATE

List estimated breakdown of all project phases and indicate phases for which federal participation will be requested. Include all known costs, but include each cost in only one group. Check whether "Value Engineering Analysis" is required for this project. (For structures-related projects financed with Highway Bridge Program [HBP] funds, the current HBP operating procedures limit preliminary engineering costs including environmental costs to twenty-five (25%) percent of the total construction cost. Any exceptions must be approved in writing by the HBP program manager.)

Item 8. PROPOSED FUNDING

Fill in total cost of federal-funded project, type, and amount of federal-aid funds, i.e. STP, CMAQ, etc., and the matching-fund breakdown.

If state funds are involved, indicate source such as STIP.

Item 9. PROJECT ADMINISTRATION

Indicate name of agency that will be responsible for administering each project phase. Also indicate the use of a consultant for any phase. Indicate if Caltrans' review of PS&E will be requested. If Yes, begin discussions with DLAE on availability of staff. All PS&E documents to be reviewed must be in Caltrans format.

Item 10. SCHEDULES

The local agency should indicate their proposed advertisement date. This will give the involved parties a date for scheduling. However, the discussion of requirements and time frames may require adjustment of the advertisement date. Critical dates in the schedule should be noted in the remarks.

ITEM 11. PROJECT MANAGER'S CONCURRENCE

The local agency project manager shall sign and date the field review form to signify agreement on the parameters proposed for development of the project. The DLAE and FHWA representative shall sign the document when attending field reviews. This document is then a guidance reference for further development of the project to assure that it adheres to the programmed concept, or that any changes is approved by the manager (and/or DLAE and FHWA, if appropriate).

Item 12. LIST OF ATTACHMENTS

The first two items are appropriate for all reviews. Others to be added depend on the type of project. For required field reviews, all applicable attachments must be submitted. For optional field reviews, see the "[t]" notations for attachments required for specific types of projects. All existing federal, state, or local Americans with Disabilities Act (ADA) deficiencies, if not identified on other Attachments, should be listed here

Note: The Federal Damage Assessment Form (DAF) shall be used as the field review document for Emergency Relief projects.

EXHIBIT 7-B FIELD REVIEW FORM

Local Agency _____ Field Review Date _____
 Project Number _____ Locator _____
 (Dst/Co/Rte/PM/Agncy) _____
 Project Name _____ Bridge No.(s) _____

1. PROJECT LIMITS (see attached list for various locations) _____

_____ Net Length _____ (mile)

2. WORK _____
 DESCRIPTION _____

ITS project or ITS element: Yes _____ No _____

If yes, choose: High-Risk (formerly "Major") ITS _____, Low-Risk (formerly "Minor") ITSt _____, Exempt ITSt _____

3. PROGRAMMING DATA FTIP (MPO/RTPA) _____ FY _____ Page _____

Amendment No. _____ FTIP PPNO _____ FHWA/FTA Approval Date _____

Federal Funds \$ _____ Phases PE _____ R/W _____ Const _____

Air Basin: _____ (CMAQ only)

4. FUNCTIONAL CLASSIFICATION:

URBAN _____

Principal Arterial: _____

Minor Arterial: _____

Collector: _____

Local: _____

RURAL _____

Principal Arterial: _____

Minor Arterial: _____

Major Collector: _____

Minor Collector: _____

Rural Local: _____

5. STEWARDSHIP CATEGORY

High Profile (Stewardship): Yes _____ No _____

Delegated (Stewardship): Yes _____ No _____ (a) DLAE oversight: Yes _____ No _____

(b) District Construction Yes _____ No _____

ITS High-Risk project or element requiring FHWA oversight per stewardship: Yes _____ No _____

6. CALTRANS ENCROACHMENT PERMIT Is it required? Yes _____ No _____

7. COST ESTIMATE BREAKDOWN \$1,000's Fed. Participation

(Including Structures)

PE	Environmental Process	_____	Yes	_____	No	_____
	Design	_____	Yes	_____	No	_____
	ITS System Manager or Integrator	_____	Yes	_____	No	_____
CONST	Const. Contract	_____	Yes	_____	No	_____
	Const. Engineering	_____	Yes	_____	No	_____
R/W	Preliminary R/W Work	_____	Yes	_____	No	_____
	Acquisition:	_____	Yes	_____	No	_____
	(No. of Parcels _____)	_____	Yes	_____	No	_____
	(Easements _____)	_____	Yes	_____	No	_____
	(Right of Entry _____)	_____	Yes	_____	No	_____
	RAP (No. Families)	_____	Yes	_____	No	_____
	RAP (No. Bus. _____)	_____	Yes	_____	No	_____
	Utilities (Exclude if included in contract items)	_____	Yes	_____	No	_____

TOTAL COST \$ _____

7a. Value Engineering Analysis Required? Yes _____ No _____
(Yes, if total project costs are
\$25M or more on the
Federal-aid System, or
\$20M or more for bridges)

8. PROPOSED FUNDING

Grand Total	Total Cost		Cost Share	
	\$ _____			
Federal Program #1 _____	\$ _____	Fed.	\$ _____	Reimb. Ratio _____
(Name/App. Code) #2 _____	\$ _____	Fed.	\$ _____	Reimb. Ratio _____
Matching Funds Breakdown	Local:		\$ _____	_____ %
	State:		\$ _____	_____ %
	Other:		\$ _____	_____ %

State Highway Funds? Yes _____ Source _____ No _____
State CMAQ/RSTP Match Eligible Yes _____ No _____ Partial _____
Is the Project Underfunded? (Fed.\$ < Allowed Reimb.) Yes _____ No _____

9. PROJECT ADMINISTRATION

		Agency	Consultant	State
PE	Environ Process	_____	_____	_____
	Design	_____	_____	_____
	System Man./Integ. _____	_____	_____	_____
R/W	All Work	_____	_____	_____
CONST.ENGR	Contract	_____	_____	_____
CONSTRUCTION	Contract	_____	_____	_____
MAINTENANCE		_____	_____	_____

Will Caltrans be requested to review PS&E? Yes _____ No _____

10. SCHEDULES: PROPOSED ADVERTISEMENT DATE _____
Other critical dates: _____

11. PROJECT MANAGER'S CONCURRENCE

Local Entity _____ Date: _____

Signature & Title _____ Phone No. _____

Is field review required? Yes _____ No _____

Caltrans (District): _____ Date: _____

Signature & Title: _____

12. LIST OF ATTACHMENTS (Include all appropriate attachments if field review is required. See the "[.]" notation for minimum required attachments for non-NHS projects)
_____ Field Review Attendance Roster or Contacts Roster
_____ Vicinity Map (Required for Construction Type Projects)

- The major features of the proposal and alternatives thereto.
- The location of any wetlands crossed by a project shall be identified.
- A discussion on the feasibility of providing a means of public access to any navigable river over which a new bridge is to be constructed.
- A discussion on the requirements for California Transportation Commission approval of any proposed new connections to freeways, where applicable.
- A discussion on tentative right of way requirements, the schedule of acquisition, the estimated number of families, business and other concerns to be relocated, housing availability, and the relocation assistance program.
- A discussion on the tentative time schedule for construction noting any significant items that may affect the schedule.
- A discussion of any other items that may be informative because of the particular conditions of the proposal.

8.8 RECORD OF PUBLIC HEARING

Whenever a formal or open forum public hearing is held, a Record of Public Hearing is prepared to provide documentation of the proceeding. The Record of Public Hearing includes a title page, table of contents, resume of the hearing, index of speakers, a verbatim transcript, reproductions of displays, documents submitted for the record, reproductions of publicity items (including public hearing notices) and a list of invitations. The open forum hearing record shall also include a synopsis of the comments, concerns and questions discussed with the public but not entered into the formal “verbatim” transcript.

Copies of the Record of Public Hearing shall be forwarded to the DLAE. Additional copies may be requested by the DLAE. Requests for additional copies normally are made at the time of the hearing.

8.9 REHEARING

The findings and conclusions of the public hearing are valid only as long as the conditions surrounding the original hearing remain constant.

Federal regulations (40 CFR 1502.9 [c]) require that the local agency prepares supplements to either draft or final environmental impact statement if:

- The agency makes substantial changes in the proposed action that are relevant to environmental concerns, or
- There are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts (e.g., substantial unanticipated development in the area affected by the proposal)

A new public hearing or opportunity for a public hearing is required under either of the above scenarios.

The local agency is responsible for reassessing changes in project location and design features and changes in the surrounding area and shall prepare, circulate, and file a supplement to an environmental impact statement in the same fashion (exclusive of scoping) as a draft and final statement, and schedule rehearing as necessary.

8.10 LOCATION AND DESIGN APPROVAL

Caltrans District Director's approval of the final environmental document constitutes location and design approval.

CHAPTER 12 PLANS, SPECIFICATIONS, & ESTIMATE

12.1 INTRODUCTION

For locally administered projects on the State Highway System (SHS), the local agency must enter into a cooperative agreement with Caltrans to establish the responsibility for project Plans, Specifications & Estimates (PS&E) (see Caltrans *Cooperative Agreement Manual*).

The preparation of the plans, specifications, and estimate (PS&E) for local federal-aid projects off the SHS is the responsibility of the local agency.

Except for major National Highway System (NHS) projects, local agencies will certify that their project PS&E complies with all applicable federal and state regulations and procedures. The “PS&E Checklist” form is included as Exhibit 12-D in this chapter and summarizes the items requiring local agency compliance. The local agency’s project PS&E certification checklist must be submitted to the Caltrans District Local Assistance Engineer (DLAE) along with their “Request for Authorization” to proceed with construction. Local agency’s PS&Es are reviewed on a periodic basis as part of Caltrans’ process review program.

High cost federal-aid projects in which the total project costs are expected to be \$100 million or more, require an annual Financial Plan be prepared when all elements of the plan are fully known, but not later than the request for authorization of federal financial assistance for construction. Caltrans/FHWA may request submittal of the Financial Plan for projects of \$100 million or more on a project-by-project basis. **FHWA has now requested that Financial Plans for projects of \$100 million or more be submitted to the Caltrans DLAE.** Submittal of the Financial Plan and Project Management Plan are required for projects of \$500 million or more. Major federal-aid projects of \$500 million or more require a draft Project Management Plan be prepared and submitted to Caltrans/FHWA prior to the environmental determination. FHWA also requires a Cost Estimate Review be performed prior to NEPA completion and prior to construction authorization. Final Project Management Plan be submitted within 90 days after the environmental determination. For more information see Chapter 2 “Roles and Responsibilities,” of the *Local Assistance Procedures Manual* (LAPM).

The policies and procedures contained in this chapter reflect current federal requirements for the PS&E phase of local federal-aid projects off the SHS. These instructions do not necessarily address the relevant state laws and local regulations with which a local agency must also comply.

DEFINITIONS

Design Standards - The standards, specifications, procedures, guides and references listed herein that are acceptable for application in the geometric and structural design of federal-aid projects (see Chapter 11, “Design Standards” of the LAPM).

Controlling Criteria - The specific minimum criteria and controls contained in the design standards for highway projects that are considered of primary importance for safety. Deviations from these controlling criteria require design exception approval (see Chapter 11, “Design Standards” of the LAPM).

Cost-Effectiveness/Public Interest Finding – A written document outlining the basis for a proposed deviation from a standard procedure as required in Title 23 of the Code of Federal Regulations. The finding contains supporting documentation such as cost /benefit analysis, product compatibility, etc., and includes reasons that the proposed deviation is considered to be cost-effective or for the public’s best interest. Exhibit 12-F, “Request for Approval of Cost-Effectiveness/Public Interest Finding” of this chapter, is a preprinted blank form that should be used by local agencies to prepare a “Cost-Effectiveness/Public Interest Finding.” Caltrans and FHWA approval is required for local agency projects that are “High Profile.”

Design Exception Approval - A process to justify, approve, and document allowable deviations from controlling criteria.

Specifications - The directions, provisions, and requirements contained in the contract documents for a specific construction project. Included are various proposal conditions, contract administration provisions, required construction methods, and technical requirements for materials.

Standard Specifications - A published document that contains commonly used specifications developed for use as a reference for construction contract documents.

Standard Plans - A collection of plan details developed for use as a reference for construction contract documents. Included are standard abbreviations, symbols, design notes, design conditions and data, construction details, specifications, layouts, and measurement and payment details.

