

Project Delivery Directive

To: Project Delivery Employees

Number: PD-06

References: Ready To List and Construction Contract Award Guide (RTL Guide), Section 7

Effective Date: 12/14/10

Supersedes: NEW

Review by: 12/14/13

TITLE: State-Furnished Materials and Expenses

DIRECTIVE

State-furnished materials and expenses are limited to items shown on the Federal Highway Administration (FHWA) pre-approved lists, or they are project-specific, state-furnished materials or expenses justified by an approved public-interest finding and, when required, FHWA approval.

The cost justification for state-furnished materials and expenses must be documented.

BACKGROUND

The United States Code (23 U.S.C. 112) sets forth bidding requirements for highway construction contracts:

In all cases where the construction is to be performed by the State transportation department or under its supervision, a request for submission of bids shall be made by advertisement unless some other method is approved by the Secretary. The Secretary shall require such plans and specifications and such methods of bidding as shall be effective in securing competition.

Highway construction contracts must comply with 23 U.S.C. 112 (b) which states:

Construction of each project, subject to the provisions of subsection (a) of this section, shall be performed by contract awarded by competitive bidding, unless the State highway department demonstrates, to the satisfaction of the Secretary, that some other method is more cost effective or that an emergency exists. Contracts for the construction of each project shall be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting established criteria of responsibility.

FHWA must approve highway construction work not competitively bid primarily on the basis of cost effectiveness.

FHWA must approve state-furnished materials and expenses used on federal-aid projects, because these items are not part of the competitively bid contract items. Historically, Caltrans biennially submits to FHWA for blanket approval the public-interest findings (PIFs) for each state-furnished material and expense. On October 22, 2009, FHWA approved the items listed in Appendix A, “State-Furnished Materials—2009,” and Appendix B, “State-Furnished Expenses—2009.” When state-furnished materials or expenses not pre-approved by FHWA are used on a project, a project-specific PIF is required for them.

To implement this Project Delivery Directive, Appendix C provides the project-by-project FHWA approval procedures for state-furnished materials and expenses. State-funded projects must abide by the same pre approved lists, and PIFs are required for non pre-approved items. For additional information about the requirements for PIFs, refer to the “Cost Effectiveness / Public Interest Finding Guidelines,” dated November 2006 and published by Federal Resource Office, Division of Budgets.

The Division of Construction will work with FHWA to update state-furnished materials and expenses lists within the next 18 months. After that, the lists will be reviewed and updated every four years.

FHWA bases its pre-approved lists on needs justification for each state-furnished material or expense. For each project, the project engineer is required to provide documentation of cost for every state-furnished material or expense used on a project. Caltrans has developed a format, shown in Appendix C, for documenting cost justification for state-furnished materials and expenses. For high-profile projects, Caltrans and FHWA representatives have worked together to develop a similar letter format for state-furnished materials and expenses cost-justification format, also shown in Appendix C.

This directive will be incorporated into the next revision of the Project Development Procedures Manual.

DEFINITION

State-furnished materials are paid for directly by the state and provided to the contractor for the work.

State-furnished expenses are services or work performed by state forces or others, such as railroads or utility companies, concurrently with the construction work paid for directly by the state.

RESPONSIBILITIES

Chief Engineer: Ensures that the Standard Specifications and standard special provisions are consistent with the current FHWA pre-approved state-furnished materials and expenses lists.

District Directors: Approves or disapproves public-interest findings requests for state-furnished materials or expenses not shown on the pre-approved lists on a project-by-project basis.

Deputy District Director or Region Division Chief: Concurs with public-interest-finding request for state-furnished materials or expenses not on the pre-approved lists on a project-by-project basis.

Chief, Division of Design: Provides policy, procedures, and guidance to ensure compliance with this directive.

Chief, Division of Construction:

- Provides policy, procedures, and guidance to ensure compliance with this directive.
- Works with the FHWA to maintain the pre-approved list for state-furnished materials and expenses.

Project Engineers:

- Prepare cost justification for state-furnished materials and expenses for all projects and obtain necessary approval for any state-furnished material or expense not on pre-approved lists.
- For high-profile projects, obtain FHWA approval of state-furnished materials and expenses costs.
- For a project cost estimate, ensure that a public-interest finding is completed for any state-furnished material or expense that is not on the pre-approved lists.
- Obtain recommendation from deputy district director or region division chief and district director approval on public-interest findings for state-furnished materials or expenses not on the pre-approved lists.
- For high-profile projects, obtain FHWA approval on public-interest findings for state-furnished materials or expenses not on the pre-approved lists.

