

# Chapter 2 Roles and Responsibilities

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## Exhibits

[Exhibit 2-B: Federal-Aid Project Responsibilities List for Delegated Projects off the State Highway System](#)

All LAPM Exhibits are located at:

<https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms>

## Chapter 2 Roles and Responsibilities

### 2.1 Introduction

Within Caltrans, the responsibility for administering and managing the Federal and State Local Assistance Highway Programs resides in the Division of Local Assistance (DLA) under Planning and Modal Programs. Each of the twelve Caltrans districts has a District Local Assistance Engineer (DLAE) who is the Local Public Agency's (LPA's) primary contact for processing projects, aiding development efforts, and answering questions:

<https://dot.ca.gov/programs/local-assistance/other-important-issues/local-assistance-contacts>.

The responsibility for implementing individual projects on the local streets, roads, and other transportation systems resides with the LPAs, principally the cities and counties.

#### State-Funded Projects

State-funded Local Assistance projects must be developed in accordance with policy and procedural requirements as specified in state law by the California Transportation Commission (CTC) and Caltrans. These state policies and procedural requirements are separate from federal requirements. It is Caltrans policy to provide these funds to local transportation programs with a minimum of state oversight. Since procedures vary with each state-funded program, the Local Assistance Program Guidelines ([LAPG](#)) should be referenced for a detailed explanation of the roles and responsibilities.

#### Federal-Aid Projects

The Federal Highway Administration (FHWA) is the federal agency most typically involved in transportation projects undertaken with federal funding and/or approval action for the programs discussed in the LAPM. FHWA has the authority and responsibility for implementing and monitoring federal laws, regulations, and executive orders affecting these programs. When a project involves federal-funding, FHWA is involved according to these responsibilities and the delegations in the Stewardship and Oversight Agreement (S&O). When another federal agency has permit jurisdiction or other role in the development of a project, FHWA frequently becomes involved in the process as either lead or co-lead federal agency.

Caltrans obtained major delegations of authority and/or responsibility from FHWA and has passed on these delegations to LPA partners to the greatest extent possible. Delegation includes the accountability for initiating and completing each project phase in accordance with the appropriate state and federal laws and regulations without extensive FHWA or State oversight. Caltrans has the responsibility to ensure that LPAs are administering the Federal-Aid Highway Program (FAHP) in conformance with the applicable federal requirements. Federal-aid projects must be included in a regional transportation plan and the approved Federal Statewide Transportation Improvement Program (FSTIP). This inclusion must precede fund authorization for any activity for which federal-aid funds are being sought. The responsibility for selecting the program of projects for inclusion in the urbanized area Federal Transportation Improvement Program (FTIP) resides with the Metropolitan Planning Organizations (MPOs). The County Transportation Commissions and Regional Transportation Planning Agencies (RTPAs) also have a role in programming projects for the FSTIP and the state funded State Transportation Improvement Program (STIP). Their selections must be done in consultation with the state, cities, counties, and other transportation agencies within the area. The FTIPs are incorporated into the FSTIP. Caltrans works with the non-MPO LPAs to program projects in the FSTIP.

[Exhibit 2-B: Federal-Aid Project Responsibilities List for Delegated Projects off the State](#)

[Highway System](#) outlines the roles and responsibilities of the parties involved in local federal-aid transportation projects. The subsequent chapters in this manual provide the details for carrying out these responsibilities.

## 2.2 National Highway System

The National Highway System (NHS) provides an interconnected system of principal arterials that serve major population centers, international border crossings, ports, airports, public transportation facilities, intermodal transportation facilities, and other major travel destinations; meets national defense requirements; and serves interstate and interregional travel. The NHS was developed by the United States Department of Transportation (USDOT) in cooperation with the states, local officials, and MPOs.

The [California Highway System Map](#) displays authoritative, statewide road system information along California's highways, including Functional Classification roadways and the National Highway System.

## 2.3 Stewardship and Oversight Agreement (S&O)

The FHWA/Caltrans S&O defines roles and responsibilities, outlines authorities, and assures accountability in effectively and efficiently managing program and project delivery of the FAHP.

Authority for the S&O comes from 23 U.S.C.106(c) which requires the USDOT and the State to enter into an agreement for the extent to which the State assumes the project approval and oversight responsibilities of the USDOT.