This page intentionally left blank

12.2 PS&E PROCEDURES FOR SIGNIFICANT NHS PROJECTS

For significant projects on the NHS, the local agency's written PS&E procedures must be approved by Caltrans before final design is started. The DLAE will determine which projects require this approval at the field review (see Chapter 7, *Field Review*, of this manual). The procedures should identify changes from the procedures described in this chapter and as a minimum cover the following items:

- Project Management personnel and procedures
- Highway Design Standards (and any other Technical standards as appropriate)
- Consultant Selection procedures
- Project DBE participation procedures
- Review and approval procedures
- Oversight procedures if a State highway is involved
- Maintenance of records and Access

The DLAE should consult with headquarters Division of Local Assistance (DLA) for assistance with the review of the local agency procedures.

12.3 ENVIRONMENTAL PROCEDURES

The Code of Federal Regulations, Title 23 (Highways), Part 771.113 (23 CFR 771.113) prohibits starting work on the final design phase of a federally funded project until after approval of the final environmental document (see Chapter 6 "Environmental Procedures" of this manual). Failure to comply with this requirement will make a project ineligible for federal reimbursement.

COMPLIANCE WITH ENVIRONMENTAL LAWS

The local agency is responsible for ensuring that mitigation measures presented as commitments in environmental documents, and that conditions and restrictions, associated with regulatory permits, are incorporated into appropriate contract documents, plans, specifications and estimates prior to proceeding with major construction activities such as land acquisition or construction. Environmental documents referred to here may be a Categorical Exclusion (CE), Environmental Assessment (EA), or Environmental Impact Statement (EIS).

Failure to meet mitigation commitments may render the project ineligible for federal reimbursement.

Omission or modification of a mitigation commitment, thereby creating new significant environmental effects, will result in the need to prepare a re-evaluation to assess any changes that have occurred and their effect on the validity of the environmental document. Changes in project design, applicable laws or regulations, or environmental impacts may also require environmental re-evaluation, including additional studies, consultation and public involvement. If the document is an EIS, a Supplemental EIS may be required.

PRELIMINARY DESIGN

Local agencies may complete all necessary design work needed to complete the environmental document or to comply with other environmental laws during the National Environmental Policy Act (NEPA) process. This should not be construed as an authorization to proceed with final design for the entire project, but only for those aspects of the project necessary to consider specific environmental concerns. An example of this is where such work is necessary to permit the full evaluation of environmental impacts and to permit the consideration of appropriate mitigation measures, e.g., impacts to wetlands, Section 4(f) areas and resources covered by Section 106 of the National Historic Preservation Act.

FINAL DESIGN

Local agencies may not proceed with final design activities until Caltrans District Senior Environmental Planner (SEP) and the DLAE have signed the CE Form, Caltrans Deputy District Director has signed the Finding of No Significant Impact (FONSI), or Caltrans District Director has signed the Record of Decision (ROD). Granting approval to proceed with final design prior to final environmental approval would be a premature commitment to one alternative at a time when other alternatives, including the alternative of taking no action, are still being actively considered in the environmental process. Upon final environmental approval, it is incumbent upon the DLAE to immediately provide notification to the local agency and a copy of the approved environmental determination or documents.

Local agencies are required to provide a list of mitigation commitments to the DLAE (for projects processed with a CE), provide a list of mitigation commitments in the FONSI (for projects processed with an EA), and provide a list of mitigation commitments in the ROD (for projects processed with an EIS).

Unique mitigation commitments including but not limited to, excavation of historic sites, protection of public-owned public parklands, removal and disposal of hazardous materials, and the establishment of sensitive plant communities or wetland mitigation sites are often complex and require technical expertise in the translation and transfer into final design. Any plant establishment and monitoring periods must also be addressed during final design.

For complex projects, Caltrans staff is available to assist in the translation and proper transfer of mitigation commitments into the final design. Caltrans assures that mitigation commitments and any required ongoing maintenance of mitigation are implemented by conducting periodic process reviews.

PERMITS

The local agency is also responsible for translating permit conditions and restrictions into the final design. Permits include, but are not limited to: Army Corps of Engineers (ACOE) Section 404 Nationwide Permit; Section 404 Individual Permit; NEPA/404 Integration MOU, Section 10 Permit; United States Coast Guard (USCG) Bridge Permit; Regional Water Quality Control Board (RWQCB) Section 401 Water Quality Certification; RWQCB National Pollution Discharge (NPDES) Permit; California Department of Fish and Game (CDFG) Streambed Alteration Agreement; California Coastal Commission

(CCC) Coastal Zone Permit, and Bay Conservation and Development Commission (BCDC) Permit. Typical mitigation includes hay bales, silt fencing, dust control, riprap, soil stabilization matting, slope drain, turbidity barrier, etc.

Local agencies should work closely with the permitting agency to ensure accurate translation and proper transfer of permit conditions and restrictions (as appropriate) into final design. Conversations with regulatory agencies regarding translation of permit conditions and restrictions should be well documented.

DOCUMENTATION

Well documented records, referencing the page numbers and/or plan sheets on which commitments are illustrated, should be maintained by the local agency, as this information will be necessary when certifying PS&E. This information will also be useful during process reviews.

12.4 METHOD OF CONSTRUCTION

CONTRACTING METHOD

Except as noted below, all federal-aid construction projects must be completed by contracts awarded to the lowest responsible bidder of a competitive bid process (23CFR 635.104). In addition, **local agencies may not, under any circumstances, negotiate with a bidder prior to award to reduce the price of a construction contract.**

Occasionally, situations arise which may support the use of a contracting method other than competitive bidding. Noncompetitive construction contracting may be approved under the following conditions:

- When an emergency exists of such magnitude that work cannot be delayed
- There is only one organization qualified to do the work
- Competition is deemed inadequate after soliciting bids
- When it is more cost effective to do the project by “force account” (defined below)

The use of a non-competitive contracting method must be thoroughly justified in writing (generally by the use of a Public Interest Finding), submitted to the Caltrans DLAE for approval, documented in the project files, and retained for future reference. For local federal-aid projects that are “High Profile” (see Chapter 2, *Roles and Responsibilities*), justification must be submitted to the DLAE for FHWA’s review and approval.

FORCE ACCOUNT (DAY LABOR)

Federal regulations (23 CFR 635.203) defines “force account” as the direct performance of construction work by a local agency, railroad, or public utility using labor, equipment, materials and supplies furnished by them and under their direct control. Payment under force account is based on the actual cost of labor, equipment, and materials furnished, with consideration for overhead and profit.

Since work by force account is an exception to the normal contract method, which is based on competitive bidding, each local agency must also look to its own charter and applicable state code(s) when considering work by force account.

- No warranty requirements shall be approved which may place an undue obligation on the contractor for items over which the contractor has no control.

The local agency shall provide documentation of these conditions in the project files. Local agencies are advised that items of maintenance are not eligible for federal participation. Including maintenance items will result in the items being considered non-participating and requiring pay back of the federal funds involved.

PROPRIETARY ITEMS

It is the policy of the FHWA not to participate, directly or indirectly, in payment for any premium or royalty on any patented or proprietary material, specification, or process specifically set forth in the plans and specifications for a federal-aid project unless:

- The item is purchased or obtained through competitive bidding with equally suitable unpatented items.
- The local agency certifies either in a Public Interest Finding (PIF) that the proprietary or patented item is essential for synchronization with the existing highway facilities or that no equally suitable alternative exists, or
- The item is used for research or for a special type of construction on relatively short sections of road for experimental purposes.

This FHWA policy is applicable to local agency projects both on and off the NHS.

The primary purpose of this policy is to have competition in selection of materials and allow for development of new materials and products. The policy further permits:

- Materials and products that are judged equal may be bid under generic specifications. If only patented or proprietary products are acceptable, they shall be bid as alternatives with all, or at least a reasonable number of acceptable materials or products listed.
- The local agency may approve a single source if it can be found that its utilization is in the public interest. The approved PIF shall be fully documented and retained in the project files.

Trade names are generally the key to identifying patented or proprietary materials. Trade name examples include 3M, Corten, etc. Generally, products identified by their brand or trade name are to be used all or at least a reasonable number of these materials or products should be listed. The licensing of several suppliers to produce a product does not change the fact that it is a single product and should not be specified to the exclusion of other equally suitable products.

EQUIPMENT RENTAL RATES

Federal policy requires that actual costs be used to determine extra work payments; however, actual equipment costs are not readily available. Therefore, the FHWA permits the local agencies to specify in their construction contract specifications the use of predetermined rate guides as well as equipment rates schedules development by the local agency which are in conformance with the federal cost principles and the FHWA's policy

contained in the *Contract Administration Core Curriculum*, published by the FHWA. Caltrans' Equipment Rental Rates are in conformance with these requirements.

12.13 ESTIMATES

The estimate used to authorize the construction phase of a federal-aid project shall reflect the anticipated cost of the project in sufficient detail to provide an initial prediction of the financial obligations to be incurred by the local agency and FHWA and to permit an effective review and comparison of the bids received.

Initially, a preliminary estimate is prepared by the local agency, which includes the basic items that a contractor will be asked to bid. This is a confidential document, which represents the local agency's best estimate of a fair and reasonable price for the items or work to be performed. As such, the Engineer's Estimate should not be made available to contractors and the general public prior to opening bids. This estimate must be prepared in a format, which describes the item of work, unit amount, quantity, unit price, amount, a subtotal, contingencies and a total. (Exhibit 12-A, *Preliminary Estimate of Cost*, or equivalent.)

Other estimates must also be prepared, if appropriate, for local agency furnished materials, supplemental work, construction engineering, the Federal Trainee program, and force account (day labor) work performed by the local agency. The estimates must be segregated by major construction categories. Furthermore, any items of work, which are ineligible for federal participation in a category, must be segregated from the eligible items of work.

These estimates are used to prepare the Finance Letter and the "Request for Authorization for Construction." After bids are opened and the project has been awarded, a Detail Estimate is prepared by the local agency, which upgrades the preliminary estimate by using actual bid amounts rather than estimates. For more information on detail estimates, refer to Chapter 15. *Advertise and Award*, of this manual.

NONPARTICIPATING WORK

On all federal-aid construction projects, work which is not within the limits of the project must be segregated under a category called "Not Part of Federal Project" for purposes of the preliminary and detail estimates (work funded by others is most generally nonparticipating).

Work within the federal-aid project limits, but ineligible for federal funding, is referred to as "nonparticipating work." Items considered "nonparticipating work" include but are not limited to the following:

- Betterment work such as capital outlay, safety improvements, or operational improvements that goes beyond restoring a site to its original condition or to the current standard (for emergency relief work)
- Right of way obligations when right of way is nonparticipating
- Maintenance related activities
- Spare parts not incorporated in the work

The checklist has been designed to facilitate this review by providing space for the local agency to indicate the page number of the appropriate federal provisions. This review will help the local agencies become familiar with the use of the checklist and the corresponding federal contract provisions. It will not, however, relieve the local agency of responsibility for compliance with all federal requirements.

DLAE ACCEPTANCE OF THE CHECKLIST

The DLAE will indicate acceptance of the checklist by checking the type of review (i.e. whether the checklist review included a review of the special provisions) and signing the form. The local agency's request for authorization for the construction phase of a project will not be forwarded to the Division of Local Assistance (DLA) for approval prior to acceptance by the DLAE.

SUBMITTAL OF PLANS, SPECIFICATIONS AND ESTIMATE (PS&E)

As a minimum, local agencies will submit the contract special provisions and the preliminary estimate with the PS&E Certification Letter. At the discretion of the DLAE, a set of plans will be also required. The plan requirement may be waived based on past experience with the agency and the number of federal-aid projects the agency has completed previously. As soon as the project is advertised, the local agency shall furnish the DLAE one copy of the "as advertised" plans and special provisions, or two copies if structures (bridges) are involved.

PROCESS REVIEW

Process reviews of a random sample of the local agency PS&E packages will be conducted as needed. The process reviews will be conducted on a "post audit" basis. Local agencies should be aware that if deficiencies are found during a process review, it may be too late to make corrections and the loss of all or a portion of the project federal funding will result.

12.16 PROJECTS WITHOUT TRADITIONAL PS&E

Some projects, on or off the NHS, such as Congestion Mitigation and Air Quality (CMAQ) and Transportation Enhancement (TE) may consist of studies and other nonconstruction type projects. Examples include: Traffic Demand Management (TDM) studies relating to regional air quality, ride sharing, commuter incentives and commuter computer centers.

