

CHAPTER 2

Resource Management

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2.01 Introduction

2.01.01 Chapter Content and Resources

This chapter has information relevant to resource management in the California Department of Transportation (Caltrans) Maintenance Program. Resource Management in the Maintenance Program requires effective coordination among the many participants in implementing Program policies. This chapter outlines and describes the individual resource management responsibilities within the Maintenance Program. It also summarizes the steps an individual must or should follow to ensure effective management of resources.

For resources referenced within this chapter, please see:

Acquisitions Manual (Division of Procurement and Contracts): [DPAC Acquisitions Manual Archives | Division of Procurement and Contracts](#)

California Government Code: [Codes: Codes Tree - Government Code - GOV \(ca.gov\)](#)

California Public Contract Code: [Codes: Codes Tree - Public Contract Code - PCC \(ca.gov\)](#)

Caltrans Electronic Forms System: [CEFS - Forms \(ca.gov\)](#)

Deputy Directives: [Deputy Directives | Administration \(ca.gov\)](#)

Division of Procurement and Contracts (DPAC): [Division of Procurement and Contracts \(DPAC\) | Division of Procurement and Contracts \(ca.gov\)](#)

Encroachment Permits Manual: <https://dot.ca.gov/programs/traffic-operations/ep/ep-manual>

2.01.02 Definitions

ACR	Allocation Change Request
AMS	American Management System Company
BATA	Bay Area Toll Authority
BCP	Budget Change Proposal
CalSTA	California State Transportation Agency
CEFS	Caltrans Electronic Forms System
CCC	California Conservation Corps
COT	Cash Overtime
CTO	Compensating Time Off
DOF	Department of Finance
DPAC	Division of Procurement and Contracts
E-FIS	Enterprise Resource Planning Financial Infrastructure
ER	Emergency Relief
FADS	Federal Aid System
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FHWA-ER	Federal Highway Administration Emergency Relief
HM	Highway Maintenance

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HQ	Headquarters
ID	Identification
IMMS	Integrated Maintenance Management System
LAO	Legislative Analyst's Office
LOS	Level of Service
MAZEPP	Maintenance Zone Enhancement Program
MMA	Material Management Acquisition
MPYE	Maintenance Personnel Year Equivalent
OE	Operating Expenses
PO	Purchase Order
PS	Personal Service
PY	Person Years
RAO	Regional Administrative Officer
SHA	State Highway Account
SHS	State Highway System
SPP	Special Programs People

2.01.03 Resources and Hyperlinks

There are hyperlinked resource materials identified within this chapter. If any hyperlink is not accessible, please notify the appropriate personnel to ask about that resource or reference.

2.01.04 Chapter Contact

This chapter of the Maintenance Manual is maintained by the Division of Maintenance, Office of Resource Management.

2.02 Roles and Responsibilities

This section provides general information regarding the responsibilities of key participants involved in the management of Maintenance Program resources. Specific details are noted throughout this chapter.

(A) Chief, Division of Maintenance (Headquarters Division of Maintenance)

The Chief, Division of Maintenance, has overall responsibility for the statewide Maintenance Program. Specific resource management responsibilities include:

- (1) Developing and/or updating the Maintenance Strategic Plan, Program Evaluation Criteria, and Budget Change Proposals.
- (2) Establishing Level of Service goals consistent with resources.
- (3) Establishing Asset Condition goals consistent with resources.
- (4) Developing justification for and maintaining documentation of Program resource needs.
- (5) Determining Maintenance Program resource allocations among the districts.

- (6) Evaluating Program effectiveness and redirecting Program resources as necessary to optimize the maintenance and preservation of the highways.
- (7) Working with the Division of Budgets on budget policy.
- (8) Presenting and justifying Maintenance Program resource needs to the California State Transportation Agency (CalSTA), Department of Finance (DOF), and Legislative Analyst Office (LAO).
- (9) Creating Program goals within authorized resources.

(B) Maintenance Division Office Chiefs (Headquarters Division of Maintenance)

Each of the Maintenance Division Office Chiefs has overall responsibility for the Maintenance “Families” assigned to their office. Specific resource management responsibilities include:

- (1) Recommending maintenance goals, objectives, and performance targets for which the Office Chief is responsible, that will let the Maintenance Program achieve the goals of the current Business Plan.
- (2) Make recommendations regarding the allocation of resources between districts.
- (3) Review district work plans, spending plans, and Level of Service (LOS) contracts.
- (4) Provide ongoing consultation to the Chief and Assistant Chiefs of the Division of Maintenance, and the districts.
- (5) Evaluate district and program wide performance relative to the Strategic Plan, goals, objectives, and recommend changes necessary to meet the agreed upon goals.

(C) Deputy District Director, Maintenance (District Division of Maintenance)

The resource management responsibilities for the Deputy District Directors, Maintenance, include:

- (1) Review of the Maintenance Strategic Plan, LOS contract, and resource allocation, and updating the district plan to meet the expected goals within the budgeted resources.
- (2) Allocate personal service (PS) dollars, personnel years (PYs), and operating expenses (OE) including contracting resources within the district/regions, and reviewing regional work plans to assure agreement with district and Program goals.
- (3) Review and approve regional work plans.