Unlike previous stewardship agreements, the current S&O utilizes a risk-based approach to manage the FAHP. This innovative way of doing business represents a paradigm shift in the joint and collaborative management of the FAHP.

## 2.4 Delegated Projects

Caltrans has authority for all aspects of a federal-aid project except those activities which may not be delegated by federal law (requiring FHWA approval). Prior to September 2007, these projects were referred to as State-authorized projects defined by set criteria (rather than risk) such as Resurfacing, Restoration, and Rehabilitation (3R) projects, Interstate construction projects under \$1 million, non-NHS projects, etc. Delegated projects include projects that are routine and inherently low risk in which Caltrans has a high level of experience and well-documented procedures and processes in place for ensuring compliance with federal requirements. Project level approval authority for these projects follows that outlined in [Exhibit 2-B: Federal-Aid Project Responsibilities List for Delegated Projects off the State Highway System](#).

Over 99% of Local Assistance projects are delegated in which Caltrans or the LPA has approval authority for most project level activities. FHWA's delegation of low-risk project level approval to Caltrans only functions as long as those activities remain low risk. If oversight reveals concerns with Caltrans approval process for delegated activities, these activities have the potential to become high risk, and therefore could alter Caltrans or FHWA's involvement in their approval.

## 2.5 Risk-Based Project Involvement (RBPI)

Risk-Based Project Involvement (RBPI) is FHWA's annual process that considers risk, data, and judgment to select Risk-based Involvement (RBI) projects and provide stewardship and oversight beyond what is required. The annual list of RBI projects and involvement activities are established and communicated to Caltrans by October 31st.

RBI projects are those in which Caltrans has assumed Section 106(c) responsibilities, but FHWA has decided to provide stewardship and oversight beyond what is required as a result from risks, data, and judgment considerations. Prior to 2019 these projects were referred to as Projects of Division Interest (PoDIs) based on risk-based criteria such as meeting Major Projects requirements (23 U.S.C.106(h)), utilizing Innovative Financing and/or Contracting, etc. While Caltrans was responsible for approving most project level activities on low risk (delegated) projects, FHWA maintained many project level approval activities for PoDI projects.

Approval authority for RBI projects is delegable per statute or regulation, as documented in the 2015 FHWA/Caltrans [S&O](#). Retaining a delegable action by FHWA requires approval by FHWA's Division Administrator.

### Annual RBI Project Selection Process

FHWA's annual selection of RBI projects and development of involvement activities are based on risks, data, and professional judgment. FHWA's process ensures consistency with the RBPI process and documentation from year to year but allows flexibility and discretion to adapt to dynamic risks and workloads. Projects not meeting the criteria below are considered delegated.

Several parameters are established to ensure FHWA's risk-based involvement is impactful and manageable and provides a statewide presence. There is no maximum number of RBI projects each year, but FHWA will select at least 24 projects.

- At least one Caltrans-administered RBI project in each of the 12 Caltrans Districts
- At least one locally-administered RBI project in each of the 12 Caltrans Districts
- FHWA will establish the approximate number of RBI projects to be selected in each Caltrans District based on available resources and workloads

Project screening, selection of RBI projects, and development of involvement activities are all based on risk, data, and judgment. Project screening uses both required and discretionary criteria to identify RBI candidates.

### Risk-Based Project Involvement Screening Criteria

FHWA will consider the following criteria in screening the project universe. A project meeting any of the following criteria is an RBI candidate but there is no requirement to be selected as an RBI project.

1. Discretionary Grants and Financing - Any projects that were funded or financed through discretionary programs or by statutory direction. These include, but are not limited to, sources such as:
  - Infrastructure for Rebuilding America (INFRA) Grants (formerly Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE) Grants)

- Better Utilizing Investments to Leverage Development, or BUILD Transportation Discretionary Grant Program (formerly Transportation Investment Generating Economic Recovery (TIGER) projects)
  - Surface Transportation System Funding Alternatives Program
  - Advanced Transportation and Congestion Management Technologies Deployment programs
  - Transportation Infrastructure Finance and Innovation Act (TIFIA)
2. Major Projects - Projects with a total estimated project cost of \$500 million or more and any amount of federal-aid in the construction phase are Major Projects as defined by 23 U.S.C.106(h).
  3. Public-Private Partnerships (PPP) - Any project that includes private financing.
  4. Unusual Bridges and Structures - All projects that meet the criteria described in the 1998 memorandum on Project Oversight Unusual Bridges and Structures.
  5. Program Involvement Findings - Any project that aligns with the top risk(s) identified by the division office from their program involvement findings.