These projects will not have a set of plans or PS&E, but may only consist of a consultant contract agreement. The local agency shall submit the following to DLAE (see Exhibit 12-B Scope of Work-CMAQ/TE Project in this chapter):

- Workplan
- Budget, with schedule
- Consultant agreement
- Request for Authorization form (prior to consultant approval)

Unlike the traditional PS&E, these studies are submitted for preliminary engineering, only. The project work plan, budget, and consultant agreement are submitted in lieu of PS&E and a detailed estimate. If the project is part of a regional study done by a Metropolitan Planning Organization (MPO), then the local federal-aid portion of the work plan must be segregated to show the project costs associated with each local agency.

12.17 REFERENCES

The Civil Rights Act of 1964	23 CFR 230.111
STAA Section 165	23 CFR 635.410
23 USC 106(b)(2)	23 CFR 627.5
23 USC 112	23 CFR 630.1010(a)(2)
23 USC 113	23 CFR 633
23 USC 114	23 CFR 635.410
23 USC 140	23 CFR 771.113
23 USC 140(b)	25 CFR 170
23 USC 313	28 CFR 35
23 USC 315	29 CFR 1,3,5
23 USC 324	29 CFR 1630
25 USC 472a	29 CFR 1926
40 USC 276 (a) Davis-Bacon & (c) Copeland Act	41 CFR 60
40 USC 333	48 CFR 31
23 CFR 200	49 CFR 1.48
23 CFR 230	49 CFR 20
23 CFR 230 A&D	49 CFR 21
	49 CFR 26
	Section 6730-6749 California Business and Professions Code

Presidential Executive Order 13202 "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects" dated February 17, 2001 (Federal Register: February 22, 2001; Volume 66, Number 36, Presidential Documents, Pages 11225-11226)

Presidential Executive Order 13208 "Amendment to Executive Order 13202 Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects," dated April 6, 2001 (Federal Register: April 11, 2001; Volume 66, Number 71, Presidential Documents, Pages 18717-18718)

Caltrans Memorandum to "All District Directors" dated June 12, 2000; Subject: Delegation of Authority for Use of A+B Bidding and Incentive/Disincentive (I/D) Provisions

Joint Stewardship and Oversight Agreement between FHWA and Caltrans, <http://www.dot.ca.gov/hq/oppd/stewardship/>

SAFETEA-LU Web site: <http://www.fhwa.dot.gov/safetealu/index.htm>

http://www.dot.ca.gov/hq/LocalPrograms/lam/prog_p/p09crdbe.pdf

<http://www.dot.ca.gov/hq/LocalPrograms/public.htm>

<http://www.ada.gov/stdspdf.htm>

http://www.access.gpo.gov/nara/cfr/waisidx_04/28cfr35_04.html

PS&E CHECKLIST

Agency _____

Federal Project No. _____

This form is to be completed by the local agency and attached to the PS&E Certification. See Exhibit 12-E for instructions and the referenced attachments

I. HIGHWAY SYSTEM

- ☐ On the National Highway System (NHS)
☐ Off the NHS

II. FUNCTIONAL CLASSIFICATION (Check as many as appropriate)On the Federal-aid System

- | | |
|---|---|
| <input type="checkbox"/> Urban Principal Arterial - Fwy or Expwys | <input type="checkbox"/> Rural Principal Arterial |
| <input type="checkbox"/> Urban Principal Arterial - Other | <input type="checkbox"/> Rural Minor Arterial |
| <input type="checkbox"/> Urban Minor Arterial | <input type="checkbox"/> Rural Major Collector |
| <input type="checkbox"/> Urban Collector | |

Off the Federal-aid System

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> Urban Local | <input type="checkbox"/> Rural Minor Collector |
| | <input type="checkbox"/> Rural Local |

III. TYPE OF CONSTRUCTION (Check appropriate box)

- ☐ New or Reconstruction
☐ Resurfacing, Restoration and Rehabilitation (3R)
☐ Preventive Maintenance

IV. METHOD OF CONSTRUCTION**A. Contracting Method** (Check appropriate box)

- ☐ Competitive bidding
☐ Other than competitive bidding

(If the contracting method is other than competitive bidding, check appropriate box below.)

- ☐ The project is "Delegated" and subject to minimal FHWA oversight. A Public Interest Finding has been submitted to the DLAE for approval and filed in the contract records justifying the method.
- ☐ The project is "High Profile" and subject to a high degree of FHWA oversight. A Public Interest Finding justifying the method has been submitted and approved by Caltrans and FHWA.

B. Force Account (Day Labor) (Check appropriate box)

- ☐ The entire work will be constructed by contract as indicated above.
- ☐ Some work (incidental to the main purpose of the project) will be constructed by Force Account. A Public Interest Finding approved by the DLAE is on file in the contract records justifying the work.
- ☐ The entire project will be constructed by Force Account (Day Labor).

(If the entire project will be constructed by Force Account (Day Labor))

- ☐ The project is "Delegated" and subject to minimal FHWA oversight. A Public Interest Finding has been submitted to the DLAE for approval and filed in the contract records justifying the method.
- ☐ The project is "High Profile" and subject to a high degree of FHWA oversight. A Public Interest Finding justifying the method has been submitted and approved by Caltrans and FHWA.

V. ENVIRONMENTAL ANALYSIS (Check box if requirement is met)

- ☐ The PS&E is fully responsive to the necessary actions called for by the environmental document, permit conditions, and other agreements.

VI. VALUE ENGINEERING (VE) ANALYSIS (Check appropriate box)

- ☐ VE analysis has been performed on this project and a copy of the analysis has been submitted to the DLAE for forwarding to the Caltrans District Value Analysis Coordinator.
- ☐ The project is not a bridge project. VE analysis has not been performed as the estimated total project cost is <\$25 million.
- ☐ The project is a bridge project. VE analysis has not been performed as the total project cost is <\$20 million.

VII. GEOMETRIC DESIGN STANDARDS (Complete this section if project changes existing geometrics)

A. Geometric Design Standards Used (Check appropriate box)

- ☐ Caltrans Design Standards (on State Highway System)
- ☐ Current AASHTO Standards
- ☐ 3R Projects - Minimum Standards for Geometric Design of Federal-Aid Resurfacing, Restoration, and Rehabilitation Projects on Local Streets and Roads, *Local Assistance Procedures Manual*, State of California Department of Transportation.
- ☐ Local Agency Design Standards Date approved _____

B. Deviations from Controlling Criteria (check appropriate box for each controlling criteria)

Criteria Met	Design Criteria Not Met	Design Exception Approval Date	Controlling Criteria
<input type="checkbox"/>	<input type="checkbox"/>	_____	Design Speed
<input type="checkbox"/>	<input type="checkbox"/>	_____	Lane Width
<input type="checkbox"/>	<input type="checkbox"/>	_____	Shoulder Width
<input type="checkbox"/>	<input type="checkbox"/>	_____	Bridge Width
<input type="checkbox"/>	<input type="checkbox"/>	_____	Horizontal Alignment
<input type="checkbox"/>	<input type="checkbox"/>	_____	Vertical Alignment
<input type="checkbox"/>	<input type="checkbox"/>	_____	Grades
<input type="checkbox"/>	<input type="checkbox"/>	_____	Stopping Sight Distance
<input type="checkbox"/>	<input type="checkbox"/>	_____	Cross Slopes

PS&E CHECKLIST INSTRUCTIONS

The PS&E Checklist is to be completed by the local agency in accordance with the following instructions and attached to the PS&E Certification.

I. HIGHWAY SYSTEM

Some PS&E requirements depend on whether the project is on or off the National Highway System (NHS). See *Local Assistance Program Guidelines* (LAPG), Chapter 3 Section 3.3 “Federal-Aid Routes and Functional Classifications,” for a listing of the local agency NHS routes.

Check the appropriate box indicating on which system the project is located.

II. FUNCTIONAL CLASSIFICATION

Federal-aid eligibility, design standards as well as some PS&E requirements depend on the functional classification of the route the project is on. See LAPG, Chapter 3, “Federal-Aid Routes and Functional Classifications,” for a discussion of the functional classification system.

Check the appropriate box

III. TYPE OF CONSTRUCTION

Design standards as well as some oversight responsibilities depend on the type of construction. See Chapter 2 of this manual for definitions and check the appropriate box.

IV. METHOD OF CONSTRUCTION

A. CONTRACTING METHOD

Unless justified by a PIF (Exhibit 12-F in this chapter), all federal-aid construction contracts must be awarded to the lowest responsible bidder of a competitive bid process. For “Delegated” projects that are subject to minimal FHWA oversight, Caltrans must approve the PIF if it meets the conditions described in Chapter 12. Caltrans and FHWA must approve the PIF for “High Profile” projects that are subject to a high degree of FHWA oversight before accepting the local agency’s PS&E Certification.

Check the appropriate box.

B. FORCE ACCOUNT (DAY LABOR)

A PIF (Exhibit 12-F in this chapter) must justify any force account construction work performed by the local agency. When the entire project will be constructed by the local agency, and the project is “High Profile,” the PIF shall be submitted to the District Local Assistance Engineer (DLAE) for Caltrans and FHWA approval before accepting the local agency’s PS&E Certification. The PIF will be approved by Caltrans for all other force account (day labor) work.

Check the appropriate boxes and process the PIF as required.

V. ENVIRONMENTAL ANALYSIS

The preparation of PS&E must reflect findings of the environmental analysis performed for the project. By checking the box, the agency certifies that the necessary actions called for by the environmental documents have been responded to in the PS&E. Failure to check the box will result in denial of the Request for Authorization.

VI. VALUE ENGINEERING (VE) ANALYSIS

The application of value engineering (VE) is required for: (1) all federal-aid highway projects with a total estimated project cost of \$25 million or more, and (2) all bridge projects with a total estimated project cost of \$20 million or more. Check appropriate box.

VII. GEOMETRIC DESIGN STANDARDS

If the project does not change existing geometrics, Section A and B do not apply and the local agency is not required to check any boxes in these sections.

A. GEOMETRIC DESIGN STANDARDS USED

New and reconstruction projects on the NHS shall be designed in accordance with Standards as defined in the current edition of *A Policy on Geometric Design of Highways and Streets*, published by the American Association of State Highway and Transportation Officials (AASHTO). The minimum standards for geometric design of local federal-aid resurfacing, restoration and rehabilitation (3R) projects on the NHS are shown in Tables 11-1 through 11-10 in Exhibit 11-A. Local geometric design standards that have been developed for use on locally funded new and reconstruction, or 3R projects off the NHS, may be used subject to the conditions listed in Chapter 11, "Design Standards."

Check appropriate box if this section applies.

B. DEVIATIONS FROM CONTROLLING CRITERIA

The controlling criteria listed are considered to be of primary importance for highway safety, and deviations require design exception approval procedures as described in Chapter 11, "Design Standards," of the LAPM. Check whether the criteria have been met on this project. If a design exception has been approved, indicate the approval date. Documentation shall be retained in the project files.

VIII. BRIDGE DESIGN PROCEDURES

All bridges shall be designed in accordance with the current edition of the *Caltrans Bridge Design Specifications Manual*. Check if requirement met, or if the project does not include any bridge construction indicate requirement does not apply.

IX. STANDARD PLANS

For projects off the State Highway System, the local agency may use Caltrans Standard Plans, Standard Plans for Public Works Construction, or subject to the conditions described in Chapter 11, "Locally Approved Standard Plans." Check appropriate box.