Resident Engineers:

- For contract change orders that require state-furnished materials and expenses not on the pre-approved list, prepare a public-interest finding for any state-furnished material or expense not on the pre-approved lists.
- Obtain district director approval on public-interest findings for state-furnished materials or expenses not on the pre-approved lists and FHWA concurrence on high-profile projects.



RICHARD D. LAND
Chief Engineer
Deputy Director, Project Delivery

12/14/10

Date Signed

**Attachment A— Sample Justification for Supplemental Work Items and
State-Furnished Materials and Expenses Memorandum**

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and
Housing Agency

M e m o r a n d u m

***Flex your
power! Be
energy
efficient!***

To: *Deputy District Director's (or Region
Chief's) Name Deputy District Director (or
Region Chief), Design
District ____ (or ____ Region)
From: Project Engineer's Name
Project Engineer
Area of
Responsibility*

Date: _____
File: *District-EA
Project Identifier
number County-Rte-
PM*

Subject: Justification for Supplemental Work Items and State-Furnished Materials and Expenses

Project Description

The project is located in _____ County on Route _____ near _____, from _____ to _____. This project will (*describe scope of work for this project*). Funds are to be provided by the _____ program in the _____ fiscal year. The estimated cost for contract items on this project is _____, the estimated cost for supplemental work items is _____, or _____ percent of the contract items, and the estimated cost of state-furnished materials and expenses is \$ _____. Contingencies for unforeseen work will be in addition to these amounts.

Supplemental Work Items—on FHWA Pre-Approved Supplemental Work Items List

The justification for the need for these items is included in "FHWA Pre-Approved Supplemental Work Items" list. The cost justifications for the following supplemental work items are as follows:

1. 066015 Federal Trainee Program \$ _____.
Cost is for the training expenses as part of the contractor's equal employment opportunity affirmative action program according to the Code of Federal Regulations (CFR). The contractor is to provide on-the-job training to develop full journeymen in the types of trades or job classification involved in the contract. The Caltrans Ready to List (RTL) Guide Section 7.14
"Federal Trainee Program" provides criteria for determining cost justification based on the number of trainees determined based on the engineer's estimated total project cost. The cost justification for federal trainees based on the RTL Guide and contract estimated cost of \$ _____ used to determine the number of federal trainees to be _____ and the cost per trainee of \$800 for total estimated cost of \$ _____.
2. 066070 Maintain Traffic \$ _____.
Cost is to cover the 50 percent state share of flagging and 100 percent of other traffic-handling equipment and devices used in carrying out provisions in Sections 7-1.08 and 7-1.09 of the Standard Specifications and the special provisions or as ordered by the Engineer. The cost justification is based on fifty percent of the daily rate for providing flagging necessary for traffic control for the estimated duration of the project. The justification of cost of \$ _____ was estimated based on \$ _____ per day for _____ days.

3. 066094 Value Analysis \$ _____

The purpose of the workshop analysis workshop is to identify value enhancing opportunities and to consider modifications to the plans and specifications that will reduce either the total cost, time of construction or traffic congestion, without impairing, in any manner, the essential functions or characteristics of the project. The Caltrans Ready to List (RTL) Guide Section 7.18 “Value Analysis” provides criteria for determining cost justification based on including \$10,000 in the engineers estimate for projects over 5 million estimated project total costs. The cost justification for value analysis based on the RTL Guide and contract estimated total cost of \$_____ is \$10,000.

4. 066595 Water Pollution Control Maintenance Sharing \$ _____

The cost is to cover extra work of maintaining the temporary water pollution control items identified in the project; (*Delete items that are not in the contract*) including temporary hydraulic mulch, temporary hydraulic mulch (cementitious binder), temporary hydroseed, temporary tacked straw, temporary soil binder, temporary mulch, temporary hydraulic mulch (bonded fiber matrix), temporary hydraulic mulch (polymer stabilized fiber matrix), temporary erosion control blanket, temporary check dams, temporary fiber roll, temporary large sediment barrier, temporary silt fence, temporary reinforced silt fence, temporary straw bale barrier, temporary gravel bag berm, temporary construction entrance, temporary construction roadway, and temporary drainage inlet protection. The maintenance costs for temporary water pollution control best management practices can vary widely because of the frequency and severity of storm activity during the life of a project. The state shares one-half of the maintenance cost for temporary water pollution control best management practices to reduce the uncertain maintenance cost risk of contractors. The cost justification for water pollution control maintenance sharing is based on a percentage of each temporary water pollution control item as detailed in Appendix F of the Caltrans Storm Water Quality Handbooks: Project Planning and Design Guide for an estimated cost of \$_____.

