



**LOCAL PROGRAMS PROCEDURES
(LPP)**

LPP 19-01



California Department of Transportation
Division of Local Assistance
Office of Guidance and Oversight



LOCAL PROGRAMS PROCEDURES 19-01

The scope of LPP 19-01 includes the incorporation of Office Bulletin #18-03: Authorization/Adjustment Requests and #19-03: DBE Goal and GFE into the Local Assistance Procedures Manual (LAPM). Other technical updates have been incorporated into the LAPM and Local Assistance Program Guidelines (LAPG). Technical updates include clarifications and/or corrections brought to our attention by the Federal Highway Administration, Districts, Local Agencies, and other transportation partners. LPP 19-01 makes changes to the following Chapters/Exhibits:

LAPM Chapter 1	Introduction & Overview	
LAPM Chapter 2	Roles & Responsibilities	Exhibit 2-B
LAPM Chapter 3	Project Authorization	
LAPM Chapter 4	Agreements	
LAPM Chapter 5	Invoicing	
LAPM Chapter 6	Environmental Procedures	Exhibit 6-B
LAPM Chapter 7	Field Review	
LAPM Chapter 9	Civil Rights & DBE	Exhibits 9-B, 9-C, 9-D, 9-E
LAPM Chapter 10	Consultant Selection	Exhibits 10 H-1, 10-I, 10-R
LAPM Chapter 12	PS&E	Exhibits 12-D, 12-E, 12-G
LAPM Chapter 13	Right of Way	Exhibit 13-B
LAPM Chapter 14	Utility Relocation	Exhibit 14-G
LAPM Chapter 15	Advertise & Award Project	Exhibits 15-A, 15-H, 15-M
LAPM Chapter 16	Administer Construction Contracts	Exhibits 16-T1, 16-T2
LAPM Chapter 17	Project Completion	Exhibits 17-A, 17-H, 17-K
LAPM Chapter 19	Oversight and Process Reviews	Exhibits 19-A, 19-B, 19-C
LAPG Chapter 1	Introduction & Overview	
LAPG Chapter 18	Opt. Fed. Exchange & State Match	Exhibit 18-F

Significant changes are marked with blue text accompanied by a blue margin line on the right margin, and are noted in the summary tables preceding each Chapter. Minor typographical and grammatical changes were made throughout, but are not documented in the summary table. The attached Chapters/Exhibits will only consist of the pages with impacted sections/paragraphs.

Effective Date: January 2020

Approved: Original Signature By

Ray Zhang, Division Chief
Division of Local Assistance

TABLE OF CONTENTS

- LAPM C.1 Introduction & Overview
- LAPM C.2 Roles & Responsibilities
- LAPM C.3 Project Authorization
- LAPM C.4 Agreements
- LAPM C.5 Invoicing
- LAPM C.6 Environmental Procedures
- LAPM C.7 Field Review
- LAPM C.9 Civil Rights & DBE
- LAPM C.10 Consultant Selection
- LAPM C.12 PS&E
- LAPM C.13 Right of Way
- LAPM C.14 Utility Relocation
- LAPM C.15 Advertise & Award Project
- LAPM C.16 Administer Construction Contracts
- LAPM C.17 Project Completion
- LAPM C.19 Oversight and Process Reviews
- LAPG C.1 Introduction & Overview
- LAPG C.18 Optional Federal Exchange and State Match Programs

LAPM C.1 INTRODUCTION & OVERVIEW

LAPM C.1 Introduction & Overview

Section / Exhibit	Description of Changes
1.4 Terms and Definitions	<ul style="list-style-type: none">• Construction Engineering: updated definition and footnote• Record Retention: replaced reference to 49 CFR, Part 18 with 2 CFR 200.33

- **6005 Categorical Exclusions:** On June 22, 2007, Caltrans and FHWA entered into an MOU pursuant to Section 6005 of SAFETEA-LU. Under Section 6005 MOU, Caltrans assumes responsibility for CE determinations for projects that are not on the c or d list or the Appendix A list, but for which a CE classification is appropriate under 23 CFR 771.117 A and B. Under Section 6005 MOU, Caltrans was also assigned and assumed, the USDOT Secretary's responsibilities for environmental review, interagency consultation, and other regulatory compliance-related action pertaining to the review or approval of CEs.

Categorical Exemption/Categorical Exclusion Form - Joint state/local form used to document the applicable MOU under which the CE determination has been made.