U.S DEPARTMENT OF TRANSPORTATION		FEDERAL HIGHWAY ADMINISTRATION		CALIFORNIA DEPARTMENT OF TRANSPORTATION	
REQUEST FOR APPROVAL OF COST-EFFECTIVENESS/PUBLIC INTEREST FINDING					
COST-EFFECTIVENESS DETERMINATION REQUIRED			PUBLIC INTEREST DETERMINATION REQUIRED		
<input type="checkbox"/> Use of force account (day labor) (23 CFR 635.201)* <input type="checkbox"/> Use of publicly owned equipment (23 CFR 635.106) <input type="checkbox"/> Other: _____			<input type="checkbox"/> Use of non-competitive negotiated consultant contracts (23 CFR 172.5)* <input type="checkbox"/> Use of publicly furnished materials (23 CFR 635.407) <input type="checkbox"/> Use of proprietary products and processes (23 CFR 635.411) <input type="checkbox"/> Use of contracting method other than competitive bidding (23 CFR 635.104/204)* <input type="checkbox"/> Use of mandatory borrow/disposal sites (23 CFR 635.407) <input type="checkbox"/> Advertising period less than 3 weeks (23 CFR 635.112)* <input type="checkbox"/> Waiver of Buy America Requirements (23 CFR 635.410)** <input type="checkbox"/> Other: _____ * Requires Caltrans District approval ** Requires FHWA approval		
FEDERAL-AID PROJECT	CLASS OF FEDERAL FUNDS: <input type="checkbox"/> IM <input type="checkbox"/> NH <input type="checkbox"/> STP <input type="checkbox"/> OTHER:				
	STEWARDSHIP: <input type="checkbox"/> DELEGATED <input type="checkbox"/> HIGH PROFILE				
EA	DIST-CO-RTE- PM	ESTIMATED COST	FEDERAL FUNDS		
GENERAL LOCATION		GENERAL DESCRIPTION OF WORK:			
REASONS THAT REQUESTED APPROVAL IS CONSIDERED TO BE COST-EFFECTIVE OR IN THE PUBLIC'S BEST INTEREST (STATE):					
REMARKS (STATE) :					
PREPARED/APPROVED BY LOCAL AGENCY'S REPRESENTATIVE		REPRESENTATIVE NAME AND TITLE:		Date:	
*APPROVED BY DISTRICT LOCAL ASSISTANCE ENGINEER (DLAE)		DLAE NAME:		Date:	
**APPROVED BY FHWA (Buy America Waiver only)		FHWA REPRESENTATIVE NAME:		Date:	

Distribution: 1) Local Agency File –Original 2) DLAE –Copy 3) Caltrans Project Manager -Copy if on the SHS

INSTRUCTIONS

1. Check appropriate box under “Cost-Effective Determination Required” or “Public Interest Determination Required.”
2. Check “Class of Funds” as follows: IM-Interstate Maintenance, NH-National Highway, STP-State Transportation Program, Other (all other classes).
3. Provide the Federal-aid Project EA number in first column.
4. Identify Caltrans District-County-State Route-Post Mile, or City and street in second column.
5. List Estimated Cost of the portion of the project subject to this PIF.
6. List the amount of the Federal Funds in the portion of the project subject to this PIF.
7. Describe “General Location” applicable to this PIF.
8. Provide “General Description of Work” affected by this PIF.
9. Explain and give “Reasons that requested approval is considered to be cost-effective, or in the public’s best interest.” Provide cost analysis or comparison as evidence of cost-effectiveness.
10. “Remarks” is for the Local Agency Representative preparing the Finding.
11. Signature, Name, and Title of Local Agency Representative preparing or approving PIF, as appropriate, and Date.
12. Signature and Name of District Local Assistance Engineer approving the PIF, as required, and Date.
13. Signature and Name of FHWA representative approving the PIF for Buy America waivers, and Date.

CHAPTER 13 RIGHT OF WAY

13.1 GENERAL

“Right of Way” refers to the real property rights, which local agencies must possess to construct local assistance transportation projects utilizing federal funds. The provisions of this chapter apply to all local assistance projects involving federal funds off the State Highway System (SHS), whether or not these funds are expended for purchase of real property rights. When local agency projects are performed on the SHS or any portion thereof, the local public agency must follow the Caltrans Manuals that apply to the work being done, among them, the *Right of Way Manual* and the *Cooperative Agreement Manual*.

The *Right of Way Manual* is used for projects on the SHS, either conventional highways or expressways and freeways. The Manual has approximately 575 forms and exhibits that are extremely useful and necessary to perform all of the various right of way functions. These forms and exhibits, as well as 17 chapters of right of way processes and procedures are available to all local public agencies for use in performing their right of way work. Caltrans projects may generally be larger than many local agency projects, but the right of way processes and procedures are the same as those performed by local agencies for their projects.

Local public agencies are encouraged to access the Caltrans Right of Way Manual web site at: <http://www.dot.ca.gov/hq/row/>.

The authority to acquire property for a public project is found in the US Constitution and the Bill of Rights and the processes to exercise this authority are contained in federal law. Under federal laws and regulations that apply whenever federal funds are used for a project, affected property owners and those displaced by the project, are entitled to be treated in ways that provide the due process of law and which ensure they are justly compensated for losses they experience. These laws and regulations are also intended as a safeguard to ensure that federal funds are not unnecessarily or inappropriately expended.

The information in this section has been compiled from many sources, but the underlying federal and state laws remain unchanged. This chapter should not be used as a substitute for these laws, statutes, regulations policies, and/or procedures when conducting right of way activities using federal funds.

Note: All documents and papers related to a project must carry the federal-aid project number for identification.

13.2 FEDERAL-AID AND THE FEDERAL/STATE/LOCAL AGENCY RELATIONSHIP

The Federal Highway Administration (FHWA) is the federal agency most typically involved in transportation projects undertaken with federal funding for the programs discussed in this manual. It has the authority and responsibility for implementing and monitoring federal laws, regulations and executive orders affecting these programs. When a project utilizes federal funding, the FHWA is involved pursuant to these responsibilities and the delegations described below.

Caltrans has reobtained major delegations of authority from FHWA under the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Further, it has passed on these delegations to local agency partners to the greatest extent possible. With each delegation goes the responsibility for initiating and completing each project phase in accordance with the appropriate state and federal laws and regulations without extensive FHWA or State Oversight.

ISTEA established provisions for Congress to adopt a National Highway System (NHS) of 155,000 miles of major roads in the United States. This system was established to provide an interconnected system of principle arterials, which serve major populated centers, international border crossings, ports, airports, public transportation facilities, and which meets national defense requirements as well as serving interstate travel. Until Congress made its official adoption, the NHS was defined as all principal arterials, including the Interstate System.

On November 28, 1995, the President signed the legislation defining the NHS. The system includes all interstate routes, a selection of urban and rural principal arterials, the defense strategic highway network and strategic highway connectors.

In California, about 180 miles of local agency principal arterials were selected to be a part of the NHS. Some procedures in this manual for projects on the NHS are different from those for projects not on the NHS (non-NHS). One of the early local agency determinations should be whether the project is on the NHS.

FHWA ROLE

For all federal-aid projects FHWA is responsible for the following project activities:

- Obligation of federal funds
- Approval of E-76 for Right of Way activities and utilities under the Alternate Procedure
- Execution of Project Agreements
- Acceptance of Right of Way Certification for projects on the NHS where total project costs exceed \$1 million

The intent of this chapter is to provide local agencies with the basic understanding of Right of Way procedures for locally sponsored federal-aid transportation projects. Local agencies, which will be actively involved in right of way acquisition and relocation, must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended in 1987 (the Uniform Act). This law can be found in Chapter 10 of the Caltrans *Right of Way Manual*, the FHWA *Project Development Guide* (see Appendices A and B) and at Section 49 of the Code of Federal Regulations (CFR), Part 24.

Note: The Uniform Act must be followed on all local agency projects even if no federal funds are used for the acquisition of right of way for the project. Although, substantial responsibility for the administration of local agency projects has been delegated to Caltrans (see below, “Caltrans Role”), FHWA has retained the overall responsibility for compliance with the Uniform Act. Towards this end, FHWA periodically performs Process Reviews of local agency projects to ensure that the Uniform Act requirements are being met.

13.5 PRELIMINARY RIGHT OF WAY ACTIVITIES

REQUEST AUTHORIZATION TO PROCEED (PE)

Separate work authorizations and fund obligations are normally made for Preliminary Engineering (PE), Right of Way (including appraisal, acquisition, relocation assistance, and utility relocation) and Construction phases, if federal funds are to be used in each of these phases.

PRELIMINARY STUDIES

At this early stage in the development process, it is crucial to correctly evaluate the project requirements: namely, the limits, location (including existing utilities), scope, costs, and whether any additional right of way will be required. Each agency should establish a process for accumulating this data, which will play an integral part in successfully completing the Field Review, the Preliminary Environmental Study (PES) Form and the Plans, Specifications & Estimate (PS&E) for the project.

FIELD REVIEWS

Formal field reviews, which may include FHWA and Caltrans representatives are not required on local agency transportation projects off of the National Highway System (NHS) (for additional details, see Chapter 7, “Field Review” of the LAPM). However, Field Reviews are suggested practice for all complex projects. A representative from FHWA should be consulted on all FHWA High Profile projects. All requests for FHWA participation should be coordinated through the DLAE.

Local Agencies should complete the PES Form and the first two pages of the Field Review Form prior to requesting a Field Review. If it appears that additional right of way will be required, one of the intended results of the Field Review is to provide sufficient data to complete the right of way estimate (see “Right of Way Estimate” in this chapter). The information contained in these two documents is crucial in obtaining FHWA authorization to proceed further with the next stage of the project (see “Request for Authorization to Proceed Right of Way” in this chapter).

The Field Review process brings together all interested parties in order to reach agreement on the important aspects of the project, including such items as the design features, alternative proposals for building the project, respective responsibilities of the various agencies involved, level of documentation required in the NEPA process, and whether a public hearing will be necessary. For Right of Way objectives, the Field Review may confirm the need to acquire right of way and relocate the occupants, or relocate utilities and/or railroad facilities, which can significantly affect the project development in particular, the costs and scheduling. The review also facilitates the identification of compensable property interests plus uncovering project requirements such as the need for temporary construction easements, permits to enter, etc. Therefore, it is strongly encouraged that the Caltrans Right of Way Coordinators be invited to participate in the Field Reviews, as their assistance could be extremely helpful.

When the preliminary review is completed, the local agency is responsible for completing the Field Review Form. If there are right of way requirements for the project, the DLAE should forward a copy of this form to the Right of Way Local Programs Coordinator. For NHS projects, all appropriate forms and attachments must be completed. For non-NHS projects, the two-page Field Review Summary must be completed at a minimum. Items 7 and 9 apply to right of way issues.

13.5 NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

All local agency federal-aid transportation projects “off” the SHS must comply with the provisions of the NEPA and the implementing regulations (23 CFR 771) thereto. Local agencies may not proceed with final design, right of way acquisition, or project construction until full compliance with the NEPA has been documented and approved by Caltrans.

The level of documentation required in the NEPA process will vary depending upon the NEPA Class of Action. A proposed major highway or a new highway on a different alignment, for example, will normally require an extensive study (an Environmental Impact Statement [EIS]), while minor improvements to existing highways such as a roadway intersection signal installation may require only a short analysis (a Categorical Exclusion [CE]).

All local agency projects must demonstrate compliance with NEPA and other federal environmental laws before proceeding with right of way work or the final design of a project.

PRELIMINARY ENVIRONMENTAL REVIEW--PES

The “Preliminary Environmental Study (PES) Form” Exhibit 6-A of the LAPM is designed to identify such items as the existing conditions in the project area, environmental issues that may require further study and the need for public hearing, or resource or regulatory agency permit. Question No.24 in Exhibit 6-A and Exhibit 6-B “Instructions for Completing the PES Form,” specifically relate to right of way impacts and a “YES” answer would indicate that further action is necessary.

PUBLIC HEARINGS

In general, public hearings should be held for a project if there is substantial environmental controversy, if there is widespread interest in holding the hearing or if an agency with jurisdiction over the project requests one. The procedures for holding hearings, including the requirements for notifying the public, the contents of the notification, scheduling, and the hearing process are all discussed in Chapter 8, “Public Hearings,” of the LAPM.

Federal regulations require public hearings under certain circumstances. For example, projects being processed with an Environmental Assessment (EA) require a public hearing when significant amounts of right of way will be required for the project. Public hearings are also required during the circulation period of all draft EIS.

Public involvement is advantageous because it can broaden the agency’s knowledge of the project area. If a public hearing is to be held and additional right of way or property rights will be required for the project, right of way personnel should be involved as early as possible. A public forum offers an excellent opportunity to discuss the acquisition and relocation impacts with the affected persons. The importance of explaining these projects within the context of a public hearing cannot be overstated. One of the most difficult aspects of any project is the displacement of people and/or personal property. Property owners rarely see the importance of a project when balanced against their own needs and desires. Often the project simply means the disruption of their lives and lifestyle, or the need to relocate and reestablish their residence or business in a new area. As a result, those most directly affected are often hostile and unwilling to reach any agreement on an amicable basis.

CHAPTER 14 UTILITY RELOCATIONS

14.1 INTRODUCTION

The procedures in this chapter have been designed to comply with the FHWA's regulations and requirements under Code of the Federal Regulations (CFR) governing utility relocations. The purpose of this chapter is to provide guidelines to the local agency when performing Right of Way Utility Relocations on projects outside of the State Highway System (SHS) and financed with federal funds ("Off-System" project).

Utility Relocation procedures in this chapter only apply when relocating public utility facilities that serve the general public. Service connections and private utilities are handled through Right of Way Acquisition under Cost to Cure (23 CFR 710.203.)