5. 066596 Additional Water Pollution Control \$ _____

Cost is to cover overruns on bid items in the event of heavier-than normal rainfall during project construction. The cost justification for additional water pollution control is estimated according to Appendix F of Caltrans Storm Water Quality Handbooks: Project Planning and Design Guide. The estimated cost for additional water pollution control is based on the engineer’s estimate for Prepare Storm Water Pollution Prevention Plan (SWPPP) (*or insert Prepare Water Pollution Control Program (WPCP)*) less the cost of routine quarterly monitoring (RQM) for an estimated cost of \$_____.

6. 066597 Stormwater Sampling and Analysis \$ _____

These funds compensate the contractor for performing stormwater sample laboratory analysis. Laboratory analysis is required for applicable non-visible pollutants and suspended sediment concentration (SSC). The costs can vary widely because of the frequency of storm activity during the life of a project and potential number of non-visible pollutant sampling locations required for each storm event. The cost justification for laboratory stormwater analysis is estimated according to Appendix F of Caltrans Storm Water Quality Handbooks: Project Planning and Design Guide. The estimated cost for stormwater sampling and analysis is based on the engineer’s estimate for Prepare Storm Water Pollution Prevention Plan (SWPPP) less the cost of routine quarterly monitoring (RQM) for an estimated cost of \$_____.

7. 066610 Partnering \$ _____

The state will pay the cost for the "Training in Partnering Concepts" trainer and training site, and the state and contractor will share equally the cost of the partnering workshop facilitator and workshop site. The Caltrans Ready to List (RTL) Guide Section 7.15 "Partnering" provides criteria for determining cost justification based on the number of working days for the contract and engineer's estimated total project cost. The cost justification for partnering is based on the RTL Guide criteria using the engineer's estimated contract cost of \$ _____ and number of working days of _____ to justification a cost of \$ _____.

8. 066670 Payment Adjustments for Price Index Fluctuations of Paving Asphalt \$ _____

The first 5 percent escalation in the unit cost for paving asphalt is included in the bid prices for the various items using paving asphalt. Any escalation in the asphalt price index above 5 percent will result in additional payments to the contractor. The justification of cost is based on the following formulas:

a. For US Customary projects use $F_s \times Q_t \times I_c$.

b. For metric projects use $1.1023 \times F_s \times Q_t \times I_c$.

Where:

F_s = Supplemental work allotment factor. F_s is 0.15 for projects with less than 250 working days. F_s is 0.25 for projects with 250 to 500 working days. F_s is 0.35 for projects with more than 500 working days.

Q_t = Total estimated asphalt quantity contained in materials for pavement structural sections and surface treatments to be placed in the work.

I_c = California Statewide Crude Oil Price Index. Use the current month's index. Update your estimate as close to project advertisement as possible.

For this project:

F_s is determined based on the estimated number of working days of _____ to be _____.

The following formulas from the standard special provision have been used to calculate

Q_t :

a. *(insert formula and calculation)*

b. *(insert formula and calculation)*

The California Statewide Crude Oil Price Index for (Month, Year) (I_c) is

Supplemental funds required for Compensation Adjustments for Price Index Fluctuations of Paving Asphalt is calculated based on:

_____ (F_s) x _____ (Q_t) x _____ (I_c) = \$ _____, rounded to \$ _____.

9. 066919 Disputes Resolution Board \$ _____

A Disputes Resolution Board assists in the resolution of disputes or potential claims arising out of the work of the contract. The cost is equally paid for by the state and the contractor. The Caltrans Ready to List (RTL) Guide Section 7.16 "Dispute Resolution Board" provides criteria

for determining cost justification based on the number of working days for the contract. The cost justification for disputes resolution board is based on the RTL Guide criteria using the engineer's estimated number of working days of _____ to determine an estimated cost of \$_____.

Supplemental Work Items –on Acceptable Supplemental Work Items List

These supplemental work items are needed for this project and are described in the specifications to be used for this project. The need and cost justification for each of these supplemental work items are as follows:

1. Additional Non-Destructive Testing \$_____
This item is required by special provision S8-W04 paragraph 10, additional non-destructive testing as determined by the engineer will be paid as extra work. Per METS the amount of supplemental funds for this item should be 1 percent of the furnished steel items not to exceed \$10,000. The justification of costs for additional non-destructive testing is based on the engineer's cost estimate for structural steel of \$_____ multiplied by 1 percent to determine an estimated cost of \$_____.

