

FORCE ACCOUNT FOR PREVENTIVE MAINTENANCE GUIDELINES, POLICY & PROCEDURES



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I. POLICY

Consistent with FTA Circular 5010. 1D, Chapter IV, Section 4. a, it is Caltrans policy that subrecipient of FTA Section 5311 Program, where applicable, comply with FTA's Force Account Program requirements. This policy requires that to be eligible for reimbursement for force account work, subrecipients must provide a force account plan and justification to the California Department of Transportation (Caltrans) for the review/approval before incurring costs. To assist subrecipients in developing force account plans, Caltrans has developed guidelines, policy, and procedures for subrecipients to ensure federal requirements compliance. This force account policy shall be administered and maintained by Caltrans Division of Mass Transportation (DMT), Office of Federal Grants.

II. DEFINITION

Work performed by the subrecipients' work force (in-house labor), that is included in an approved FTA Section 5311 grant is "force account" work. Reimbursement of force account work is subject to subrecipients providing a force account plan and justification, including documentation equivalent to a sole source justification, stating the basis for a determination that no private sector contractor has the expertise to perform the work. Reimbursement of such expenses are subject to Caltrans Division of Mass Transportation's (DMT) prior review of the subrecipient's force account plan and justification when the total estimated cost of force account work under the grant equals \$100,000 or more. Justification may be on the basis of cost, exclusive expertise, safety and efficiency of operations, or union agreement. Force account reimbursement for projects above this threshold must be supported by a force account plan and justification, which are to be retained in the subrecipient's files. No plan or justification is required if the grant award amount is less than \$100,000 or your agency contracts with the third party for the preventive maintenance work.

III. ALLOWABLE TYPES OF WORK

Force account work does not include project administration activities which are otherwise direct project costs. Force account work can include major capital project work on rolling stock. An example of this is preventive maintenance activities.

IV. REQUIREMENTS

1. If the grant award for preventive maintenance equals \$100,000 or more, and the work is done in-house, a force account plan, justification and Caltrans DMT approval are required.
2. No plan or justification is required if the force account work is less than \$100,000.
3. One of four (4) conditions may warrant the use of a subrecipients' own "in house" labor:
 - a. Cost savings
 - b. Executive expertise
 - c. Safety and efficiency of operations
 - d. Union agreement

V. RECORDING KEEPING

1. All costs charged to the project must apply to a particular line item in the project budget.
2. The subrecipient must maintain thorough documentation of all costs.

The documentation must include the following:

- A spreadsheet documenting the hourly rate and labor hours worked for each employee.
- A spreadsheet documenting the workers, work performed, machinery used, and materials supplied.
- Employee personnel policies that delineate paid leave, equal employment, travel, and terms of employment policies, compliant with the Fair Labor Standards Act, and Section 504.
- Purchase vouchers, invoices, lease agreements, and canceled checks for all materials, equipment, or miscellaneous expenses purchased. Invoices for purchases must document the use of purchased items. A copy of the lease agreement must support the use of leased equipment.

VI. BASIS OF REIMBURSEMENT

To be eligible for reimbursement for force account work, subrecipients must provide the force account plan and justification including the following before incurring costs:

1. A justification for using subrecipient work forces
2. Scope of Work describing force account labor activities
3. A copy of the construction plans/preventive maintenance plan and specifications which include:
 - A detailed estimate of costs
 - A detailed schedule and budget
 - A copy of the proposed Cooperative Agreement when another public agency is involved.
4. Submit documentation equivalent to a sole source justification stating the basis for determining that no private sector contractor has the expertise to perform the work. In addition, the required documentation must provide the basis for the subrecipients' decision to use force account labor.
5. Provide certification that costs presented are fair and reasonable.
6. Provide an analysis of force account labor availability, considering normal operations and maintenance activities as well as other programmed and existing capital projects. This must be consistent with costs of labor, material, and specialized equipment.
7. Provide relevant citations from labor union agreements and an analysis of how it pertains to the work in question.

VII. ROLES AND RESPONSIBILITIES

Subrecipient responsibilities are as follows:

- Develop a force account plan and submit to Caltrans headquarters during the FTA Section 5311 grant application process.
- Keep accurate, detailed records of all labor hours, equipment hours and materials used for the force account.
- Daily Force Account Work and Preliminary field documentation of employee names, employee hours, equipment used, equipment hours and any material incorporated in the work.
- Maintain and have on file a maintenance program plan. The plan should outline the all work that will be performed, organized in a format such as by category, or by type, including scheduling. The scheduling component should include a designated inspection system. This plan is required to be on file with Caltrans/DMT/Rural Transit and Intercity Bus Branch. The applicant is responsible for submitting new or revised versions of their plan.

Caltrans (Headquarters) responsibilities are as follows:

- Establish and administer program procedures for projects using force account.
- Approve force account requests
- Assess project proposals based on program definition, goals and objectives.
- Prepare and execute Standard Agreement(s) with the successful applicant.
- Report to FTA for program compliance.
- Provide guidance and technical support to Caltrans District Transit Representatives (DTR) and subrecipients.

Caltrans DTR responsibilities are as follows:

- Review requests for reimbursement to ensure accuracy.
- Monitor and oversight project.
- Conduct on-site review to ensure compliance.

VIII. ADDITIONAL INFORMATION

Further guidance for force account may be found in:

FTA C. 5010.1D Chapter IV, Section 4. a