Forms and Exhibits included in this chapter are to provide the local agency with working samples. The language in these forms has been reviewed and approved by Caltrans Legal Department. The local agency has the option to modify the format of these forms or to use its own forms. However, the local agency's own forms have to satisfy all required elements under 23 CFR 645.113, and the use of non-approved forms and clauses will require reviewing and approval by Caltrans Legal Department on a case-by-case basis.

For any locally sponsored project that involves any portion of a state's right of way under a Cooperative Agreement ("On System" Project), Right of Way Utility Relocations will be accomplished in accordance with the Utility Procedures described in the *Caltrans Right of Way Manual* (ROW Manual) and *Encroachment Permits Manual*.

These manuals are available online at the following URLs:

ROW Manual:

<http://www.dot.ca.gov/hq/row/rowman/manual/>

Encroachment Permits Manual:

http://www.dot.ca.gov/hq/traffops/developserv/permits/encroachment_permits_manual/

DEFINITIONS

Public Utility Facilities - publicly and privately owned utility facilities, which serve the public.

Impacted Utility Facility - a public utility facility has been identified as in conflict with the proposed activity of a transportation project.

Utility Relocation - any adjustment to the impacted utility facility required by the proposed transportation project.

Owner - utility company, municipal utility department, who owns the impacted facility.

Utility Coordinator - local agency's person who acts as a liaison with owners.

District Utility Coordinator: Caltrans Right of Way Utility Coordinator assigned to this project.

Conflict Resolution Plan - (a.k.a. Relocation Plan) plan from owner to resolve the conflict with activity of a transportation project. This plan should clearly define scope of work and the duration of construction.

Claim Letter - owner's liability determination along with supporting documentations. It is the owner's responsibility to support their claim.

Unanticipated Utility Relocation – unforeseen, or discovery utility relocations as a result of accident or incomplete utility verification/conflict identification.

UTILITY RELOCATION PROCEDURES

The following steps have been modeled after the Caltrans Right of Way Utility Relocations procedures. These activities are performed in different stages of project development (see Exhibit 14-H, "Stages of R/W Utilities Through Stages of Project Development") to ensure proper and complete utility clearance prior to Right of Way Certification.

This procedure is designed to identify utility conflicts early in the design stage. It provides the Project Engineer with an opportunity to evaluate the proposed plan and make adjustments to avoid or lessen the impact on existing utility facilities. Thus, it reduces utility relocation cost, saves time, and prevents discovery conflicts during construction.

It is strongly recommended that each local agency adopt and follow these procedures:

UTILITY VERIFICATION:

- In the early phase of the Design process, the Utility Coordinator sends a proposed project plan to owner and request for owners' facility map(s) of any facility located within project limits.

Utility Coordinator forwards owners' map(s) to the Project Engineer. The Project Engineer plots all existing facilities onto UTILITY SHEET (refer to Caltrans *Design's Standard Plan* or *American Society of Civil Engineers [ASCE], Standard Guidelines for the Collection and Depiction of Existing Subsurface Utility Data*).

IDENTIFYING CONFLICT:

- Project Engineer identifies all impacted utility facilities within project limits.
- Provide conflict maps for each impacted facility to the Utility Coordinator.

REQUESTING CONFLICT RESOLUTION PLAN: (This step would be done only after National Environmental Policy Act [NEPA] approval.)

- Utility Coordinator contacts and informs the owner(s) of the conflict(s) and requests conflict resolution plan(s), detail cost estimate(s), and owner's liability determination.
- When the above items are received from owner(s), the Utility Coordinator will forward the plan(s) to the Project Engineer for approval.

LIABILITY DETERMINATION:

After the conflict resolution plan(s) is approved by the Project Engineer:

- A liability determination must be made to determine whether the local agency is legally liable for any portion or all of the relocation cost. (See Chapter 13, "Utility Relocation," Section 13.04.00 of ROW Manual for guidance.)

14.2 FEDERAL REIMBURSEMENT

Federal regulations governing utility relocation are described extensively in 23 CFR Part 645. Local agencies should be familiar with these regulations. The following procedures are based on the above-mentioned and other federal regulations. **When the local agency requests federal participation in utility relocations, these regulations must be followed.**

Under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy Users (SAFETEA-LU) and the FHWA Alternate Procedure process 23 CFR 645.119, and E-76, utility relocation work has been delegated to Caltrans on “Delegated” projects for full review oversight requirements by FHWA (see Chapter 2, “Roles and Responsibilities,” of the LAPM), and Caltrans also has approval authority for “Specific Authorization” and “Approval of the Utility Agreement.”

The Utility Coordinator will send all submissions to the Caltrans District Utility Coordinator for review and approval.

The following items must be included in the request:

1. Copy of Notice to Owner
2. Fully executed Utility Agreement
3. Approved owner’s conflict resolution plan showing the necessary relocations
4. The completed Report of Investigation and any supporting documents
5. An itemized estimate of the local agency’s relocation costs

Such review typically takes three (3) weeks. Submission must be submitted in advance of the proposed ROW Certification date. The DLAE is not responsible for delays due to an incomplete or erroneous relocation package.

ANTICIPATED UTILITY RELOCATIONS

To apply and qualify for federal reimbursement, these steps must be followed:

AUTHORIZATION TO PROCEED (E-76)

Prior to the start of any physical utility relocation work, the local agency must complete the “Request for Authorization to Proceed with Utility Relocation” form (see Exhibit 3-C, Chapter 3 and Exhibit 3-E “Request for Authorization Data Sheet,” of the LAPM,) where all anticipated utility facilities requiring relocation will be listed with an estimated cost to relocate each facility.

On page 2 of the above referenced Exhibit 3-C, under Utility Relocation, the “Alternate Procedure” box must be checked. The completed E-76 must request the use of the Alternate Procedure 23 CFR 645.119 (e) (2)) and must include a list of every utility facility anticipated to be relocated along with the utility company’s name and best available estimate of the total local agency costs involved for each facility.

The E-76 request must be submitted to the DLAE, who will forward the request to the Caltrans District Utility Coordinator for review and comment. The E-76 request form will then be processed by the DLAE.

SPECIFIC AUTHORIZATION TO RELOCATE UTILITIES

In addition to the “Request for Authorization to Proceed” and prior to commencement of any physical relocation, the local agency must also request and receive a “Specific Authorization to Relocate Utilities” (Form RW 13-15-or Exhibit 14-C of this chapter) for each utility relocation. Either the utility owner or the construction contractor may perform all or portions of the utility facility relocation for which Specific Authorization approval is requested.

NOTE: RW Form 13-15 (Exhibit 14-C) is a dual form, containing both the “FHWA Specific Authorization to Relocate Utilities” and “FHWA Approval of Utility Agreement.”

i) Work by Utility Owner or Owner’s Contractor

If the relocations are to be performed by the utility owner and federal participation is requested, the Field Review Form (see Chapter 7, “Field Review,” of the LAPM) should include the item with sufficient detail to allow programming of the work in the right of way phase for approval by FHWA under a Utility Agreement.

NOTE: Prevailing Wages are required for any works performed by Owner’s contractor (Labor Code Section 1720)

ii) Work by Local Agency’s Highway Contractor

If the relocations are to be performed during the construction phase by the local agency’s highway contractor, the work should be included in the plans and specifications like any other work. The local agency must add an explanation to this effect to the “Remarks” section of the Specific Authorization Request to Relocate Utilities (Exhibit 14-C) and must attach a copy of the approved Specific Authorization to the Right of Way Certification submittal. Utility relocation costs may be included in the highway contract as a bid item, as supplemental work, or as a contract change order, and financed from funds in the construction work authorization.

In the event a major change in scope of work and/or relocation cost is found to be necessary, a revised Specific Authorization to Relocate Utilities must be immediately submitted for authorization prior to the new work being commenced.

Any minor change that does not include changes in scope of the work, addition or deletion of the proposed conflict resolution plan, may be submitted in a letter to Caltrans describing the change including revised maps and estimate, and requesting that the change be included under the original authorization.

APPROVAL OF UTILITY AGREEMENT

The local agency must submit each executed Utility Agreement and a request for FHWA approval of the Utility Agreement to the DLAE for processing. This approval authority has been delegated to Caltrans Division of Right of Way and Land Surveys by FHWA. Such review and approval typically takes three (3) weeks if the local agency used the pre-approved utility clause (“Utility Agreement Clauses,” Exhibit 14-G, of this chapter).

Upon approval, Caltrans will provide the local agency with the FHWA Approval of Utility Agreement form (Exhibit 14-C) for each Utility Agreement. Any exceptions to the approval will be noted in writing on the “Remarks” section of the form, and the local agency will be requested to concur with the exceptions or to prepare a rebuttal. It is anticipated that agreement will be reached on all such items prior any physical work commencement to avoid the loss of eligibility.

Each local agency and all of its contractors, subcontractors, and vendors shall take all reasonable steps to assure that DBEs have equitable opportunity to compete for and perform contracts (see Chapter 9, “Civil Rights and Disadvantaged Business Enterprises”).

WARNING:

No project shall be advertised for bids, nor shall any project work (by contract or other than contract) be undertaken, and no materials shall be purchased on any federal-aid project, prior to issuance of “Authorization to Proceed” by FHWA. Violation of this requirement shall result in the project being ineligible for federal funding.

Only one exception to this requirement can be made. It is for emergency relief projects involving emergency repair/opening of a facility. For more information on emergency relief projects see the *Local Assistance Program Guidelines*, Chapter 11, “Disaster Assistance”.

Advertising costs shall be charged to the preliminary engineering work authorization if such authorization has been requested and has been established for the purpose of federal reimbursement.

PROCEDURES

Prior to project advertisement, the administering agency shall certify that their final PS&E package complies with all applicable federal and state regulations and procedures (see Exhibit 12-C “PS&E Certification”). Local agencies should also complete and retain the “Local Agency Project Advertising Checklist” (Exhibit 15-C) in the project files prior to requesting an Authorization to Proceed. All administering agencies must submit a completed “Request for Authorization” with the PS&E Certification before they can receive verification that construction has been authorized by Caltrans.

Upon receipt of “Authorization to Proceed” for construction by Caltrans, the local agency can proceed to advertise the project.

During the advertising period, the administering agency shall notify all prospective bidders of PS&E addenda in the same manner as all other nonfederal-aid projects. For award of federal-aid contracts, the local agency is required to certify that all bidders certify receipt of all addenda. The administering agency shall ensure free and open competition. The advertisement period is determined by the administering agency. A minimum advertisement period of three weeks is required for all federal-aid projects. Caltrans may approve shorter periods in special cases where justified. The advertising period begins with publication of a “Notice to Contractors” in a newspaper receiving wide local circulation. The Notice shall identify the DBE project availability advisory. The administering agency is responsible to approve and issue all addenda to the PS&E during the advertising period.

The local agency shall assure that all updated estimates are fundable from available local or federal resources.

As soon as the project is advertised, the local agency shall furnish the DLAE with one copy of the “as advertised” plans and special provisions or two copies if structures (bridges) are involved.

15.5 CONTRACT BID OPENING

INTRODUCTION

The contract bid opening is a public forum for the announcement of all bids, and is that point in time where the bids are opened and read aloud. It is also the last moment that bids can be accepted. No bids can be accepted during or after bids are opened. Normally the advertisement/bid documents will state a final time in which bids can be accepted. For the bidder, the reading of the bids confirms whether his bid is successful. For the local agency and the general public, this forum establishes the cost to build the project. The bid opening requirements as outlined below apply to all federal-aid highway construction projects.

REQUIREMENTS

FHWA policy requires all bids to be opened publicly and read aloud either item-by-item or by total amount. If a bid is not read, the bidder is to be identified and the reason for not reading the bid announced.

Reasons for not reading a bid include the bid itself being nonresponsive, often called “irregular” or the bidder is determined to be unreliable. Responsive bid and responsible bidder are defined as:

A Responsive bid is one that meets all the requirements of the advertisement and proposal, while

A Responsible bidder is one who is physically organized and equipped with the financial ability to undertake and complete the contract.

Some reasons for not reading a bid due to bidding irregularities include:

- Failure to sign the bid
- Failure to furnish the required bid bond
- Failure to include a unit bid price for each item
- Failure to include a total amount for the bid
- Failure to prepare the bid in ink
- Failure to submit a completed addenda certification statement
- Failure to submit a noncollusion affidavit
- Failure to commit to the achievement of the UDBE contract goals or demonstrate good faith efforts to do so
- Inclusion of conditions or qualifications not provided for in the specifications
- Submission of a materially unbalanced bid

The above examples do not include all possible bidding irregularities. The local agency’s standard specifications govern regarding what constitutes a bidding irregularity. Accordingly, the local agency’s bidding documents should clearly identify those requirements with which the bidder must comply to make the bid responsive.