For high-profile projects, if the FHWA project engineer does not approve the supplemental work item, include the following:

The non-federal source of funding for this item will be _____.

Delete the following section if there are no project specific non-standard supplemental work items. If NSSP has not been approved before submittal attach proposed NSSP.

Non-Standard Supplemental Work Items

The following supplemental work item is needed for this project and is described in the non-standard special provision, (NSSP No. and/or Title), approved for this project on (Date) by (Name) of the (Division of Construction, or other specification owners' functional unit).

For High-Profile projects, if the FHWA project engineer does not approve the non-standard supplemental work item include justification below for why the item is necessary and include the following:

The non-federal source of funding for this item will be _____.

1. (Supplemental Work Item Description) \$_____
(Explain why this needs to be supplemental work instead of contract bid item work, or instead of unforeseen work, which should be funded from contingencies. Explain the justification for the cost estimate for this work.)

State-Furnished Materials and Expenses

The following listed items are shown on the "State-Furnished Materials—2009" or "State-Furnished Expenses—2009" lists, which are pre-approved as being in the public interest for Caltrans to furnish to the contractor as state-furnished materials and expenses. Consequently, a Public Interest Finding is not required for these items. However, justification for the cost of these items is required and is provided below.

State-Furnished Materials

066840 Traffic Signal Controller Assembly \$ _____

The justification of cost for traffic signal controller assembly in the amount of \$ _____ is based on _____.

State-Furnished Expenses

066062ACOZEED Expenses \$ _____

To increase the safety of motorists and construction workers in State highway project construction zones, Caltrans and the California Highway Patrol jointly operate the Construction Zone Enhanced Enforcement Program (COZEED). The cost estimate is based on the estimated number of day shifts of _____ days (shifts) that the CHP will be needed and the daily CHP rate of \$ _____/day (/shift). The justification of cost is _____ (days) x \$ _____/day = \$ _____.

066063 Traffic Management Plan \$ _____

Traffic management plans are required on all capital construction projects on the state highway system to minimize motorist delays. The justification of cost in the amount of \$ _____ is based on _____.

066105 Resident Engineers Office \$ _____

Resident engineer and staff need to have an office close to the jobsite for administration of the contract. Office cost is estimated based on an office size of approximately _____ sq. ft. at \$ _____/sq. ft. per month. This cost may be shared among up to _____ other projects which we anticipate can be administered out of the same office concurrently with this project. The justification of cost in the amount of \$ _____ is based on the monthly rate times the percentage of the rent to be paid by this project times the project duration of _____ months (based on the estimated working days for the project).

066871 Electrical Service Connection \$ _____

For expenses necessary to install meter and service conductors to the service cabinet on the jobsite. This work is for the connection work done by public utility companies and not work done by the contractor. The justification of the cost for the work in the amount of \$ _____ is based on the cost estimate provided by the utility company.

Delete the following section if there are no project specific state-furnished materials or expenses)

Project Specific State-Furnished Materials or Expenses

This (state-furnished material or expense) is needed for this project and is described in the non-standard special provision, (NSSP No. and Title), approved for this project on (Date) by (Name) of the (Division of Construction, or other specification owners' functional unit). A project specific public interest finding (PIF) for (name state-furnished material or expense) was approved on (Date) by (Name), (District Director or Division Chief).

(Attach approved Public Interest Find and, if NSSP has not been approved before submittal, attach proposed NSSP).

(Insert Date)

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(State-Furnished Material or Expense Description) \$ _____

(Explain why this needs to be state-furnished instead of contract bid item work.

Explain the justification for the cost estimate for this work.)

Name

Project Engineer

Attachments:

Use the following appropriate signatory blocks when supplemental work approval is required.