FHWA also develops California-specific discretionary project screening criteria informed by:

1. Nationally identified focus areas such as Inactive Obligations
2. Office of the Inspector General and Government Accountability Office Reviews
3. FHWA California Division Office (CADO) Program Review observations
4. All CADO Unit's Program Analyses and Risk Assessments
5. CADO Focus Areas and Top 10 Risks (actual number of risks identified in the Unit Plan varies annually)
6. Consideration of CADO's unit plan objectives and activities
7. Innovative technologies

### Identifying and Selecting RBI Projects

Once the qualitative screening criteria are established, data is used to identify projects that meet any of the criteria. FHWA must use care to ensure all projects meeting the required or discretionary screening criteria are screened. It is impossible for FHWA to be familiar with all of California's 5,000+ active federal-aid projects. FHWA uses available data and avoids considering only RBI candidates they are familiar with. The primary project data source is the Financial Management Information System (FMIS), but there are some projects without a Federal Project Number and not reflected in FMIS. For example, some Emergency Relief (ER) projects have been determined eligible for ER funding but have not yet requested authorization. LPA Direct Recipient projects are never authorized within FMIS and so it is important to include the non-FMIS projects in the project candidate universe.

After identification, FHWA will discuss the reduced list of RBI candidates and make final RBI project selections that address risks statewide. This part of the RBPI process acknowledges the large number of federal-aid projects, the State and many local partners, and the difficulty for FHWA to maintain a presence throughout California. To ensure federal requirements and priorities are widely understood, FHWA will select some RBI projects to engage with Caltrans

Districts and local agency partners of all capacities. This gives FHWA the opportunity to understand the project delivery processes and challenges of small, medium, and large transportation agencies and their differences.

### **Developing Involvement Activities and Stewardship & Oversight Plans**

Just as the selection of RBI projects is based on risks, data, and professional judgment, so is the development of involvement activities. The development of involvement activities does not rely on the final selection of RBI projects, and the two steps should be performed concurrently. Involvement activities may be of the stewardship variety such as providing technical assistance and guidance and identifying opportunities for innovation. Other activities are compliance-oriented such as post-approval reviews and compliance spot checks. Construction project inspections offer an opportunity to provide stewardship and verify compliance. The overall list of involvement activities is developed based on CADO's risk priorities and does not rely on final RBI project selection. CADO will not retain project approval actions delegated to Caltrans under the S&O Agreement unless there are elevated risks and FHWA approves the retention of the project approval action.

Once the overall list of involvement activities is completed and the final RBI projects have been determined, FHWA completes an S&O Plan for each RBI project by selecting the relevant activities. Some activities will be relevant to all RBI projects (i.e., validating the Project End Date) while others may only apply to Discretionary Grant or ER projects. The S&O Plan also includes the project description, key milestone dates, and descriptions of the project's risks. If an RBI project is funded by a Discretionary Grant or is a Major Project, the S&O Plan must include required activities in addition to the risk-based discretionary activities.

## **2.6 Right of Way (R/W) Certification Delegation**

In addition to the delegations discussed above, guidance regarding Caltrans delegation for R/W certification approval is described in [LAPM Chapter 13](#) (Section 13.2: Federal Aid and the Federal/State/Local Agency Relationship).

## **2.7 Projects Off the National Highway System (Non-NHS)**

Many of the responsibilities delegated to Caltrans under the S&O are further delegated to the local project sponsors for non-NHS projects. Caltrans preliminary engineering, construction review and approval activities are reduced. Other activities involving environmental reviews, project authorization, Disadvantaged Business Enterprises (DBE), consultant selection, and agreement procedures are streamlined to eliminate duplication of effort and multiple reviews.