- (4) Evaluate equipment availability for impact on district work plans.
- (5) Plan for efficient use of equipment.
- (6) Manage staffing levels within approved Maintenance staffing plans and goals.
- (7) Manage, monitor, and evaluate district and regional work plan progress, LOS results, resource utilization, and take corrective actions as necessary to attain goals and objectives.
- (8) Submit Quarterly Spending Plans to keep the Chief and Assistant Division Chiefs, Division of Maintenance, appraised of progress and resource utilization, and communicate needs for changes in resources and/or changes in work outcome.
- (9) Schedule and coordinate district maintenance work to be done by contract.
- (10) Evaluate production, LOS, and expenditures compared to district and regional work plans, and reallocating resources or requesting a change in resources to meet the district and regional work plans.
- (11) Provide information regarding district issues, and associated resource management impacts, to the Office Chiefs, Assistant Chiefs, and Chief of the Division of Maintenance.
- (12) Provide information regarding Program resource management issues to District Resource Management Office.
- (13) Provide district perspective to Chief and Assistant Chiefs, Division of Maintenance, regarding various Program issues.

(D) Maintenance Division Liaisons (Headquarters Division of Maintenance)

Each Maintenance Liaison has the following specific resource management responsibilities:

- (1) Recommend and define LOS.
- (2) Recommend and define Asset Condition goals.
- (3) Recommend Maintenance Program targets for each district per approved budget.
- (4) Review district's annual work plans, business plans, and spending plans.
- (5) Evaluate district's performance in meeting established LOS for each Program.
- (6) Monitor district's spending plan, and recommend approval, rejection, or revision, to the Deputy District Director, Division of Maintenance, and propose

corrective actions to the Office Chiefs and Chief, Division of Maintenance.

- (7) Conduct field reviews to evaluate LOS, use of proper methods and materials, and conformance with Maintenance Program policies and procedures.
- (8) Monthly Expenditure Reports sent to Budget office to provide projections of yearly expenditures and justifications/explanations for those projections.
- (9) Annually complete the Maintenance Family Chart and send to the Budget Office for submittal to DOF.
- (10) Adjust allocations through the Allocation Change Request (ACR) process in AMS Advantage.
- (11) After allocations are prepared by the Budget office, send suballocation requests for HQ and the districts to the Budget Office.

2.03 Accounting Procedures

Accounting and clerical work carried on by the Maintenance Region Managers are to be governed by the Accounting Manual and Regional Administrative Officer (RAO) Procedures Manual.

2.03.01 Accounting Distribution of Labor and Operating Costs

Supervisors shall prepare daily reports of the labor, equipment, materials, and supplies used in performing the work under their supervision.

Instructions for preparing the required reports are in Volume 2 of the Maintenance Manual.

2.03.02 Accident Log

When an Accident Log is created in the Integrated Maintenance Management System (IMMS), an Accident Log number is generated by the system.

2.03.03 Daily Record of Rental Equipment

Using privately-owned equipment, rented for State work, is to be reported on Form MTCE-028 with a positive identification for each unit of equipment. This form must be completed in full to show the work order and service contract numbers, actual hours worked and travel. Hours rented, including standby time are to be distributed by county, route, and post mile designation. Signature of the vendor or their agent must be secured.

2.03.04 Service Contract

The Division of Procurement and Contracts (DPAC) Contract Managers' Handbook includes detailed instructions to prepare Service Contracts. The requesting unit designates a contract manager. All contract managers must complete the Contract Managers Training online for the

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type(s) of contracts managed.

Form ADM 360, the Service Contract Request, must be used to start the contract request process. Form ADM 360 is available on the Caltrans Electronic Forms System (CEFS), link in Section 2.01.01 of this chapter.

Service Contract resources are available from DPAC's intranet web site, provided in Section 2.01.01 of this chapter.

In cases where emergency work is necessitated by the threat or occurrence of a landslide, flood, storm damage, accident, or other disaster, tools or equipment may be rented for a period not to exceed 60 days without competitive bidding. A formal contract must be awarded within 20 days if the work is expected to take longer than the 60-day emergency authorization. See the Contract Managers Handbook for instructions.

2.03.05 Receiving Record and Correspondence

Receiving Records Form FA-1226A, FA1226B, or FA1226MISC are required for all payments disbursed and should be signed by the Maintenance Region Manager. Vendor delivery tags should be attached to the receiving record.

Form ADM-2030 and/or Form DME-0087E are used when materials, supplies, or equipment are transferred to another district or between Maintenance Region Managers within a district.

Copies of all letters, reports, and records shall be retained in the district's region office files. When a letter is received asking for information that cannot be given within a few days, the letter should be acknowledged at once with a statement as to the probable date the required information can be supplied.