The following is required when total non-excluded supplemental work items cost exceeds five percent and for supplemental items not on approved supplemental item lists:

Recommended by:

Name

Deputy District Director, Design

(or Region Chief, Design)

District ____ (or _____ Region)

The following is required when total non-excluded supplemental work items cost is between five and ten percent:

Approved:

Name

District Director

District ____

*The following is required for supplemental items not on approved supplemental item
lists:* Recommended by:

Name

District Director

District ____

*The following is required when total non-excluded supplemental work items cost
exceeds ten percent and for supplemental items not on approved supplemental
item lists:*

Approved:

Mark Leja

Chief

Division of Construction

Appendix A – State-Furnished Materials – 2009

STATE-FURNISHED MATERIALS - 2009

	FEDERALLY PARTICIPATING STATE-FURNISHED MATERIALS	RATIONALE (There is a history of very long delays by the manufacturers of some products. Procurement of those products, by the state, starts early to meet construction deadlines. All items listed here are obtained by the state, for convenience and cost savings, in competitive bid contracts from qualified vendors.)
1	Permanent sign panels and mounting hardware. Types N, P, R, and object marker panels; and reflectors.	Statewide uniformity allows replacement with State stock. Volume purchase by State benefits due to typical project small quantities. There is a continued use over the last five years.
2	Laminated wood box posts and metal caps.	Avoid project delays due to order delays of not commonly available materials. Volume purchase by State benefits due to typical project small quantities. There is a continued use over the last five years.
3	Monument discs.	Statewide uniformity allows replacement with State stock. Volume purchase by State benefits due to typical project small quantities. There is a continued use over the last five years.
4	Markers for railings and concrete barriers.	The contractors cannot buy and keep these markers, and buying very few markers for a project is not cost effective. Volume purchase by the State is more cost effective than typical project small quantities.
5	Traffic signal controller assemblies, including wired cabinets and loop detector units.	Avoid project delays due to fabrication, delivery, testing, operational unit programming, modifications, and retesting requirements. Volume purchase by State benefits due to typical project small quantities. Require statewide uniformity, compatibility, and maintenance factors.
6	Changeable message signs and assemblies.	Avoid project delays due to fabrication, delivery, testing, operational unit programming, modifications, and retesting requirements. Require statewide uniformity, compatibility, replacement exchangeability, and maintenance factors. Volume purchase by State benefits due to typical project small quantities.
7	Salvaged (recycled) material. e.g. temporary traffic signals, and flashing beacons.	Salvaging and recycling materials are resource conservation efforts. The service of salvaging is Contractor Furnished, but the State has to furnish these "salvaged materials" to the contractors for reuse on projects.
8	Seed and plants not commercially available, either by type or size, that must be grown or obtained for specific projects.	Avoid project delays due to order delays of not commonly available materials. Reduce project overhead by allowing the setting of more realistic time limits. There is a continued use over the last five years. It could take contractors over a year or two of waiting period to grow seeds.
9	Battery Back Up System (BBS) - Electronics Assembly	The electronics portion of the BBS is highly customized and complex. Statewide uniformity and operational compatibility with state systems. The cabinet and batteries of the BBS will be contractor furnished. Volume purchase by State benefits due to typical project small quantities. Require statewide uniformity, compatibility, and maintenance factors.

Appendix B – State-Furnished Expenses - 2009

STATE-FURNISHED EXPENSES - 2009

	FEDERALLY PARTICIPATING STATE-FURNISHED EXPENSES	RATIONALE
1	Resident Engineer's office rental cost.	Resident Engineer and staff need to have an office close to the job site for administration of the contract. This is normally included when a single project cost exceeds \$300,000 and the project time limit is 50 or more working days, or when there are several projects in the area and the total cost for these projects exceeds \$300,000 and the time required to complete all of the projects is 50 or more days. In this case, the cost of the office would be distributed proportionally among the projects involved according to their estimated use of the office.
2	Railroad Work	Work to be done by railroad agency.
3	Traffic Management Plan	Required on all capital construction projects on the State highway system to minimize motorist delays. Incorporates traffic mitigation strategies with innovative public and motorist information techniques and tools to plan for and manage the traffic impacts.
4	Construction Zone Enforcement Enhancement Program (COZEEP)	The COZEEP is jointly operated by Caltrans and CHP to increase the safety of motorists and construction workers in State highway project construction zones. COZEEP is used to increase traffic enforcement above normal levels during the various construction stages when lane closures and diversions increase the potential for traffic accidents within the highway construction project zone.
5	Electrical Service Connection	Expenses necessary to provide power supply to temporary facilities needed to complete the contract, and for power company to install meter and service conductors to the service cabinet on the job site. This is for temporary power and the connection work done by public utility companies and not by contractor.
6	Telephone Service Connection	Expenses necessary for telephone company to provide telephone connection and install phone service conductors to the telephone demarcation cabinet or controller cabinet on the project. The telephone demarcation cabinet will be furnished and installed by the contractor. This is connection work done by public utility companies and not by contractor.
7	Water Services in Construction Area	Expenses necessary for providing water for planting and maintaining existing plants within the project limits. For convenience, the contractor is allowed to use water from state facilities where available within project limits. Since the water is not free to the state, it has to be charged to the project as a state-furnished expense. Where water is not available, the contractor provides and bears the cost of water services.