## **2.8 Projects on the National Highway System (NHS)**

The delegation of responsibilities to LPAs described above for non-NHS projects also applies for NHS projects. With the following exceptions (discussed in detail in the appropriate chapters of the LAPM), procedures are the same for both types of projects.

### **Field Reviews**

Field reviews are required for significant LPA projects on the NHS and encouraged for all other federal-aid projects. If the field review is not performed, document on the field review form the reasons why the field review was not performed, as a completed field review form is required for all federal-aid projects.

## **PS&E Procedures for Significant NHS Projects**

When Caltrans requires a field review for significant NHS projects, plans, specifications and estimate (PS&E) procedures (standards, agencies involved, use of consultants, project management, specifications, etc.) will be discussed. These procedures will be put in writing for Caltrans approval before final design is initiated. With approval, the LPA will then certify their PS&E(s) for these projects the same as they do for non-NHS projects upon completion of the PS&E. Caltrans may review the PS&E(s) if resources are available, or as part of a process review. NHS projects that are not significant will not require these approval procedures.

## **Design Standards**

LPAs are required to use only American Association of State Highways and Transportation Officials (AASHTO), 3R, and other design standards officially approved for use on NHS projects that are off the State Highway System (SHS). For SHS projects, Caltrans standards are to be used. Locally approved design standards are not allowed on NHS projects; however, Caltrans may approve exceptions on a project-by-project basis.

## **Method of Construction**

In general, an open and competitive bidding process must be used for construction contracts on federal-aid projects. Exceptions to competitive bidding of construction contracts must include a Public Interest Findings approved by Caltrans for Delegated Projects.

## **Restricted Construction Contract Provisions**

Warranty clauses are restricted on NHS projects unless an exception is approved.

## **Construction Administration for Significant NHS Projects**

When Caltrans requires a field review for significant NHS projects, the LPA's construction administration procedures (staging, agencies involved, use of consultants, project management, quality assurance, etc.) will be discussed. These procedures will be put in writing for Caltrans approval before the Request for Authorization for Construction is approved. Caltrans will not review the construction administration unless requested and resources are available, or as part of a process review.

## **Quality Assurance Programs**

LPAs may use the Quality Assurance Program (QAP) described in this manual for projects on or off the NHS. Caltrans will perform Independent Assurance (IA) if Caltrans test methods are used.

## **Final Inspection**

The LPA will make a final inspection of completed Delegated Projects prior to FHWA authorizing reimbursement of the final project voucher.



## 2.9 Federal-Aid Projects of \$100 Million or More

The requirements of this section only apply if federal-aid is used in any construction activity.

### Projects of \$500 Million or More (Major Project)

LPAs receiving any amount of federal financial assistance for a Major Project with an estimated total cost of \$500 million or more (includes all phases) and LPAs for such projects as may be identified by FHWA, submit to Caltrans for each project:

- Project Management Plan (PMP)
- Financial Plan which consists of an Initial Financial Plan (IFP) and Financial Plan Annual Updates (FPAU)

A Cost and Schedule Risk Assessment (CSRA) must be completed by FHWA prior to the Final NEPA document, and prior to the construction authorization for all major projects ( $\geq$  \$500 million).

### Project Management Plan

A draft Project Management Plan (including the [Project Management Plan Checklist](#)) must be submitted prior to the finalization of the IFP. The plan must:

- Document the procedures and processes that are in effect to provide timely and appropriate information to the project decision makers to effectively manage the scope, costs, schedules, quality of, and the federal and state requirements applicable to the project.
- Document the role of the agency leadership and management team in the delivery of the project
- Be updated and submitted with the construction authorization request and updated thereafter, as required.

### Financial Plan

A Financial Plan (including the [Financial Plan Checklist](#)) for projects of \$100 million but less than \$500 million and major projects over \$500 million must:

- Be submitted when all elements of the plan are fully completed, but not later than when requesting federal authorization to proceed with construction. If the LPA waits until requesting authorization to submit the IFP for projects \$500 million or more, the authorization will be delayed since FHWA headquarters has to concur in the approval of the IFP. For design/build projects, the plan must be received prior to award of the design/build contract.
- Be updated and submitted annually (FPAU) once the IFP is approved until construction is substantially complete. The FPAU must be submitted no later than 90 days after the end of the annual reporting period; to expedite FPAU submittals a draft (uncertified) FPAU should be submitted within 60 days of the annual reporting period.
- Be based on detailed estimates of the cost to complete the project as defined in the NEPA document.