2.04 Budget Overview

2.04.01 Taxes, Fees, and Revenue Sources

Caltrans programs are paid for primarily through the state gasoline tax. In addition, Caltrans (and Maintenance) resources are provided from truck weight fees, and reimbursements from local agencies and the federal government for work performed for these agencies. Caltrans used to receive bridge tolls directly, but now receives them as reimbursements from the Bay Area Toll Authority (BATA), a local agency established to manage toll revenues.

2.04.02 Fund Sources

A "fund" is similar to a bank account that collects dollars from revenue sources like taxes and fees. Nearly all Maintenance Program's resources come from one fund source, the State Highway Account (SHA). The SHA is where most of the gasoline taxes and other fees are collected before they are given to Caltrans and other departments to perform work.

Other fund sources in the Maintenance Program are federal funds (almost exclusively for bridge inspections) and reimbursements, which represent payments from local agencies for work performed by the Maintenance Program for local agencies.

The Maintenance Program also currently receives limited-term General Fund resources for Clean California (FY22-FY24) and the Hazmat Encampment Coordinators (FY22-FY23).

A department cannot use resources from any fund source unless the Legislature approves an appropriation for the funds.

2.04.03 Appropriations

An appropriation is the authority from the Legislature to use State resources to complete authorized workload. The Maintenance Program receives three (3) appropriations. The primary appropriation is called the “Main Appropriation Item” and provides the resources for almost all of the Maintenance Program workload, except for Stormwater activities. The second appropriation is specifically for Stormwater activities. Resources in the Main Appropriation Item cannot be used for Stormwater, and vice versa, without the approval of the Department of Finance and the Legislature. The third appropriation is for the General Fund specifically for the Clean California efforts and Encampment Coordinators (limited term).

2.04.04 Types of Resources

The Maintenance Program budget is organized into personal services (PS) dollars and personnel years (PY) to account for State forces labor expenditures, and operating expenses (OE) to account for the purchase of goods and services.

PS dollars represent the dollars spent for all categories of State forces labor. State forces labor categories include regular, temporary help, cash overtime (COT), and compensating time off (CTO). Contract labor is accounted for under OE, not under PS.

A PY is the equivalent of 1,758 hours of productive work and is used in calculations of workload when estimating personnel needs and costs. PYs are budgeted and expended for regular and temporary help categories. Although there are no formally budgeted PY’s for cash overtime, Caltrans tracks expenditures of cash overtime as PYE (personnel year equivalent) to help with managing cash overtime resources.

Because all positions are not always filled, a position is assumed to expend 95% of a PY on average to take account of turnover and the time required to fill a vacant position. This is called the “vacancy factor” or “salary savings.”

OE includes contracts, equipment, materials, and agreements with other agencies, utilities, facilities expenditures, travel, communications, and other expenditures for goods and services the Maintenance Program purchases. These expenditures are tracked in Categories and Object Codes associated with goods and services that are purchased.

2.04.05 The Budget Process

The State of California budget cycle is measured in “fiscal years” which begin July 1 of each calendar year, and end on June 30 of the following calendar year. Caltrans begins planning for each fiscal year’s budget one-and-a-half years before the beginning of the fiscal year. For example, for Fiscal Year 2019-2020, which began July 1, 2019, the budget process began in

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January 2018 with the development of Caltrans' strategic plan and goals.

The Budget Change Proposal (BCP) is the main document that the Maintenance Program and other programs use to request changes to the Program budget. These BCP requests are usually for new inventory or new workload not previously funded. Shortly after the establishment of Caltrans' overall strategic direction and goals, the programs begin developing BCP's for resources to complete new workload.

Each BCP is reviewed internally by Caltrans. If the BCP is approved internally, it is sent to many external control agencies before it is approved and made part of the Maintenance Program's budget. These external control agencies are the California State Transportation Agency (CalSTA), which ensures that Caltrans's proposal is consistent with the Administration's goals; the Department of Finance (DOF), the Governor's chief fiscal policy advisor; the Legislative Analysts' Office (LAO), the Legislature's budgetary nonpartisan fiscal and policy advisor; and the Legislature itself. If a proposal receives the approval of all external agencies, it becomes part of the approved Budget Act, and the resources can be used by the Maintenance Program. This review process takes about one (1) year from initial approval by Caltrans to final approval by the Legislature.

2.04.06 Budget Terminology

“Program”: A program (such as the Maintenance Program) is a group of activities or projects designed to achieve a common purpose. For example, the activities (Family Problems) of the Maintenance Program, taken together, are performed to achieve the common purpose of maintaining of the State Highway System (SHS).

“AMS Advantage Project ID” is an accounting code used to represent a particular activity or project. Each activity is tied to a particular program so that when that Project ID is used for an expenditure of labor or operating expense, that expenditure is charged against the program associated with the Project ID.

“Maintenance Programs and Families”: Maintenance has historically grouped the Program's activities into sub-programs designated as “HM” programs, which correspond to the formal budgetary program codes. These programs and codes are shown below:

Program	Description	Budgetary Code
HM1	Pavement	2080010
HM2/251	Roadside and Drainage	2080020
HM3	Bridges	2080030
HM4/420 /261	Electrical and Traffic Guidance/ Safety / Traffic Management Systems	2080040
HM5	Maintenance Facilities	2080050
	Snow and Storm	2080060
	Radio Communications	2080070

Each Maintenance sub-program comprises groups of activities called “Families.” For example, the HM1 Program for travel way comprises the “A” Family (flexible pavement) and the “B”

Family (rigid pavement).

