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AUTHORIZING LOCAL FEDERAL FUNDS FOR LOCALLY-ADMINISTERED PROJECTS ON THE STATE HIGHWAY SYSTEM

I. Background

As the owner and operator of the State Highway System (SHS), the primary function of the Department of Transportation (Caltrans) is to ensure the safe and efficient movement of goods and people throughout the State. Historically, projects constructed on the SHS were administered by Caltrans and funded from State-managed sources. However, State legislation such as Senate Bill 45 (SB45) and Proposition 35 (Prop. 35) provided greater control of State funding sources to the local agencies and permitted them to administer those funds for projects on the SHS, resulting in an increasing number of projects on the SHS designed and constructed by local agencies.

Where regional and local agencies were formerly merely contributors of funding for projects on the SHS, they are now active participants as implementing agencies for the planning, designing, advertising, contract awarding, and administering the construction (AAA) of those SHS projects, hereby referred to as “Local AAA” projects.

As local agencies increase their participation to improve the SHS, it becomes imperative that a standardized oversight procedure be instituted to demonstrate and to ensure statewide compliance with all applicable State and federal requirements to the satisfaction of Caltrans and its funding partners, the California Transportation Commission (CTC), and the Federal Highway Administration (FHWA) whenever federal funds are to be authorized.

The existing Local Assistance procedures were developed for projects off the SHS. This Office Bulletin contains Division of Local Assistance’s (DLA) procedures and guidance on its policy for the authorization of “local federal funds” for Local AAA projects on the SHS through a cooperative agreement with Caltrans. Local federal funds refer to those federal funds passed through Caltrans to the local agencies for programming. Federal funds programmed by the California Transportation Commission (CTC) as Local Capital Outlay Projects in the State Transportation Improvement Program (STIP) for projects to be administered by local agencies are excluded from this Office Bulletin and the procedures for the authorization of those funds remain with Caltrans Capital Outlay.

Guidance for the authorization of federal funds for Local AAA projects constructed on the SHS through the Caltrans encroachment permit process and guidance for construction administration oversight of Local AAA projects may be the topics of future Office Bulletins.



II. POLICY

Caltrans committed to greater oversight on Local AAA projects through its Stewardship Agreements with FHWA through various Caltrans directives that assigned the roles and responsibilities for managing and providing adequate project oversight. Since these various Caltrans directives and guidance exist in various internal or external publications, the intent of this Office Bulletin is to compile them into “one-stop” checklists to guide local agencies and Caltrans Local Assistance staff in the preparation, review, and authorization of federal funds for Local AAA projects on the SHS.

The result is the creation of the attached Local AAA Project Oversight checklists for the major project development components to assist as a roadmap in the documentation and completion of critical milestones in Caltrans’ project development procedures. While the roles and responsibilities of a Caltrans Project Manager for a Caltrans AAA project are well-documented in various project management directives and memos, those duties are not entirely consistent with the oversight role required for Local AAA projects; therefore a Project Oversight Engineer, a Project Manager, or someone else acting in the capacity of a Capital Project Coordinator may perform the oversight responsibilities for Local AAA projects on the SHS.

Regardless, these checklists do not mandate any additional Caltrans oversight effort from what is currently required under existing policies. Since the comprehensive oversight function involves the participation of various Caltrans functional units, these checklists can serve as a collective confirmation of oversight prior to the federal authorization to proceed with that phase of work. Recognizing that each Local AAA project is unique, these checklists were designed to be flexible to recognize the differentiation that some items that may be compulsory while some other items may not be applicable, that additional items may be necessary and can be incorporated during the project authorization review. What is required should ultimately be determined by the Caltrans staff based on the actual project.

An early coordination meeting is encouraged between the local agency and Caltrans to clarify the specific roles and responsibilities of each party should there be any uncertainty regarding the oversight of a Local AAA project.

Each Oversight Checklist identifies tasks that must be fully completed to confirm compliance with an applicable law, regulation, guidance, procedure, or oversight. The checkmarks identify the tentative Caltrans program responsible for verifying the accomplishment of that particular task. A responsible signature or initials and date will note each completed task. Some tasks may have dual responsibilities. Any task not required should not be left blank but noted as N/A for “not applicable”.

When all the tasks on the checklist have been completed and verified, the DLAE and Project Coordinator will each sign the checklist form to signify concurrence that the Local AAA project in question can advance to the authorizing of federal funds for that phase of work.



The completed checklist shall be retained in the Local Assistance project files for future reference and a copy shall be transmitted to the Local Assistance HQ Area Engineer (HQAE) along with the backup documentation necessary for the authorization of funding and the electronic authorization request for funding (E-76).

With the release of this Office Bulletin, it is the policy of the Division of Local Assistance that the appropriate “Oversight Checklist” be completed and accompany each Request for Authorization for Local AAA projects.

III. ROLES AND RESPONSIBILITIES

Local/Implementing Agency (“Agency”)

- Consults with the Caltrans Project Coordinator (Coordinator) at regular intervals to keep updated on project requirements.
- Works with DLAE and Coordinator in completing all the tasks required for the authorization of federal funds.
- Submits a Request for Authorization to Proceed to the DLAE for the federal funds (found in Chapter 3 of Local Assistance Procedures Manual) .

District Capital Project Coordinator (“Coordinator”)

- Works in coordination with various Capital Outlay programs to ensure compliance with all Caltrans requirements.
- Concurs with the items on the appropriate oversight checklist.
- Provides the DLAE with all the documentation required for the authorization of federal funds.

District Local Assistance Engineer (“DLAE”)

- Verifies that the project is eligible for and programmed with the requested type and amount of federal funds
- Works with the Project Coordinator to ensure the performance of appropriate oversight for Local AAA projects.
- Reviews the Request for Authorization.
- Prepares and transmits the E-76 to the HQAE for approval.
- Notifies the local agency of the FHWA obligation of federal funds.

HQ Local Assistance, Office of Project Implementation (“HQ”)

- Reviews and approves the Request for Authorization submittal.
- Finalizes and transmits the E-76 to FHWA for the obligation of federal funds.
- Withholds and/or recovers funds from agencies for projects found in violation of federal and/or State requirements.

Federal Highway Administration (“FHWA”)

- Reviews authorization backup documentation and approves E-76 to obligate federal funds.



IV. REFERENCES

- Joint Stewardship and Oversight Agreement between FHWA and Caltrans, October 2010.
- Caltrans Project Management Handbook, October 2007.
- Project Development Procedures Manual, September 2011.
- Ready To List and Construction Contract Award Guide (RTL Guide), June 2009.
- Local Assistance Procedures Manual, February 2009

V. APPLICABILITY/IMPACTS

This Office Bulletin is applicable to all federally-funded projects constructed on the SHS by a local agency under a cooperative agreement with Caltrans.

Recommended: Original Signed By 12/2/11
 Patrick Louie, Headquarters Area Engineer Date
 Office of Implementation South

Concurred: Original Signed By 12/2/11
 Ray Zhang, Chief Date
 Office of Implementation South

Concurred: Original Signed By 12/2/11
 Bill Sandoval, Chief Date
 Office of Implementation North

Approved: Original Signed By 12/2/11
 Denix Anbiah, Chief Date
 Division of Local Assistance

Attachments:

- Attachment A – Authorizing local federal funds for locally-administered projects on the State Highway under an Environmental or Design cooperative agreement
- Attachment B – Authorizing local federal funds for locally-administered projects on the State Highway under a Right of Way cooperative agreement
- Attachment C – Authorizing local federal funds for locally-administered projects on the State Highway under a Construction cooperative agreement