



Period of Performance

I. BACKGROUND

On December 26, 2013, the Office of Management and Budget published Title 2 of the Code of Federal Regulations (CFR) Part 200 (referred to as the “Supercircular”) to streamline the administrative requirements, cost principles, and audit requirements of federal awards. One of the significant changes within this regulation is the introduction of the Period of Performance (2 CFR Part 200.309). The Period of Performance, which defines when federally reimbursable costs can be incurred, is now required to be identified within the Federal Highway Administration’s (FHWA) Fiscal Management Information System (FMIS). The Period of Performance begins when FHWA approves the initial authorization to proceed with the project. FHWA’s 2 CFR 200 Implementation Guidance now requires the local agency to identify a date after which no additional costs will be incurred.

The purpose of this Office Bulletin is to define the dates required to be collected for the Period of Performance of each federally-funded project.

II. POLICY

To comply with the Period of Performance reporting requirements, the following dates will need to be identified at time of authorization and updated during project delivery.

Period of Performance End Date (PPED)

The PPED is defined as the date after which no additional costs may be incurred for an authorized phase of work. Any costs incurred after this date will not be eligible for federal reimbursement. The PPED is established by adding twelve (12) months to the local agency’s estimated date of completing the authorized phase of work. The completion of the Preliminary Engineering and Right of Way phases of work is estimated as the anticipated advertising date for construction. For the Construction phase of work, completion is estimated as board/council construction contract acceptance. Upon adding a future phase of work, the local agency must also revise the PPED. Revisions to the PPED require Caltrans concurrence and FHWA approval. If the PPED is revised after the authorized PPED has past, any costs incurred between the expiration of the authorized PPED and the revised PPED are ineligible for reimbursement.

Agreement End Date (AED)

The AED is defined as the date when the project will be final vouchered by Local Programs Accounting and closed in FMIS by FHWA. It is calculated as twenty-one (21) months from the PPED (i.e. AED = PPED + 21 months).

III. PROCEDURE

Establishing the PPED

Effective immediately, local agencies are required to estimate the PPED and include it at the time of their authorization request. The PPED is required to be shown on the Local Federal-Aid Project Finance Letter (Local Assistance Procedures Manual (LAPM) Exhibit 3-O) and submitted with every Request for Authorization package for the project. The figure below highlights where the PPED must be entered. After Caltrans concurrence and FHWA approval, Caltrans will notify the local agency of the established



PPED along with the project authorization.

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3-O SAMPLE LOCAL FEDERAL-AID PROJECT FINANCE L
Period of Performance End Date: _____ Anticipated Award Date (CON only): _____ Anticipated Contract Acceptance Date (CON only): _____
_____ following:

Figure 1, Local Agency Project Finance Letter

Revising the PPED

To request a revision to the PPED, the local agency must submit an updated Local Federal-Aid Project Finance Letter and adequate justification to the District Local Assistance Engineer (DLAE). Examples of situations which may justify a revision to the PPED include, but are not limited to: litigation, major changes in design, environmental or permit issues, construction claims, differing site conditions, significant additional work, area-wide material shortages, labor strikes, unusually severe weather, or other events which are outside the control of the local agency. This documentation must be included with authorization requests of subsequent phases of work. If occurring at other stages of the project’s development, this documentation must be submitted as a separate request to the DLAE.

Establishing the AED

When preparing the E-76, the DLAE will calculate the AED by adding twenty-one (21) months to the local agency’s PPED and enter this date into the Agreement End Date field in the Caltrans Federal Aid Data System. After FHWA approval, Caltrans will notify local agency of the established AED along with the project authorization.

IV. APPLICABILITY/IMPACTS

A PPED must be established on all projects requiring federal authorization. Local agencies must monitor this date to ensure federal reimbursement eligibility of project costs. Revisions to the PPED without Caltrans concurrence and FHWA approval may result in costs not eligible for reimbursement.

Original Signed By

Recommended:

David Giongco, Policy Liaison
Office of Policy Development and Quality Assurance

Date

Original Signed By

Approved:

Winton Emmett, Chief
Office of Project Implementation - North

Date



Attachments:

1. LAPM Exhibit 3-A, Request for Authorization to Proceed with Preliminary Engineering
2. LAPM Exhibit 3-B, Request for Authorization to Proceed with Right of Way
3. LAPM Exhibit 3-C, Request for Authorization to Proceed with Utility Relocation
4. LAPM Exhibit 3-D, Request for Authorization to Proceed with Construction
5. LAPM Exhibit 3-O, Local Federal-Aid Project Finance Letter
6. LAPM Exhibit 3-Q, Request for Authorization to Proceed with Non-Infrastructure Project
7. LAPM Exhibit 5-J, Local Agency Invoice Review Checklist

Superseded BY LPP 16-03