2.05 Allocations and Controls

The Maintenance Program allocations are simplified to allow each district the most flexibility available to manage their resources. Specific operating expense allocations are made for general expense, travel, training, facilities, utilities, MAZEPP, Major Maintenance, Maintenance Personnel Year Equivalent (MPYE) contracts, and Fleet Equipment. These are controlled categories. Districts need approval of the Chief, Division of Maintenance, to change the amounts in the controlled operating expense categories.

The Maintenance Program allocates PS and PYs for Regular, Temporary Help, and Cash Overtime categories. These allocations cannot be changed without approval of the Chief, Division of Maintenance.

Allocation adjustments are requested via Allocation Change Requests (ACRs). Districts and HQ requesting changes to their allocations need to submit an ACR approved by the Deputy District Director, Maintenance, and the District Budget Officer. If the Chief, Division of Maintenance, approves the ACR, it will be submitted to the Division of Budgets for formal entry into the Department's Allocation File.

2.05.01 Monitoring and Spending Plans

Each month, the Deputy District Director, Maintenance, will review the expenditures to date and compare these to the spending plan to date. Based on this, work schedules should be adjusted as conditions permit to accomplish the approved spending plan.

Quarterly Spending Plans will be completed by each district and submitted to the Chief, Division of Maintenance, for review and approval. Spending plans may be required monthly during the last four months of the year to ensure best usage of Maintenance Program resources.

If, for any reason, allocated resources cannot be fully expended, the Chief, Division of Maintenance, must be notified of any resources which will not be utilized for the purpose they were allocated so consideration can be given to redirecting the resources to the Program's advantage. If projections based on expenditures and planned workload indicate that any allocated resource level will be exceeded before the end of the fiscal year, immediate corrective action should be taken by the district to bring expenditures back within the allocated resource level.

Districts shall not overrun their annual Maintenance Program allocation. Increased resource needs are to be reviewed by the Chief, Division of Maintenance. No action shall be taken that would result in an allocation overrun without the written approval of the Chief, Division of Maintenance. When appropriate, the Chief, Division of Maintenance, will obtain approval for budget deviations from the Division of Budgets.

Program allocations are reviewed annually. Workload which cannot be accomplished at the agreed LOS within current allocation levels should be brought to the attention of the Chief, Division of Maintenance, for policy review and possible revision to the activity's LOS.

Changes to the Maintenance Program's annual budget allocation must be reviewed and approved

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by the Division of Budgets, who will also determine if Legislative concurrence is required.

2.05.02 Budget Allocation Adjustments

If a Budget Allocation Adjustment need is identified, the Deputy District Director, Maintenance, should consult with the District Budget Officer. The District Budget Officer can recommend options and offer guidance regarding current budget policies and procedures.

2.05.03 Requests for Specific Project ID

Requests for specific work other than Major Maintenance or normal State forces workload are submitted on a Project ID. These requests should clearly describe the work proposed, the location, and cost. The following data should also be included to ensure uniformity and help with review:

- (A) Post mile to post mile limits.
- (B) Description of work in enough detail to permit a clear understanding of what is intended.
- (C) Reference to any specific BCP.
- (D) Reference to applicable Standard Specifications or Maintenance Manual by section and paragraph. Describe special requirements in specification form.
- (E) Estimate of quantities and costs of the items of work to be performed should, when possible, be set up under the pay unit basis described in the Standard Specifications.

When it is determined that no further expenditures will be made against a Project ID, it should be closed by informing the District Project Control Officer.

2.05.04 Maintenance and Non-Maintenance Facilities

The District Director may approve HM funded repairs to Maintenance Facilities such as Maintenance Stations, State-Owned Employee Housing, Warehouses, and stand-alone Sand/Salt Sheds. Funds for needed repairs and upkeep at these facilities are programmed in the same manner as other maintenance functions and are to be included as a single lump sum in the annual budget.

The District Director is authorized to approve HM funded repairs to non-Maintenance facilities such as Equipment Facilities, Material Laboratories, Transportation Management Centers, Commercial Vehicle Enforcement Facilities, and Safety Roadside Rest Areas. Funds for needed repairs and upkeep at these facilities are programmed in the same manner as other maintenance functions and are to be included as a single lump sum in the annual budget.

New construction and improvements to existing facilities are budgeted through the State Highway Operations & Performance Program (SHOPP) for major projects, or through the annual Minor portion of the program for minor improvements.

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2.06 Limitations and Use of Funds

Following are restrictions to the expenditure of allotted funds. These items will be subject to Maintenance Program review.