- Provide for the annual submission of updates to Caltrans that are based on reasonable assumptions as determined by Caltrans of future increases in the costs to complete the project.
- Use costs expressed in year of expenditure dollars and estimated using a risk-based approach consistent with current [FHWA Cost Estimating Guidance](#).

### **Projects between \$100 Million and \$500 Million (Mini-Major Project)**

LPAAs receiving any amount of federal-aid for a project with an estimated total cost of \$100 million or more (includes all phases) must prepare an IFP and FPAU and make the plan available to Caltrans/ FHWA upon request. Financial Plans for projects with an estimated total cost of \$100 million or more, but less than \$500 million, must be approved prior to Construction Authorization and must be submitted with the Construction Authorization request.

### **Assistance**

Information regarding the preparation, timing, etc., of the above plans is available through the DLAE. Other valuable information that may be helpful in the preparation of the above plans as well as other project areas is available at the [FHWA Major Projects website](#).

## **2.10 FHWA Responsibilities**

FHWA has the overall responsibility for the FAHP pursuant to 23 U.S.C.106 except for the environmental responsibilities under 23 U.S.C.326/327. In addition, FHWA is ultimately responsible for ensuring the financial integrity and compliance with applicable federal laws and regulations.

Through the S&O, FHWA and Caltrans have committed to work cooperatively to identify appropriate stewardship and oversight initiatives using a risk-based, performance management approach. At the program level, strategic stewardship and oversight are to be achieved by effectively managing the program through: continuous program-level involvement; promoting new initiatives and concepts; participating on relevant joint task forces, joint committees, and joint quality improvement teams; assisting other stakeholders with program-related issues; conducting program assessments; conducting program reviews; and performance monitoring via performance measures and indicators.

### **Project Implementation**

At the project-level, strategic stewardship and oversight are accomplished by conducting routine approval actions, verifying compliance through project-level samples, and conducting strategic project oversight. Routine approval actions are identified in [Exhibit 2-B: Federal-Aid Project Responsibilities List for Delegated Projects off the State Highway System](#) and are those actions which have not been delegated to Caltrans. These include, but are not limited to:

- Federal-aid project agreements and modifications
- Obligation of federal funds
- Reimbursement to Caltrans of interim and final vouchers
- Project-level conformity determinations
- R/W Certificate 3
- Protective buying and hardship acquisition

- New/modified interstate access determination of engineering and operations acceptability (minor access changes assigned to Caltrans)
- Buy America waivers
- Innovative contracting practices

Strategic project oversight is accomplished through the Risk-based Project Involvement (RBPI) Process described in [Section 2.5: Risk-based Project Involvement \(RBPI\) Process](#).

### **Program Reviews**

FHWA California Division Office (CADO) verifies Caltrans and LPA compliance with federal regulations via annual program reviews for federal-aid projects and programs. CADO uses the following reviews in their verification which typically result in observations, findings, and corrective actions that need to be implemented by the Division of Local Assistance:

#### Compliance Assessment Program Annual Reviews

Based upon random selection of LPAs or LPA federal-aid projects, FHWA performs reviews of the federal-aid program and LPA federal-aid projects to establish a confidence level that verifies LPAs and their federal-aid projects fully comply with federal and state laws and regulations.

#### Financial Integrity Review and Evaluation (FIRE)

Improper Payment Reviews, Inactive Obligation Reviews, Financial Management Reviews and other reviews may be performed to fulfill, in part, the requirements of the FIRE Program established via FHWA Order 4560.1C. Performance of these reviews and other oversight activities are necessary to support FHWA's annual certification of the adequacy of the internal and financial controls in place to support the agency's financial statements. Improper Payment Reviews are one of the tools that can be used by FHWA in support of the FIRE.

#### Other Program Reviews

FHWA identifies high-risk areas to the FAHP through annual risk assessments and on an ongoing basis based on information gleaned through day-to-day interactions with Caltrans and LPAs. Based on this information, FHWA performs program reviews of high-risk program areas. These reviews typically involve an assessment of policies and procedures, and their program and project implementation by Caltrans and LPAs. The goal of these reviews is to identify program improvements to mitigate program risks and increase compliance.