LOCAL AGENCY CONSTRUCTION CONTRACT ADMINISTRATION CHECKLIST

Local Agency _____

I ADVERTISE AND AWARD PROJECT

A. Project Advertisement

- ☐ Projects are not advertised until the Authorization to Proceed (E-76) for the construction phase has been approved by Caltrans FHWA.
- ☐ For all Federal-aid projects, a minimum of three weeks for project advertisement is required (15.4 "Project Advertisement").

B. Contract Bid Opening

- ☐ All bids are opened publicly and read aloud either item-by-item, or by total amount. If a bid is not read, the bidder is to be identified and the reason for not reading the bid announced (15.5 "Contract Bid Opening")

The following documents will be completed and retained in the project files.

- ☐ For federal-aid projects, a list of bidders and total amount bid with an item-by-item breakdown (Exhibit 15-D, "Sample Bid Tabulation Summary Sheet") of the three lowest bidders.
- ☐ Bidders' list to be compiled from prime and subcontractors bidding or quoting on contract.
- ☐ If the goal is specified, Local Agency Bidder UDBE Commitment (Construction Contracts) (Exhibit 15-G1).
- ☐ EEO Certification (Exhibit 12-E, Attachment C), The Noncollusion Affidavit (Exhibit 12-E, Attachment D), Non-Lobbying Certification (Exhibit 12-E, Attachment F), Disclosure of Lobbying Activities (Exhibit 12-E, Attachment G)
- ☐ Local Agency Bid Opening Checklist (Exhibit 15-I)

C. Contract Award

- ☐ Contracts are awarded on the basis of the lowest responsive bid from a responsible bidder (15.6 "Contract Award").
- ☐ For all NHS projects, a bid analysis will be performed (15.6 "Contract Award").
- ☐ No negotiations with contractor occurred prior to award (not allowed).

The following documents will be forwarded to the Caltrans District Local Assistance Engineer immediately after award of the contract:

- ☐ Contract Award Checklist (Exhibit 15-L)
- ☐ Detail Estimate (Exhibit 15-M)
- | ☐ Local Agency Bidder DBE Information (Construction Contracts) (Exhibit 15-G2)
- ☐ Finance Letter
- ☐ RE's Checklist

D. Subcontracting

- ☐ For all federal-aid transportation projects, at least 30% of the contract work is to be performed by the prime contractor (see Chapter 16, Section 16.6 "Subcontractors")

Local agency's person in "Responsible Charge"

(date)

Distribution: (1) Original Local Agency Project File
(2) One copy - DLAE

CHAPTER 16 ADMINISTER CONSTRUCTION CONTRACTS**CONTENTS**

SECTION/SUBJECT	PAGE NUMBER
16.1 INTRODUCTION	16-1
16.2 DEFINITIONS OF TERMS	16-2
16.3 PROJECT SUPERVISION AND INSPECTION	16-5
INTRODUCTION	16-5
PROJECT STAFFING	16-5
PROCEDURES	16-5
16.4 PRE-CONSTRUCTION CONFERENCE AND PARTNERING	16-6
PARTNERING	16-6
PRE-CONSTRUCTION CONFERENCE	16-7
16.5 CONTRACT TIME	16-8
PROCEDURES	16-8
16.6 SUBCONTRACTORS	16-8
INTRODUCTION	16-8
PROCEDURES	16-8
16.7 ENGINEER'S DAILY REPORTS	16-10
PROCEDURES	16-10
16.8 PROJECT FILES	16-10
ORGANIZATION OF FILES	16-11
AVAILABILITY	16-12
16.9 CONSTRUCTION RECORDS AND ACCOUNTING PROCEDURES	16-12
PROCEDURES	16-12
16.10 SAFETY PROVISIONS	16-13
INTRODUCTION	16-13
PROCEDURES	16-13
CITATIONS & INFORMATION MEMORANDUM	16-15
16.11 LABOR COMPLIANCE	16-15
INTRODUCTION	16-15
PROCEDURES	16-16
16.12 EQUAL EMPLOYMENT OPPORTUNITY	16-17
INTRODUCTION	16-17
PROCEDURES	16-17

RECORDKEEPING	16-18
COMPLIANCE REVIEWS	16-18
REPORTING.....	16-18
16.13 CONTRACT CHANGE ORDERS	16-18
PROCEDURES	16-18
NONPARTICIPATING	16-20
TIME EXTENSIONS	16-20
MATERIALS DELAYS.....	16-21
RIGHT OF WAY DELAYS.....	16-21
EQUIPMENT RENTAL RATES.....	16-22
16.14 QUALITY ASSURANCE PROGRAM.....	16-23
INTRODUCTION	16-23
NON.-NHS PROJECTS	16-25
NHS PROJECTS.....	16-26
GENERAL PROCEDURES	16-26
NHS PROJECTS.....	16-26
NON-NHS PROJECTS	16-30
TYPES OF SAMPLING AND TESTING.....	16-30
PRELIMINARY SAMPLES AND TESTS.....	16-30
ACCEPTANCE SAMPLING AND TESTING	16-31
SOURCE INSPECTION.....	16-31
REPORTING TEST RESULTS.....	16-34
INDEPENDENT ASSURANCE SAMPLING AND TESTING	16-34
STATISTICAL QUALITY ASSURANCE	16-37
FHWA SAMPLES AND TESTS.....	16-37
RECORDS	16-38
PROJECT CERTIFICATION.....	16-38
FREQUENCY TABLES.....	16-38
16.15 CONTRACT CLAIMS.....	16-39
INTRODUCTION	16-39
BACKGROUND.....	16-40
CLAIMS AVOIDANCE	16-40
FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS	16-41
CONTRACT PROVISIONS.....	16-41
CLAIMS PROCEDURES.....	16-42
FEDERAL-AID PARTICIPATION	16-42
ADDITIONAL FUNDS	16-43
INVOICES	16-44
DOCUMENTATION.....	16-44
RECOVERY OF COMPENSATORY DAMAGES	16-44

16.16 TRAFFIC SAFETY IN HIGHWAY AND STREET WORK ZONES.....	16-45
INTRODUCTION	16-45
PROCEDURES	16-45
16.17 CONSTRUCTION ENGINEERING REVIEW BY THE STATE	16-46
16.18 REFERENCES.....	16-46

FIGURES

FIGURE/DESCRIPTION	PAGE NUMBER
16-1 CALTRANS TRANSLAB HOME PAGE.....	16-24

FLOWCHARTS

CHART/DESCRIPTION	PAGE NUMBER
16-1 ADMINISTER CONSTRUCTION CONTRACTS FLOWCHART	16-1

EXHIBITS

EXHIBIT/DESCRIPTION	PAGE NUMBER
16-A WEEKLY STATEMENT OF WORKING DAYS	16-49
16-B SUBCONTRACTING REQUEST.....	16-51
16-C RESIDENT ENGINEER'S DAILY REPORT	16-53
16-D CERTIFICATE OF PROFICIENCY.....	16-55
16-E INDEPENDENT ASSURANCE SAMPLING AND TESTING	16-57
16-F REPORT OF WITNESS TESTS	16-59
16-G CORROBORATION REPORT	16-61
16-H INDEPENDENT ASSURANCE SAMPLING AND TESTING	16-63
16-I NOTICE OF MATERIALS TO BE USED.....	16-65
16-J NOTICE OF MATERIALS TO BE FURNISHED.....	16-67
16-K REPORT OF INSPECTION OF MATERIAL.....	16-69
16-L SAMPLE FEDERAL-AID INVOICE	16-71

16-M	NOTICE OF MATERIALS TO BE INSPECTED.....	16-73
16-N	EMPLOYEE INTERVIEW: LABOR COMPLIANCE/EEO	16-75
16-O	FEDERAL-AID HIGHWAY CONSTRUCTION CONTRACTOR’S ANNUAL EEO REPORT.....	16-77
16-P	EMPLOYEE INTERVIEW: LABOR COMPLIANCE/EEO (SPANISH FORM)	16-81
16-Q	U.S. DEPT. OF LABOR OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS	16-81
16-R	SIZE, FREQUENCY AND LOCATION OF SAMPLING AND TESTING TABLES.....	16-83
16-S	CALTRANS TEST METHOD.- ASTM TEST METHOD CONVERSION CHART.....	16-101
16-T	MATERIALS TYPICALLY ACCEPTED BY CERTIFICATE OF COMPLIANCE	16-105
16-U	NOTICE OF POTENTIAL CLAIM.....	16-107
16-V	SOURCE INSPECTION REQUEST FROM LOCAL AGENCY TO CALTRANS’ DISTRICT LOCAL ASSISTANCE ENGINEER	16-109
16-W	SOURCE INSPECTION REQUEST FROM LOCAL AGENCY’S RESIDENT ENGINEER TO CALTRANS’ OFFICE OF MATERIALS ENGINEERING AND TESTING SERVICES.....	16-111
16-X	BLANK FOR FUTURE USE (EXHIBIT DELETED)	16-113
16-Y	BLANK FOR FUTURE USE (EXHIBIT DELETED)	16-115
16-Z	MONTHLY DBE TRUCKING VERIFICATION	16-117

directly facilitate an effective vehicle weight enforcement program, such as scales (fixed and portable), scale pits, scale installation, and scale houses and also includes costs incurred by the state in performing federal-aid project related audits which directly benefit the federal-aid highway program.

- Contract Claim - A demand for additional compensation, which cannot be resolved between the contractor and the local agency representative in responsible charge of the project.
- Contract Claim Award - A payment made by a local agency to a federal-aid contractor on the basis of an arbitration or mediation proceeding, administrative board determination, court judgment, negotiated settlement, or other contract claim settlement.
- Contract Claim Defense Costs - Local agency costs related to the defense and settlement of contract claims including, but not limited to salaries of employees, consultants, attorney fees, boards of arbitration, appeals boards, courts or similar tribunals.
- CFR - Code of Federal Regulations. Document produced by the federal government implementing the requirements of federal statutes.
- DBE - Disadvantaged Business Enterprise See Chapter 9, Section 9.5.
- Delegated Project - A lower risk project not selected as High Profile project, for which Caltrans has authority for all aspects of a federal-aid project except those activities which may not be delegated by federal law (requiring Federal Highway Administration [FHWA] approval). Prior to September 2007 these projects were referred to as "State-Authorized" projects defined by set criteria (rather than risk) such as non-Interstate 3R projects, Interstate construction projects under \$1 million, non-NHS projects, and so forth. Over 99% of local assistance projects are delegated in which Caltrans or the local agency has approval authority for most project level activities.
- Final Invoice - For an example see Chapter 17, *Project Completion*, Exhibit 17-C, and refer to Chapter 5, *Accounting/Invoices*, for instructions.
- Force Account - A basis of payment for the direct performance of highway construction work with payment based on actual cost of labor, equipment, and materials furnished with consideration for overhead and profit.
- Foremen - Men and women in direct charge of crafts workers or laborers performing work on the project.
- "Frequency Tables (Tables)" - See Exhibit 16-R, *Size, Frequency, and Location of Sampling and Testing*.
- High Profile - High Profile projects are high risk projects for which the FHWA maintains project level approval for many project delivery activities. Prior to September 2007 these projects were referred to as FHWA "Full Oversight" projects based on set criteria (rather than risk) such as Interstate construction over \$1 million, major Intelligent Transportation System, and so forth. Very few local assistance projects are High Profile project.
- Independent Assurance Sampling and Testing (IAST) - Periodic testing by a specially trained tester, to verify that acceptance testing is being performed correctly with accurate test equipment.
- Laborer, Semi-Skilled - All laborers classified by specialized type of work.
- Laborer, Unskilled - Non-classified laborers.