- (A) Maintenance forces may perform any planned surface treatment or base repair with an estimated cost not exceeding \$388,000 per site, or the amount adjusted by the Director of Finance, pursuant to Public Contract Code section 10105, for a specific project. Major Maintenance may be done by State forces or by contract. The Deputy District Director for Maintenance is responsible for the review, documentation, and approval of work performed by State forces. PYs and dollars for Major Maintenance are included in the district's approved HM Program Budget.
- (B) Preliminary engineering and construction engineering will be charged to the proper Project ID on Minor contracts financed from Maintenance funds.
- (C) Depending on the size of the project cost of maintenance required, preliminary engineering and construction engineering on contracts may be charged to a multiphase Project ID. Before starting the preliminary engineering, a Phase 1 Project ID must be submitted by the District Project Control Officer under the Accounting Coding Manual.
- (D) When the contract is awarded, Phase 3 construction engineering and a Phase 4 contract Project ID will be established by the Office of Engineering Services.
- (E) Reimbursed Work for Other Agencies. (See Volume 1, Chapter Y of the Maintenance Manual).
- (F) Accommodation work may be performed for individuals, firms, or political subdivisions of the State. When the project includes reimbursement to Caltrans, the agreement must require a deposit before performance sufficient to cover the reimbursed costs including overhead assessments.
 - (1) The existing signals and lighting billing procedures currently let Caltrans bill in arrears and will be subject to the advance requirement.
 - (2) Work for a city or county may be arranged by cash deposit, special agreement, or Purchase Order (PO). Work for other State agencies is usually allowed by execution of Form 13A, Interagency Service Agreement.
 - (3) Whenever these agreements for accommodation work (whether contained in Form 13A Interagency Service Agreement or other type of agreement) constitute contracts entered into by Caltrans and the other agencies, they must be rigidly adhered to as to amount, type, extent of work to be performed, time limits, etc. No deviation from the terms of the contract is permitted without the approval of the contracting agency and the Department of Finance.

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2.07 Contracts

2.07.01 Processing Contracts

(A) Roles and Responsibilities

Figure 2-3 illustrates the roles and responsibilities for each person involved in processing contracts, both major and minor, at either the district level or from Headquarters.

Figure 2-3: Roles and Responsibilities

CONTRACT ACTIVITY	RESPONSIBLE PARTY
Determine project level and contract type	Deputy District Director, Maintenance
Initiate contract (minor); set Project ID	Deputy District Director, Maintenance
Obtain approval for contract (minor)	(Delegated to district)
Initiate contract (major); notify Headquarters	Deputy District Director, Maintenance
Obtain Project ID and master file in E-FIS and IMMS to allow charging	Maintenance Program, District Project Control,
Advertise, if competitive bid	Maintenance Program, Division of Engineering Service, Office Engineer
Award contract	Maintenance Program
Certify funds	(Delegated to district)

(B) Monitoring Contracts and Allocations

All Maintenance contracts and contract allocations are monitored for compliance with Maintenance policy by Maintenance Program staff. Each contract is reviewed for concurrence with Maintenance Program responsibility, correct charging practices (Project ID's), and appropriate coding. Maintenance Program staff maintain the current status of all Maintenance contracts. They also coordinate the awarding of major contracts with Division of Engineering Services, Office Engineers.

2.07.02 Delegated Maintenance

The districts have Delegated Maintenance Agreements with cities and counties. Under these agreements, Caltrans pays cities and counties to do certain delegated maintenance tasks for Caltrans.

There is a pre-approved, standardized format used for Delegated Maintenance Agreements.

Explanations for significant deviations from the standard form must accompany the approved agreement.

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2.07.03 Interagency Agreements

Where Caltrans policy requires services to be provided to other State institutions, Caltrans and the institution shall enter into an Interagency Agreement that provides funding back to Caltrans. Work is not to be performed without written request from the State institution to the Caltrans Contract Manager.

Agreements should be written to identify the responsive work required. When possible, work should be performed in coordination with normal routine activities. Responsive work shall be billed as stated in the agreement. The Interagency Agreement shall specify the expenditures authorized. These expenditures shall not be exceeded without prior approval by the State institution with which the agreement has been established. Every effort should be made to expedite billing to the State institution. Work for Others may be authorized by execution of Interagency Agreement, or by Service Contract Form ADM-360 when the contract involves reimbursement of Caltrans costs, expenses, etc.. Refer to Maintenance Manual Volume 1, Chapter Y (Work for Others) for further information.

Requests from the districts for additional supplemental or specific supplemental agreement capacity must be countersigned by the District Budget Officer as to availability of funds before being forwarded to the Maintenance Program. The Maintenance Program monitors and maintains the Delegated Maintenance Agreements with the State Controller's Office and Headquarters' Central Files. Although the District Director can approve specific Delegated Maintenance work, the district still must write a letter to the Maintenance Program that will be used to notify the State Controller's Office of the new agreement's spending capacity.

2.07.04 California Conservation Corps

Caltrans has entered into an Interagency Agreement with the California Conservation Corps (CCC) to accomplish useful and needed public works projects in both urban and rural areas. Districts can contract with the California Conservation Corp for more work using district funds.