## **2.11 Caltrans Responsibilities**

Caltrans is responsible and accountable to the FHWA for administering the successful implementation of federal-aid programs and projects in accordance with laws, regulations, and policies that govern the federal-aid program. Caltrans also administers the implementation of state-funded programs and projects for the CTC and State Legislature. These responsibilities are divided into three areas: Policy and Procedures, Program Management, and Project Implementation.

### **Policy and Procedures**

Caltrans establishes uniform policies and procedures to assist the LPAs in meeting the program requirements for their projects. Caltrans, in collaboration with FHWA, interprets federal and state laws, rules and regulations, and provides guidance in the form of manuals, guidebooks, handbooks, reference materials and service, and training to assist the agencies in planning, designing, constructing, and maintaining their transportation systems.

Caltrans policy and procedure development are achieved in coordination and consultation with the FHWA, representatives of LPAs, MPOs, RTPAs, other affected agencies, and organizations.

### Program Management

Each specific Local Assistance Program provides funding which requires distribution, management, and oversight control to ensure that the funds are expended in accordance with the program requirements and that allocations and budget authority are not exceeded. Caltrans distributes both state and federal fund allocations to the MPOs, RTPAs, cities, counties and others as specified by law.

Once the distributions are established, Caltrans provides program guidance for their expenditure. Some programs may require annual or periodic project application and selection to establish eligibility lists. Caltrans also monitors project implementation to ensure that the projects are implemented in a timely manner to achieve program goals. The LAPG describes each current program.

### Conflict of Interest

49 CFR 19.36(b)(3) states that grantees and subgrantees will maintain a written code of standards of conduct, governing the performance of their employees engaged in the award and administration of contracts. No employee, officer, or agent of the grantee, or subgrantee, shall participate in selection, or in award of administration of a contract supported by federal funds, if a conflict of interest, real or apparent, would be involved. Such a conflict arises when: (i) the employee, officer, or agent (ii) any member of his immediate family (iii) his or her partner (iv) an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. In response to the above requirement and other laws and regulations, Caltrans has issued policy under [Deputy Directive DD-09-R5: Incompatible Activities and Conflict of Interest](#). This directive is to ensure that California Department of Transportation employees do not willfully engage in any employment or activities that are illegal, that are or give the appearance of being incompatible or in conflict with their duties as State employees, that discredit their profession, Caltrans, or the State, or that have an adverse effect on the confidence of the public in the integrity of government.

Compliance with this policy helps safeguard state and federal funds and the public's interest. Non-compliance with this policy could result in the loss of delegated purchasing or contracting authority for the individual or the entire Department.

### Project Implementation

Some major federal-aid project implementation steps delegated by the FHWA to Caltrans cannot be further delegated to the LPA level and remain Caltrans' responsibility.

These are shown in [Exhibit 2-B: Federal-Aid Project Responsibilities List for Delegated Projects off the State Highway System](#) and include:

- Ensure project in Federal Statewide Transportation Improvement Program (FSTIP)/ Transportation Improvement Program (TIP)
- Identify proposed funding category
- All EA/FONSI/ROD, 4(f), 106, 6(f) and other approval actions required by federal environmental laws and regulations included in the FHWA-CA 327 NEPA Assignment MOU
- Airway highway clearance coordination and respective public interest finding (if required)

- Provide approval of preliminary plans for unusual/complex bridges or other structures (non-interstate)
- Retaining R/W encroachments
- Use of local force account agreements
- Use of publicly owned equipment

Note: For complete listing refer to Attachment A of the [Stewardship and Oversight Agreement](#).

The individual chapters covering these topics should be consulted for details concerning the responsibilities. Where FHWA has not delegated final approval, Caltrans monitors LPA activities, reviews or prepares documents, and makes recommendations to FHWA.

Caltrans also aids LPAs in interpreting the regulations, manuals, and guidelines as they apply to specific project conditions. The District Local Assistance Offices and Headquarters DLA personnel are available to aid the LPA through the required process and procedural steps.