State-Furnished Materials and Expenses Procedures

State-Furnished Materials and Expenses

State-furnished materials and expenses are limited to items shown on the pre-approved “State-Furnished Materials - 2009” or “State-Furnished Expenses - 2009” list.

For all projects, the project engineer must prepare and submit a memorandum justifying the cost for each State-furnished material and expense used on a project.

The project engineer can use the following resources (attached) when preparing the justification for supplemental work items and State-furnished materials and expenses memorandum:

Attachment A—Sample Justification for Supplemental Work Items and State-Furnished Materials and Expenses Memorandum

<http://www.dot.ca.gov/hq/construc/sw/>

Attachment B—Sample Supplemental Work Items and State-Furnished Materials and Expenses Justification Letter to FHWA

<http://www.dot.ca.gov/hq/construc/sw/fedjustltr.html>

State-Furnished Material and Expenses Limitation

For every project the project engineer must prepare a justification of supplemental work items and State-furnished materials and expenses memorandum. When State-furnished materials and expenses on the pre-approved list are used, no project specific Public Interest Finding or approval of justification memorandum is required for State or FHWA-delegated projects. For FHWA-identified high-profile projects, the FHWA must approve State-furnished materials and expenses. See FHWA Approval for High Profile Projects section below for FHWA requirements.

If any State-furnished material or expense item required for a project is not on the pre-approved State-furnished materials or expenses list, either Appendix A or Appendix B, the justification memorandum must include the rationale for each proposed State-furnished material or expense and explain why the work is necessary and why the work cannot be included as a bid item. For each State-furnished material or expense not on the pre-approved list a Public Interest Finding (PIF) is required. Attach a copy of the approved PIF to the justification memorandum.

Requirements for PIFs are included in the *Ready-to-List and Construction Contract Award Guide (RTL Guide)* and the “Cost Effectiveness / Public Interest Finding Guidelines” dated November 2006, published by Federal Resource Office, Division of Budgets.

State-Furnished Materials and Expenses Need and Cost Justification

Caltrans and the FHWA require justification for the need and cost of each State-furnished material or expense proposed to be used in a construction project. The blanket pre-approved State-furnished materials and expenses lists or project specific PIF provide the justification for

the need of the State-furnished material or expense. The justification for supplemental work items and State-furnished materials and expenses memorandum prepared by the project engineer must provide the appropriate documentation for the cost of each State-furnished material and expenses.

FHWA Approval for High-Profile (formerly Full-Oversight) Projects

If the High-Profile Project Agreement does not delegate approval authority to the Department for State-furnished materials and expenses cost justification, the project engineer must submit a supplemental work and State-furnished materials and expenses justification letter to the appropriate FHWA transportation engineer for approval. The letter should include for each pre-approved State-furnished material or expense the rational for the cost of each State-furnished material and expense used on the project. If the State-furnished material or expense is not included on Appendix A or Appendix B, the justification for that item is for the item's need and cost. For each State-furnished material or expense not on the pre-approved list a Public Interest Finding (PIF) is required. Attach a copy of the approved PIF to the justification letter. Attachment B provides a sample justification letter to the FHWA.

Justification for Supplemental Work Items and State-Furnished Materials and Expenses Distribution

Distribute a copy of the justification memorandum, any required project specific PIF's for State-furnished materials and expenses and, for high-profile contracts the justification letter and FHWA's response, to:

- The PS&E submittal to the Division of Engineering Services, Office Engineer
- The submittal to the Division of Budgets, Office of Federal Resources, for projects with federal funds according to the *Ready To List and Construction Contract Award Guide (RTL Guide)*
- The project history file
- The resident engineer's file
- PDF attachments in an email to Lotus Notes email address "HQ Construction Engineering," Subject: "FYI, Approved SW, District-EA."

Attachments: Attachment A— Sample Justification for Supplemental Work Items and State-Furnished Materials and Expenses Memorandum

Attachment B—Sample Supplemental Work Items and State-Furnished and Expenses Justification Letter to FHWA