2.07.05 Court Referral Participants Program

A Court Referral Program Participant is a private individual who is participating in a court referral program to work or pay off a court-ordered sentence or community service. The District Division of Maintenance enters into an agreement with a county court system so that Court Referral Program Participants can assist with field maintenance activities. This is a separate program from a "Back to work" or "job re-entry" program.

Additional information about this program can be found in the Volume 1 of the Maintenance Manual, Chapter D, section 1.04 "Litter" and section 1.09 "Court Referral Participant Program."

2.07.06 Special Programs People

In support of the Caltrans Litter Abatement Plan and to reduce the effects of littering, Caltrans partners with the California Department of Corrections and Rehabilitation (CDCR) to provide employment for parolees. Caltrans also partners with the CCC and local probation labor workforce to keep the California highway system free of litter. In addition to the annual

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agreement with the CCC, Caltrans also uses cooperative agreements with local agencies to provide transitional workforce groups for field maintenance activities, called Special Programs People (SPP).

SPP most often include:

- Community Service/ Court referrals (PROBAT)
- Inmate work forces (INMATE)
- Work release (WKRELS)
- Work furlough (WKFURL)
- California Conservation Corp (CCC)
- Community-Based Rehabilitation Programs (CBRP)
- Workfare
- Parolees
- Probationer, Veterans Group, At-risk Youth, and other transitional workforce groups.
- General Relief

SPP provide services that supplement those provided by Caltrans forces.

Additional SPP information including roles and responsibilities for the SPP program can be found in Volume 1, Chapter D, section 1.04 “Litter” and section 1.10 “Special Programs People” of the Maintenance Manual.

2.07.07 Landscaping Maintenance by Private Parties

Cities or counties should first obtain concurrence from the District Maintenance Management and the District Landscape Architect prior to imposing a mitigating condition requiring private developers, as a condition of development of land parcels adjacent to SHS right-of-way, to install and maintain landscaping within the SHS right-of-way.

In these situations, the duration of the landscape maintenance is usually a period of one (1) to twenty (20) years. In some cases, when the landscaping is approved adjacent to controlled access right-of-way, locked gates may be requested to provide direct access from the development. This requires the developer or successor to obtain a Caltrans-issued encroachment permit and is accomplished through the encroachment permit exception process.

Generally, such requests may be coordinated under an encroachment permit, with or without a Maintenance Agreement, through the Deputy District Director of Maintenance. Refer to

Encroachment Permits Manual, provided in Section 2.01.01 of this chapter for additional information.

2.08 Use of Day Labor

“Day Labor” is defined by State law as the construction of a capital improvement project by the use of casual labor or by State forces. To be considered Day Labor, work must be a new improvement to the infrastructure or full repair of existing infrastructure. Work for the normal upkeep and maintenance of the infrastructure is not considered Day Labor.

It is Caltrans’s policy to contract for the performance of construction-type projects, and to do so in full conformance with the State Contract Act. The State Contract Act prohibits the use of Day Labor in excess of \$25,000 unless at least one (1) out of four (4) criteria is met. See DD-26R2 hyperlink provided in Section 2.01.01 of this chapter. Three out of the four criteria involve emergencies of various kinds. The fourth criterion gives authority to the Director to use Day Labor if it is in the “best interests” of Caltrans after plans, specifications, and estimates have been approved.

To determine if the \$25,000 threshold has been exceeded, the cost for Day Labor work includes labor, equipment, materials, and engineering or architectural services.

2.08.01 Day Labor Procedures: Greater than \$25,000

To assure compliance with State law and Caltrans policy (see above section), Day Labor projects exceeding \$25,000 require a Director’s Order approved by the Deputy District Director, Maintenance.

Prior to initiating the work, the District Director submits a Director’s Order Request to Headquarters Division of Maintenance.

If the Director’s Order is approved, then the work may proceed. Follow the accounting and record-keeping requirements in Section 2.10 of this chapter. Also, refer to the section titled “Day Labor Limit” of Volume 1, Chapter S of the Maintenance Manual.

2.08.02 Day Labor Procedures: Less Than \$25,000

- (A) Authority for approval of the Day Labor work method and the Project ID for work estimated to cost less than \$25,000 have been delegated to the District Directors. The District Project Control Officer will confirm the coding and forward the Project ID to the Division of Accounting, Office of Financial Accounting Analysis.
- (B) After processing by the Division of Accounting, copies of Project IDs with questionable Day Labor work methods will be forwarded to the Division of Maintenance for review and recommendation.
- (C) Overruns of original estimates, not exceeding a total project cost of \$25,000, may be approved verbally by the District Director provided the scope and character of the work is unchanged. Then this must be confirmed by a revised Project ID.

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2.08.03 Day Labor Record Keeping and Review: Greater than \$15,000

This section applies to all Day Labor costing more than \$15,000 for personnel, materials, equipment, and other expenses.

State law (California Government Code section 4000 et seq.) requires that the “engineer in the office of their district” keep records of all Day Labor projects worth more than \$15,000.