Where expertise is not otherwise available, the LPA may also request assistance from Caltrans technical specialists in solving special technical problems. Environmental issues, engineering services, right of way concerns, hazardous wastes, labor compliance, equal employment opportunity, Title VI, and DBE are among these areas where assistance is available. The use of this expertise must be requested early and be well coordinated to assure that Caltrans' limited resources and personnel will be available when needed.

## Oversight

For purposes of this chapter, Oversight is defined as the act of ensuring that the FAHP is delivered in accordance with applicable laws, regulations, and policies. Oversight is the compliance or verification component of the joint FHWA/Caltrans stewardship activities. Narrowly focused, oversight activities ensure that the implementation of the FAHP is done in accordance with the applicable laws, regulations, and policies. Broadly focused, oversight activities enable both agencies (FHWA and Caltrans) to ensure the effective delivery and operation of the transportation system envisioned in governing laws and regulations. Oversight activities include process reviews, program evaluation, program management activities, and project involvement activities. Oversight procedures apply to all federal-aid projects.

Project oversight is used to evaluate all aspects (which primarily emanate from the LAPM) of the Caltrans oversight and management of LPA federal-aid and state-funded projects, and to identify areas and procedures needing improvement. One major goal of Caltrans oversight is to demonstrate that requirements imposed by the federal and state governments are being met and that correct procedures are being followed and performed by LPAs administering federal-aid projects. A second major goal of Caltrans oversight is to maintain a continual process of updating and improving Local Assistance procedures.

## Maintenance Reviews

Annually, Caltrans reviews project maintenance for selected LPAs using federal-aid funds so that every agency is covered during a four-year cycle. [LAPM Chapter 18: Maintenance](#) describes these maintenance review procedures in detail.

## 2.12 City, County, and Other Local Public Agency Responsibilities

The cities, counties, joint power authorities, transit agencies, and other public agencies have the primary responsibility for implementing the specific projects which carry out the programs described in this manual. Nonprofit entities may also qualify for this.

### Project Implementation

The LPA is responsible for the conception, planning, programming, environmental investigation, design, right of way, construction, and maintenance of the projects on their local transportation system. It must ensure that its staff members, consultants, and contractors comply with the applicable state and federal laws, regulations, and procedures in developing and constructing its projects.

If the LPA has never implemented a federal-aid or state-funded project, or does so infrequently, it should review the processes with the DLAE prior to beginning any implementation activity. It may wish to seek the administrative services of another agency, which is more familiar with the process and procedure details.

Caltrans exercises its FHWA-delegated authority by further delegating federal authority to LPAs to the greatest extent possible for those federal-aid projects that are located off the State Highway System (SHS). The LPA is delegated decision-making authority and responsibility for most design and construction-related activities of federal-aid projects. These include:

- Getting the project into the FSTIP
- Preparing the Request for Authorization for each project phase
- Determining Project DBE contract goals
- Making a preliminary classification of High-Risk, Low-Risk, or Exempt for ITS projects and other projects with ITS elements.
- Selecting consultant and approving consultant contracts
- Approving local design standards for projects off the NHS
- Approving design exceptions for projects on or off the NHS
- Preparing and certifying PS&E (Caltrans must approve the LPA PS&E procedures for most NHS projects)
- Qualifying/selecting right of way consultants
- R/W acquisitions and relocation
- Preparing and approving Quality Assurance Programs
- Advertising and awarding construction project
- Construction contract administration and inspection (Caltrans must approve the LPA construction administration procedures for high cost, complex, corridor-type NHS projects)
- Construction contract acceptance on delegated projects
- Coordinating railroad agreements
- Contract compliance

The individual chapters covering these topics should be consulted for details concerning the responsibilities.

### **Responsible Charge**

Consistent with 23 CFR 172.9, the LPA must designate a full-time, public employee in responsible charge of each project. The role of the responsible charge is to ensure that the work delivered under contract is complete, accurate, and consistent with the terms, conditions, and specifications of the contract. The responsible charge's duties include:

- Administering inherently governmental activities including, but not limited to, contract negotiation, contract payment, and evaluation of compliance, performance, and quality of services provided by consultant.
- Being familiar with the contract requirements, scope of services to be performed, and products to be produced by the consultant.
- Being familiar with the qualifications and responsibilities of the consultant's staff and evaluating any requested changes in key personnel.
- Scheduling and attending progress and project review meetings, commensurate with the magnitude, complexity, and type of work, to ensure the work is progressing in accordance with established scope of work and schedule milestones.
- Ensuring consultant costs billed are allowable in accordance with the federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work.
- Evaluating and participating in decisions for contract modifications.
- Documenting contract monitoring activities and maintaining supporting contract records, as specified in 2 CFR 200.333.