- Local Agency - A California City, County, or other local public agency. In many instances this term is used loosely to include nonprofit organizations.
- Maintenance - As defined in the USC: the preservation of the entire highway, including surface, shoulders, roadsides, structures, and such traffic control devices as are necessary for its safe and efficient utilization.
- “Materials Certificate” - See Chapter 17, *Project Completion*, Exhibit 17-F.
- Mechanics - Equipment service and maintenance personnel
- NHS - National Highway System
- Officials (Managers) - Officers, project engineers, superintendents, etc., having management level responsibilities and authority
- Others - Miscellaneous job classifications are to be incorporated in the most appropriate category listed on the form. All employees on the project should thus be accounted for.
- Progress Invoice - Periodic billing invoice by local/regional agencies for reimbursement of costs on ongoing contracts.
- QAP - Quality Assurance Program
- QC/QA - Quality Control/Quality Assurance - see “Statistical Quality Assurance” in this chapter
- Quality Assurance Program - A sampling and testing program that will provide assurance that the materials and workmanship incorporated in each highway construction project are in conformance with the contract specifications. The main elements of a Quality Assurance Program are acceptance testing and independent assurance sampling and testing.
- RE - Resident Engineer. A registered engineer who is empowered to administer the construction contract.
- SHA - State Highway Agency (Caltrans)
- Source Inspection - Acceptance testing of manufactured and prefabricated materials at locations other than the job site.
- State-Authorized Project - A classification for federal-aid projects, which are not subject to FHWA review and oversight required by *Title 23 Code of Federal Regulations*. For State-Authorized federal-aid projects the FHWA and Caltrans exercises the maximum degree of delegation of authority to local agencies (see Chapter 2, Section 2.4, *Stewardship - Letters of Agreement*, and Figure 2-1, *FHWA Oversight*).
- Supervisors - All levels of project supervision, if any, between management and foreman levels
- TCP - Traffic Control Plan

16.3 PROJECT SUPERVISION AND INSPECTION

INTRODUCTION

Construction engineering is eligible for federal-aid reimbursement if it is identified and programmed in the “Authorization to Proceed.” A fifteen percent (15%) limitation on construction engineering is required for the federal-aid program on a statewide basis. For more information on programming construction engineering see Chapter 3, *Project Authorization*.

For “Delegated” projects, FHWA has assigned the responsibility of contract administration and construction inspection to Caltrans. This responsibility is conveyed to Caltrans by way of an E-76, which is executed for each federal-aid project. For all local federal-aid projects, further delegation of responsibility is made by Caltrans to the agency administering the project by way of the state/local agreements called master agreements and program supplements. This delegation is based on the following conditions:

- All federal requirements shall be met on work performed under a contract awarded by a local public agency.
- Force account work shall be in full compliance with Chapter 12, *Plans, Specifications & Estimate*, Section 12.2, *Method of Construction*.
- Local public agency is adequately staffed and suitably equipped to undertake and satisfactorily complete the work.
- Local public agency shall provide a full-time employee of the agency to be in responsible charge of the project that employs consultants for construction engineering services.

Such an arrangement does not relieve the Caltrans of overall project responsibility. Caltrans shall review local agency project staffing by periodic process reviews to assure compliance.

PROJECT STAFFING

Adequate construction personnel shall be provided to ensure adequate field control, conformance with the contract specifications, accurate contract payments to the contractor, and that quality transportation facilities are constructed. Local agencies shall include in the project records the names and titles of all staff assigned to each federal-aid project.

The documentation of project staffing is essential in making a determination of the adequacy of the local agency’s construction staffing.

PROCEDURES

The administering agency must designate a qualified engineer who is empowered to administer the contract. The agency may employ a consultant to provide construction engineering services such as inspection or survey work, however, the agency must provide a full-time employee to be in charge of and have administrative control of the project. A consulting firm that is on retainer as City Engineer is considered as a full-time publicly employed engineer.

Contractors, including those operating in joint venture, are required under the contract to designate in writing a person or persons authorized to supervise the work and to act for the contractor on the project. The administering agency's engineer is to assure that this information is on file. The addresses and local telephone numbers of such persons should be included.

The work must be inspected to assure compliance with the contract. Deviations must promptly be brought to the contractor's attention. Material samples must be taken and tests performed as noted in Section 16.14 of this chapter or in accordance with the local agency's own Quality Assurance Program. A record must be made of the engineer's and inspector's activities, as noted in Section 16.7 of this chapter.

The activities of the engineer and inspector may vary considerably depending on the terms of the contract; such as, end result specifications; method specification; types of measurement and payment clauses; experience of the contractor; complexity of the work; adequacy of the plans and specifications; protection of the public; and other factors. The local agency shall assign the necessary personnel to the project to assure that all the requirements of the contract are being fulfilled.

When a problem arises, the Resident Engineer may request assistance or clarification from the DLAE. The DLAE shall evaluate staff availability and determine if assistance can be provided. It is recommended that Chapter VI of the Caltrans *Construction Manual* be reviewed for more specific activities relating to roadwork. For structure work the State's *Bridge Construction Records and Procedures Manual* contains much technical reference material.

16.4 PRE-CONSTRUCTION CONFERENCE AND PARTNERING

PARTNERING

Partnering is a relationship between the local agency and the contractor, formed in order to effectively complete the contract to the benefit of both parties. The purpose of this relationship is to maintain cooperative communication and to mutually resolve

NON -NHS PROJECTS

For federal-aid projects off the National Highway System, local agencies may adopt their own Quality Assurance Program used for transportation projects not utilizing federal-aid funds, or adopt the Caltrans QAP described in this section. Caltrans will not process a Request for Authorization for Construction without verification of an adopted QAP.

For local agencies that adopt the Caltrans QAP procedures the following shall apply:

- Caltrans will not certify the local agency's (or their consultants') laboratory or acceptance testers unless the local agency is also administering a project on the NHS or State Highway System at the same time.
- If the local agency's QAP includes IAST as required for NHS projects, Caltrans will not conduct the testing unless the local agency is also administering a project on the NHS or State Highway System at the same time. The local agency shall either conduct the testing or contract out with a consultant that meets local agency requirements.
- Acceptance of manufactured and prefabricated structural materials shall be based on either a Certificate of Compliance and/or source inspection by the local agency or a qualified consultant. If the administering agency cannot perform the source inspection and qualified consultants are not available, the agency may request that Caltrans conduct the inspections on a reimbursed basis (see "Source Inspection" in this chapter for details on requesting Caltrans' services).

For local agencies that do not adopt Caltrans QAP, they shall develop their own QAP that includes as a minimum:

- Acceptance Testing - procedures for regular testing of materials entering a construction project to verify that the materials, or products, comply with contract specifications or standards
- Independent Assurance Sampling and Testing - procedures to verify that acceptance testing is being performed correctly by:
 - a) Verifying that equipment used for acceptance testing is properly calibrated and in good working condition.
 - b) Witnessing sampling and testing by the Acceptance Tester.
 - c) Splitting material samples and comparing the test results between the Acceptance Tester and Independent Assurance Sampler and Tester.
- Testing of Manufactured Materials - procedures for inspecting, accepting and testing of manufactures and prefabricated materials either by source inspection, job site inspection, or certificate of compliance

Whatever QAP the local agency chooses for projects off the NHS, the program decided upon shall be documented and approved by the Public Works Director. A non-registered Public Works Director must delegate the approval to the City/County Engineer if such individual is appropriately registered. If the City/County Engineer is not registered, the delegation can be made to the highest level engineer in the agency who is. Copies of the approved quality assurance program shall be kept on file and available for State review.

If the local agency chooses to follow the Caltrans QAP it must perform its own IAST. Caltrans will not provide IAST service for personnel and equipment being used only on Non-NHS projects. It is the local agency's responsibility to perform IAST with its own staff, or hire a consultant determined qualified by the local agency.

NHS PROJECTS

It is Caltrans' responsibility to have a Quality Assurance Program (QAP) for use on both State highway and local street and road federal-aid construction projects. The QAP described in this section meets the requirements of the Federal Highway Administration (FHWA) for local agency projects. **Local agencies must follow the QAP procedures described in this section for all projects on the NHS.**

The Caltrans QAP requires IAST as a check on the reliability of sampling and testing performed during acceptance testing. The independent assurance sampling and testing is not to be used for determining quality and acceptability of material incorporated into the job. Such tests are used only for the purpose of determining the reliability of testing personnel, procedures used, and calibration of testing equipment. When the local agency elects to use ASTM test methods, it is Caltrans' responsibility to perform necessary IAST with its own ASTM proficient staff and equipment, or hire a qualified consultant to perform the ASTM IAST.

GENERAL PROCEDURES

Local projects covered by a cooperative agreement may be administered by the State. All material sampling and testing required for State-administered cooperative projects is performed as described in Chapter 6 of the Caltrans *Construction Manual* and the *Quality Assurance Program Manual*. Local projects typically are administered by the local agency. Materials sampling and testing for these projects must use the procedures described in this manual.

NHS PROJECTS

Correlation Testing Program

Testing and inspection of materials that cannot be adequately performed by the awarding local agency must be arranged for in advance of advertising a project. Testing options are permitted provided the laboratory utilized is a participant in a correlation testing program approved by the Caltrans Office of Materials Engineering and Testing Services. Three correlation testing programs approved by Caltrans are:

- The AASHTO Materials Reference Laboratory (AMRL)
- Cement and Concrete Reference Laboratory (CCRL)
- Caltrans' own Reference Samples Program (RSP)

These correlation testing programs conform to the FHWA requirement that each State Transportation Agency must participate in an approved laboratory inspection and comparative sample testing program. All laboratories which use Caltrans' test methods must participate in the Caltrans Reference Sample Program. Those laboratories which do not use Caltrans' test methods may participate in the AMRL and CCRL programs to fulfill correlation testing program requirements.

CHAPTER 17 PROJECT COMPLETION

CONTENTS

SECTION	SUBJECT	PAGE NUMBER
17.1	INTRODUCTION	17-1
17.2	DEFINITION OF TERMS	17-2
17.3	FINAL INSPECTION PROCEDURES FOR FEDERAL-AID PROJECTS	17-3
	DELEGATED PROJECTS.....	17-3
	HIGH PROFILE PROJECTS	17-3
17.4	AS BUILT PLANS	17-4
17.5	REPORT OF EXPENDITURES	17-4
	FEDERAL-AID PROJECTS	17-4
	STATE FUNDED PROJECTS	17-7
17.6	CONSEQUENCES FOR NON-COMPLIANCE	17-8
17.7	REFERENCES	17-8

FLOW CHARTS

CHART	DESCRIPTION	PAGE NUMBER
17-1	PROJECT COMPLETION	17-1

EXHIBITS

EXHIBIT	DESCRIPTION	PAGE NUMBER
17-A	SAMPLE COVER LETTER AND FEDERAL REPORT OF EXPENDITURES CHECKLIST	17-9
17-B	FINAL INSPECTION OF FEDERAL-AID PROJECT	17-13
17-C	FINAL INSPECTION FORM	17-15
17-D	SAMPLE FEDERAL-AID FINAL INVOICE	17-17
17-E	SAMPLE CHANGE ORDER SUMMARY	17-19
17-F	FINAL REPORT-UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE), FIRST-TIER SUBCONTRACTORS	17-21
17-G	MATERIALS CERTIFICATE	17-23