To help with record keeping of all Day Labor projects worth more than \$15,000, these steps shall be taken:

- (A) To help with review and control, each district shall maintain a file for each fiscal year containing copies of Project IDs for all Day Labor projects. The file will be kept up to date with each Project ID being entered as it is approved.
- (B) The Chief, Office of Roadway Maintenance, is responsible for the field review of at least twenty-five percent (25%) of all Day Labor projects exceeding \$25,000 each year. This review is done to confirm proper work method, extent of work performed, reasonableness of work performed, funds spent, and general district conformance to Caltrans policy.
- (C) Plans and specifications with an approved Project ID, adequate to describe the work and serve as an estimate, must be on file in the district office before starting work on projects costing more than \$15,000.
- (D) Final completion reports (use of STD Form CEM 6301, available on CEFS, is acceptable) are required within 60 days following completion of work for all Day Labor projects, except for Day Labor projects occasioned by emergency and those costing less than \$15,000. The reports must segregate the project cost by labor, equipment, materials, and engineering costs. State law (California Government Code section 4005) requires segregated final reports.

2.09 Major Damage and Disaster Maintenance

Storm damage, or major damage due to other causes, can vary in scope from routine cleanup and patrol to major disasters when Maintenance incurs millions of dollars in costs.

Storm Damage and other Major Damage includes:

- (A) “Emergency Opening” work at the scene of a damaged facility due to natural or human-made disasters such as storms, earthquakes, landslides, flooding, tsunamis, terrorism, or other sudden events. Often includes traffic control, debris removal, and temporary repairs sufficient to reopen the facility.
- (B) Permanent repairs to restore the facility to its pre-disaster condition.
- (C) Patrolling highways following a disaster to check for damage or unsafe conditions.

Storm damage and other damage is described in Volume 1, Chapter “S” of the Maintenance

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Manual. See Volume 2, Chapter “S” of the Maintenance Manual for storm damage and major damage charging practice instructions. These sections summarize storm damage and other major damage as it applies to resource management in Maintenance.

2.09.01 Charging Practices and Cost Recovery

Following established charging practices for storm damage and other major damage is critical to ensure Caltrans maximizes potential State and federal damage assistance. State and Federal reimbursements depend on conforming to federal audit and accounting standards. Failure to comply with reporting and cost standards can either cause loss of federal eligibility during an incident or loss of reimbursement in a post-disaster audit.

2.09.02 Basic Federal Cost Principles

Cost principles that underlie all federal damage assistance to public agencies derives from the Federal Office of Management and Budget’s Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments.” In summary, these principles are:

- **Costs Must Be Allocable.** This means that costs must be recorded in a way that lets costs be broken down by each project site or damage location. Assigning individual Project IDs or IMMS Work Orders by each damage site is allocable. Assigning multiple damage sites into a “lump sum” Project ID or Work Order is not allocable.
- **Be Adequately Documented.** Records of locations, the work performed, extent of damage, and photographs are stored or archived to show the eligible work was performed.
- **Be Necessary and Reasonable.** The work must be needed and necessary – in other words, repairs to undamaged facilities are not allowable. The costs must be reasonable, i.e., roughly in line with costs the open market would pay.

So, when proceeding with storm damage or other major damage work, Maintenance does:

Spot Damage Locations with Total Costs \$1,000 or More

- Work by State forces: Separate IMMS Work Orders are set up, site-specific Project Numbers are assigned, and costs recorded.
- Work by Contractor: The district either establishes separate contracts and Project IDs for each damage site, or if there are multiple sites under one contract, uses Reporting Codes to keep costs segregated by damage location.

Continuous Damage Locations of \$15,000 per Mile or more

The requirement for separate Work Orders or Project IDs does not apply to “continuous damage.” Example: water runs longitudinally along a shoulder and causes step-off erosion at many intermittent locations over three miles. Since the scope of work is identical at each intermittent spot, and the repairs can be accomplished as one operation, this example can be considered “continuous damage” and may be handled under one Work Order or Project ID. For

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work performed by Maintenance forces, the use of an IMMS Project Number is required for continuous damage sites.

2.09.03 Types of Damage Assistance

- (A) **Federal Major Disaster:** If the President declares a major disaster, usually by county, reimbursement for damage costs for cleanup and repair are usually made available under the Federal Highway Administration (FHWA) Emergency Relief (ER) Program (FHWA-ER), and/or the Federal Emergency Management Agency's (FEMA) Stafford Act. In the past, both Maintenance costs and capital construction contract costs have received millions of dollars of aid under these programs. If a major disaster is declared, adhering to the cost principles under section 2.09 of this chapter are critical.

In the event of a federal disaster, districts can expect to receive instructions for special cost coding to be used. Generally, these instructions include IMMS Project Numbers and/or Reporting Codes. It is imperative to use these codes to ensure accurate cost reporting, especially to FEMA, is achieved.