The responsible charge must be employed directly by the LPA directly receiving federal funds. A consultant cannot be designated as the responsible charge of a project. The responsibilities of the responsible charge may be shared among a number of public employees. A public employee may be the responsible charge of several projects.

Note: This regulation is silent about engineering credentials, thus the LPA's employee in responsible charge need not to be an engineer.

### **Unique Entity ID**

As of April 4, 2022 the Data Universal Numbering System (DUNS) Number is no longer valid for federal award identification. The Unique Entity ID is now the identifier of record and can be generated at [SAM.gov](https://sam.gov).

### **Local Public Agency Records and Documentation**

Upon request, LPAs must make all project documentation and backup records available for inspection by Caltrans and FHWA reviewing personnel. Use of a uniform project record-keeping system, together with diligent maintenance of the system, greatly facilitates a process review and positive findings. Good records of all project-related activities clearly demonstrate to all concerned that project supervision and control were maintained on the project. As stated in the Master Agreement, project records are to be retained by LPAs for a period of three years from state payment of the final voucher.

## 2.13 California Transportation Commission (CTC)

The California Transportation Commission (CTC) has programming and fund allocation responsibility for some federal-aid and state-funded programs used for Local Assistance projects. It is the LPA's responsibility to submit a request for allocation on time per the CTC preparation schedule: <https://catc.ca.gov/>.

### Programming

The CTC currently selects federal Active Transportation Program projects for inclusion in the STIP.

### Fund Allocation

When a project is ready for implementation, the CTC must vote to allocate funding to the programs. This action is commonly called the second vote.

## 2.14 Metropolitan Planning Organizations, Regional Transportation Planning Agencies, and County Transportation Commissions

These organizations have broad transportation planning duties and responsibility for programming most projects using federal-aid or state allocations from the programs described in this manual.

These organizations are responsible for providing each LPA with their application rules, procedures, and timelines. They are also responsible for providing the LPA with results of the decisions about its projects and the agency, CTC, and federal approval dates.

The LPA must work closely with these organizations to ensure that its projects are placed in the appropriate TIP with the correct funds in the proper years. Federal funds and many state funds cannot be obtained without this programming step.

Caltrans Project Development Procedures Manual (PDPM) [Chapter 4: Programing](#) discusses the programming process in more detail.

## 2.15 Other Public Agencies and Organizations

Other federal, state, regional, and local entities may have an interest, role, or jurisdiction in the development and implementation of a local project. Examples at the federal level include the Environmental Protection Agency, the Army Corps of Engineers, and the Fish and Wildlife Service. At the state level, examples include the Department of Fish and Game, Air Resources Board, and State Historic Preservation Officer. Regional agencies include the Air or Water Quality Control Boards and Flood Control Districts.

The role of these agencies will vary with the project scope, location, and environmental impact. Coordination should begin early to prevent critical delays later in the project development.

Quasi-public or nonprofit organizations may apply for and receive programmed funds for some programs. These agencies must follow the same rules and regulations, which apply to any other LPA developing a state or federal-aid funded project. When such an agency does not have a full staff of administrative, engineering, contracting, or accounting personnel, Caltrans encourages it to work through an LPA that can provide these services and is familiar with the applicable rules.



## 2.16 References

23 U.S.C.106

<https://www.govinfo.gov/content/pkg/USCODE-2011-title23/pdf/USCODE-2011-title23-chap1-sec106.pdf>

California Highway System Map

<https://caltrans.maps.arcgis.com/apps/webappviewer/index.html?id=026e830c914c495797c969a3e5668538>

FHWA Major Projects website

<https://www.fhwa.dot.gov/majorprojects/>

Stewardship and Oversight Agreement

<http://www.fhwa.dot.gov/federalaid/stewardship/agreements/ca.pdf>