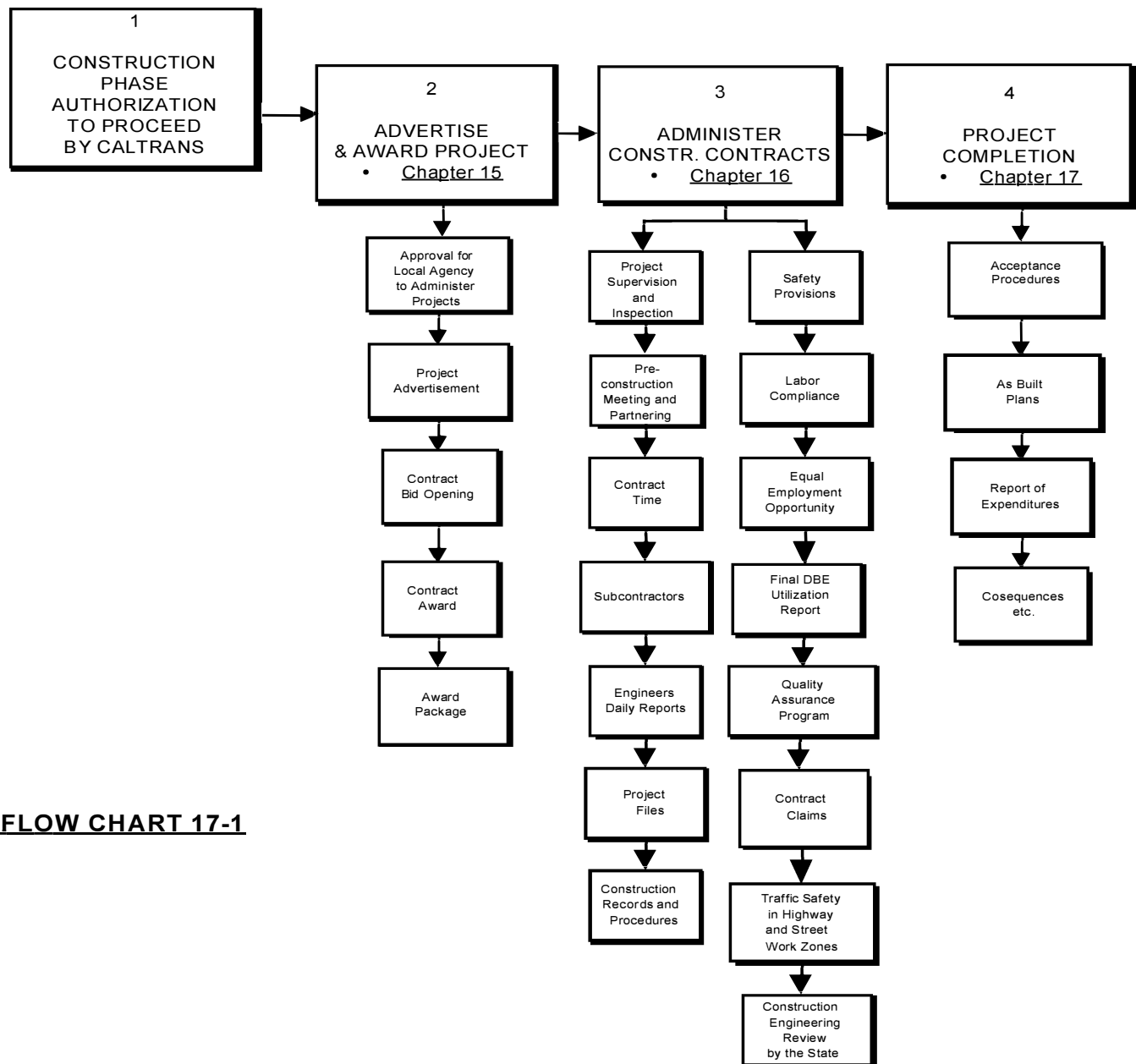
EXHIBITS CONTINUED

EXHIBIT	DESCRIPTION	PAGE NUMBER
17-H	STATEMENT OF MATERIALS AND LABOR USED BY CONTRACTORS HIGHWAY CONSTRUCTION INVOLVING FEDERAL FUNDS	17-25
17-I	SAMPLE COVER LETTER FOR REPORT OF COMPLETION OF STRUCTURES	17-27
17-J	REPORT OF COMPLETION OF STRUCTURES	17-29
17-K	SAMPLE REPORT OF COMPLETION OF RIGHT OF WAY EXPENDITURES	17-31
17-L	SAMPLE REPORT OF EXPENDITURES FOR FORCE ACCOUNT PROJECTS	17-37
17-M	FINAL PROJECT EXPENDITURE REPORT	17-39
17-N	EEM PROGRAM FINAL REPORT OF RIGHT OF WAY EXPENDITURES	17-41
17-O	DISADVANTAGED BUSINESS ENTERPRISES (DBE) CERTIFICATION STATUS CHANGE	17-43

CHAPTER 17 PROJECT COMPLETION

17.1 INTRODUCTION

This chapter covers the topic of project completion. It is to be used mainly as a guide for administration of federal-aid contracts by local agencies. Each Resident Engineer should be familiar with the contents of this chapter, and Chapters 15, “Advertise and Award Project,” and Chapter 16, “Administer Construction Contracts,” before administering such contracts.



FLOW CHART 17-1

This chapter and Chapters 15, “Advertise and Award Project,” and Chapter 16, “Administer Construction Contracts,” of the *Local Assistance Procedures Manual* (LAPM) are for the use of local agencies, which administer federal-aid projects under a “Local Agency-State Agreement.” These three chapters cover general contract administration procedures.

When a locally sponsored project funded with federal-aid is within the state R/W and the State (Caltrans) is the administering agency, the *Caltrans Construction Manual* is normally used in lieu of these procedures.

17.2 DEFINITION OF TERMS

- Delegated Project – A lower risk project not selected as High Profile project, for which Caltrans has authority for all aspects of a federal-aid project except those activities which may not be delegated by federal law (requiring Federal Highway Administration [FHWA] approval). Prior to September 2007 these projects were referred to as “State-Authorized” projects defined by set criteria (rather than risk) such as non-Interstate 3R projects, Interstate construction projects under \$1 million, non-NHS projects, and so forth. Over 99% of local assistance projects are delegated in which Caltrans or the local agency has approval authority for most project level activities.
- EEO - Equal Employment Opportunity
- Final Invoice - Invoice listing final cost incurred for a particular phase of the project i.e., Preliminary Engineering, Construction Engineering, Right of Way, or Construction. The District Local Assistance Engineer (DLAE) is required to verify project completion and approve payment before forwarding the final invoice to Local Programs Accounting (LPA). For example see Exhibit 17-C, and refer to Chapter 5, “Accounting/Invoices,” for instructions.
- Form FHWA 1446C - Final Inspection of Federal-aid Project. Document used by Caltrans to complete the final inspection of NHS Projects subject to FHWA Full Oversight (Exhibit 17-B).
- Form FIF-6/05 - Final Inspection Form and revision date. Document used by local agency to complete the final inspection of all projects (Exhibit 17-C).
- High Profile – High Profile projects are high risk projects for which the FHWA maintains project level approval for most project delivery activities. Prior to September 2007, these projects were referred to as FHWA “Full Oversight” projects based on set criteria (rather than risk) such as Interstate construction over \$1 million, major Intelligent Transportation System, and so forth. Very few local assistance projects are High Profile projects.
- Progress Invoice - Periodic billing invoice by local/regional agencies for reimbursement of costs on on-going contracts.
- Report of Expenditures - Collectively refers to various final report documents.
- Underutilized Disadvantaged Business Enterprise (UDBE) – A firm meeting the definition of a DBE as specified in 49 CFR, Part 26 and is one of the following groups: African Americans, Asian-Pacific Americans, Native Americans, or Women.

17.3 FINAL INSPECTION PROCEDURES FOR FEDERAL-AID PROJECTS

Local agencies shall document fulfillment of environmental mitigation commitments for final inspection Report of Expenditures and ultimate accountability as follows:

- Categorical Exclusion (CE) - Local agency shall provide the DLAE with a list of environmental mitigation commitments when requesting CE determination.
- Environmental Assessment (EA) - Local agency shall summarize when environmental mitigation commitments in the draft Finding of No Significant Impact (FONSI).
- Environmental Impact Statement (EIS) - Local agency shall summarize environmental commitments in the draft Record of Decision (ROD).

In addition, they shall acknowledge any long-term commitment to maintenance of those mitigation measures.

DELEGATED PROJECTS

Final Inspection by Local Agency - The local agency representative or his/her staff shall make the final inspection using Final Inspection Form FIF-6/05, (see Exhibit 17-C). The local agency representative or staff performing final inspection or signing the Final Inspection Form shall be one with authority for accepting the completed contract on behalf of the local agency and authorizing final payment to the contractor, as well as directing corrective action(s) to be undertaken by the contractor.

The inspection of work performed by contract shall be made sufficiently in advance of contract acceptance to allow time for possible corrective action. Neither FHWA nor Caltrans inspection is required at this time.

The construction contract may not include all of the work contemplated in the project authorized such as striping by day labor. This work should nonetheless be completed in a timely manner.

Upon successful completion of all corrective actions undertaken by the contractor, acceptance of the contract, and completion of all additional work required for the authorized project, the local agency representative should complete Items 1-10 of the Final Inspection Form and forward it to the Caltrans DLAE.

Project Verification by DLAE - The DLAE or his/her staff depending on the district organization and type of project, will review the job site and verify that the project was constructed in accordance with the scope and description of the project authorization document. Any safety, design or construction deficiencies noted should be immediately brought to the attention of the local agency for correction or resolution. Upon satisfactory review by Caltrans staff, the DLAE shall ensure that Items 1-10 have been completed by the local agency prior to completing Items 11-13 on the Final Inspection Form. The DLAE shall retain the Final Inspection Form and send a copy to the local agency for the Report of Expenditures.

HIGH PROFILE PROJECTS

Final inspection of significant NHS projects shall be in accordance with written construction administration procedures discussed in Section 15.3 of the LAPM. All High Profile projects shall be in accordance with the following:

Final Inspection by Local Agency – High Profile projects will require a final inspection by the FHWA. To initiate this inspection, the local agency will make the final inspection as described above for Delegated projects, accept the construction contract and submit the signed Final Inspection Form FIF-6/05 and reduced plan

cover sheet and typical cross sections to the Caltrans Oversight Engineer (OSE) immediately upon completion of all work in the project authorization.

Project Verification by OSE - Upon receipt of the Local Agency Final Inspection Form, the OSE shall verify that the project has been completed as described in the plans and specifications. The OSE shall then transmit the necessary documents to the FHWA Transportation Engineer.

Final inspection by FHWA - The final inspection by FHWA will be coordinated by the OSE in accordance with Caltrans *“Oversight Field Engineer Guidelines.”*

The DLAE shall receive from the OSE the “Report of Expenditures” prior to the DLAE processing the local agency’s final project invoice.

17.4 AS BUILT PLANS

On locally administered contracts the resident engineer shall provide the DLAE a set of original structure tracings with “As Built” corrections, or a clear, readable, black-line copy of the original tracings with “As Built” corrections. The “As Built” corrections shall be made by the engineer responsible for structure work. These shall be forwarded by the DLAE to the Division of Structures with a copy of the Report of Completion of Structures (Exhibit 17-J). These shall be returned to the local agency after microfilming, if requested.

“As Built” corrections for the roadwork portion of the plans should be recorded in

17.5 REPORT OF EXPENDITURES

The local agency is responsible for preparing and submitting to the DLAE the final report documents which collectively constitute a “Report of Expenditures.” This report provides key information required to initiate timely project closure and payment. The Report of Expenditures is due at the completion of the project. Deadline for submittal of the Report(s) is six (6) months after project completion. If timely submittals are not received Caltrans shall initiate actions discussed under Section 17.6, “Consequences for Non-Compliance.” The “Report of Expenditures” shall be signed by the public employee in responsible charge of the project.

FEDERAL-AID PROJECTS

For federal-aid projects, the Report of Expenditures includes, as a minimum, the following documents:

- **A Cover Letter and Federal Report of Expenditures Checklist** (Exhibit 17-A) - Identifies all mandatory documents to be included in the Report of Expenditures. This checklist shall be submitted by the local agency with the report of completion. Copies of all documents included in the report of expenditures shall be maintained on file at the local agency for any future audits as specified in the Master Agreement and Program Supplement, and to serve as verification that contractor labor requirements were met.

CALIFORNIA DEPARTMENT OF TRANSPORTATION
Division of Local Assistance**LOCAL AGENCY
FINAL INSPECTION FORM**

INSTRUCTIONS: Local agency is to complete Items 1-10. DLAE completes Items 11-13 and submits original plus two (2) copies to the Division of Local Assistance.

1. PROJECT NO.:	2. DIST-CO-RTE-AGENCY:	3. COMPLETION DATE:
4. LOCATION OF IMPROVEMENTS AS PROGRAMMED:		
5. TYPE OF WORK:		
6. CONTRACTOR'S NAME:		7. CONTRACT AMOUNT:
8. DATE OF CONTRACT ACCEPTANCE		
<p>9. FINAL INSPECTION. The above listed project was completed and a final inspection has been made. The project was completed as programmed and in compliance with all state and federal requirements.</p> <p>(Check appropriate box)</p> <p><input type="checkbox"/> This project is Delegated and not subject to FHWA oversight. FHWA Final Inspection not required.</p> <p><input type="checkbox"/> This project is an FHWA High Priority project. FHWA Final Inspection required.</p>		
SIGNATURE (Local Agency Rep)		DATE:
TITLE:		
10. REMARKS:		
11. DISTRICT REVIEW MADE BY (print name):		12. DATE OF PROJECT REVIEW:
<p>13. PROJECT VERIFICATION: This verification of completion also constitutes approval to pay costs shown in the Final Invoice included in the Report of Expenditures. The person listed above has reviewed the job site and found the project constructed in accordance with the scope and description of the project authorization document.</p>		
SIGNATURE: _____		DATE: _____
District Local Assistance Engineer/Oversight Engineer		

Form FIF-6/05

Distribution: (1) Caltrans - Original plus two copies (2) Local Agency – Retain a copy

This page intentionally left blank