For Maintenance costs eligible for ER reimbursement, the process used is:

- (1) Maintenance responds to damage locations, all reported under IMMS Work Orders. Disaster-related Work Orders use a designated reporting code.
- (2) The District Maintenance Engineer identifies eligible sites and prepares Damage Assessment Forms (DAFs). Each IMMS Work Order is correlated with the matching DAF. Cost Reports for each Work Order are scanned or printed out and attached to the DAF as backup for the claimed costs.
- (3) DAFs are signed by FHWA. Copies are submitted to the Major Damage Restoration branch in the Headquarters Division of Maintenance, and to the Office of Federal Resources in Headquarters Budgets.
- (4) Office of Federal Resources (OFR) creates Federal Project Numbers in the FHWA's Federal Aid System (FADS). OFR coordinates with district Maintenance Engineers (District Major Damage Restoration Engineer) to receive a copy of the FHWA-approved DAFs, which will compile all district DAFs for an eligible event and sends request for the allocation of funds by the FHWA ER program.
- (5) Accounting creates "dummy" federalized Project IDs. Eligible Maintenance costs from the DAFs are transferred from the Maintenance Project ID to the "dummy" federalized Project ID, where it is submitted electronically to FADS for reimbursement.
- (6) Maintenance Resource Management works with Budgets to prepare a request for a budget change to obtain increased budget capacity to receive the federal aid.
- (7) For some (but not all) disasters, use of Form 42 paving projects is approved. These projects perform certain pavement repairs in disaster areas that would

otherwise be ineligible for FHWA assistance. Typically, the ER reimbursement to Maintenance is used to fund Form 42 projects.

- (B) **Gubernatorial Disaster:** In some disasters, the Governor may declare an emergency while the President does not. The FHWA Administrator will review an ER Application submitted by the Office of Federal Resources. Subsequent approval under an FHWA Finding of Eligibility will give FHWA field engineers the authority to sign and approve DAFs for damaged sites. The District Major Damage staff will seek to federalize both Emergency Opening and Permanent Restoration projects, with approved DAFs, by submitting documentation to the Office of Federal Resources. District project managers will prepare the E-76 package that includes approved DAFs, Director's Orders, Right of Way certifications, and NEPA certification and submit it to the OFR. The OFR will prepare and submit the department E-76s for an event for the FHWA approval, allowing for the allocation of funds that later will be obligated for the Capital Outlay projects. FEMA Stafford Act will not be available with only the Governor's proclamation; a President Declaration will trigger FEMA assistance program for the qualified reimbursements. In any case, the cost principles under section 2.09 of this chapter still apply.
- (C) **Major Damage, No Disaster:** If the event causes more than \$2,000,000 of estimated construction capital costs and there is no disaster declared, Caltrans normally seeks to federalize the project using "core" federal funds. In this case, only a capital construction contract and the capital support, in addition to any right-of-way or preliminary engineering costs, can be federalized. Maintenance costs cannot be federalized as of 2003.

2.10 Damage Repairs and Cost Records

Records should be maintained by the district to distinguish disaster and storm damage repairs from accident and vandalism damage work.

2.10.01 Damage to State Projects

Repair of damage to State projects (except State owned employee housing) will be charged to the proper Maintenance Family/Problem and method using damage report numbers as a Special Designation when the cost does not exceed \$25,000.

Repair work costing more than \$25,000 will be reported by a specific Project ID.

Requests for Project IDs to repair such damages will include all pertinent information such as the damage claim number, the damaging party (if known), location, and extent of damages.

During progress of specific work, a record of costs shall be kept in the form prescribed under current accounting instructions. Completion reports on maintenance work will not be required when financed from Maintenance funds. Completion reports will be required when all or any part of the cost is to be recovered, either from responsible party or parties on a damage repair or an agency participating in the cost of the repairs or replacements.

2.11 Materials and Supplies

2.11.01 Acquiring Materials and Supplies

It is the policy of Caltrans to maintain inventory control and accountability of all materials until such items are put into use. All materials and supplies obtained via Purchase Order (PO) must be accounted for in IMMS stock areas through the PO Receipt process. Materials and supplies ordered from the local District Store of HQ Maintenance Warehouse inventory are obtained via a Requisition submitted in the Material Management and Acquisitions (MMA) system.

They should also be documented on an IMMS Work Order under the correct Activity. Material should be charged out in IMMS the same day the material is used.

2.11.02 Criteria for Ordering Supplies

Each Division or District within Caltrans establishes criteria and determines who may request and approve orders for goods, equipment, and furniture within their respective area. Authorized employees may order goods and services by using these methods:

- (A) Inventory is ordered from local District Stores of the HQ Maintenance Warehouse electronically in the MMA system.
- (C) Purchase Requests (ADM-1415 “Purchase Request” form available on CEFS) submitted to DPAC.
- (D) Caltrans Credit Card (CAL-Card) up to established dollar threshold limits.

Refer to the “Acquisitions Manual,” provided in Section 2.01.01 of this chapter, for more information and instructions regarding ordering supplies.

2.11.03 Product Endorsement Prohibition

No employee shall endorse commercial products by stating that such items have been adopted by the State, or that certain articles are superior to others, without the approval from the Maintenance Program. DPAC has been delegated the task of investigating all merchandise to be purchased and will represent Caltrans in relations with vendors.