Construction (CON)/Construction Engineering (CE) - This phase includes the work of project advertising¹ through construction, preparation of as built plans, final estimates, and payments. It includes all of the post-award activities necessary for the contracting agency to inspect, manage, and oversee the construction of a federal-aid construction project. This phase must be authorized prior to advertising, and CE must be separately identified in this authorization.

Construction Phase - The phase of the transportation project development process that involves the physical act of building by a contractor the proposed project to all plans and specifications developed during final design.

Consultant - A private individual, corporation, or other business organization that may be selected to provide architectural, engineering, environmental, or other related technical services for a local agency project.

Cumulative Impact - Cumulative impact is the impact on the environment, which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

Delegated Project - A project under 23 USC 106(c) Assumption by States of Responsibilities of the Secretary (formerly State Authorized) in which Caltrans has authority for all aspects of the project except those activities which cannot by federal law be delegated.

Department of Transportation - The Department of Transportation of the State of California, as created by law; also referred to as the Department, State or Caltrans.

Direct Effects - Effects caused by a given action and occurring at the same time and place. Changes in noise levels; fill discharges in wetlands; and changes in visual conditions are some examples of direct effects.

District - A subdivision of the Department organized to administer the affairs of the Department for a specific geographical area and for the local agencies in that area:
<https://dot.ca.gov/caltrans-near-me>.

DLA - Division of Local Assistance. The office in Caltrans headquarters that is responsible for administering, managing, and implementing the federal-aid highway and state local assistance programs.

¹ CE can include the cost of advertising and award preparation, but only after the phase has been authorized.

Public Meeting - An announced meeting conducted by transportation officials designed to facilitate participation in the decision-making process, and to assist the public in gaining an informed view of a proposed project at any level of the transportation project development process. Also, such a gathering may be referred to as a public information meeting.

Record of Decision (ROD) - The ROD documents the Secretary of Transportation's decision to approve the Preferred Alternative as described in the Environmental Impact Statement (EIS).

Record Retention - Project records shall be kept for at least 3 years after FHWA's final payment of the final voucher, per [2 CFR 200.333](#).

Right of Way (R/W) - This phase includes the work necessary to appraise and acquire project right of way, relocate individuals or businesses, and revise or relocate utilities.

S&H Code - California Streets and Highways Code, this code contains many of the laws governing funding and development of local streets and roads projects.

SAFETEA-LU - Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users signed into law by President George W. Bush, on August 10, 2005, with guaranteed funding for highways, highway safety, and public transportation totaling \$244.1 billion. SAFETEA-LU was built on the foundation established by two preceding federal transportation Acts: ISTEA and TEA-21.

Scope - Scope consists of the range of actions, alternatives, and impacts to be considered in a NEPA document.

Scope of Work - A detailed description of tasks is prepared in advance of engineering and environmental work to explicitly define the contents of studies.

Section 4(f) - Section 4(f) of the U.S. Department of Transportation Act of 1966 permits the use of land for a federally-funded transportation project from a significant publicly owned park, recreation area, wildlife or waterfowl refuge, or historic site when it has been determined that: (1) there are no feasible and prudent alternatives to such use, and (2) the project includes all possible planning to minimize harm to the property.

Significant Impacts - Any number of social, environmental, or economic effects, or influences which may be brought about as a result of the implementation of a transportation improvement. Significant impacts may include effects, which are direct, secondary, or cumulative. The term significant is used and interpreted by the FHWA in determining which type of NEPA document is appropriate. Categorical exclusions are those actions, which do not involve significant effects. Environmental Impact Statement (EIS) projects in most cases can and do involve significant impacts.

Significantly - As used in NEPA requires consideration of both context and intensity. Context means that the significance of an action must be analyzed in several contexts such as society as a whole (human, national), the affected region, the affected interests, and the locality. Intensity refers to the severity of the impact.

State Funds - As used in this manual, includes the state funds provided to local agencies for specific transportation projects and programs administered by the DLA. State funds are currently provided for the following projects: Bicycle Transportation Account, Proposition 116 - Bicycle Program, Environmental Enhancement and Mitigation (EEM), Federal Apportionment Exchange, State Match programs, Proposition 1B Bond Program, and State Transportation Improvement Program. The LAPG further defines these programs.

LAPM C.2 ROLES & RESPONSIBILITIES

LAPM C.2 Roles & Responsibilities

Section / Exhibit	Description of Changes
2.5 Project of Division Interest	<ul style="list-style-type: none">OB 18-03: replaced Exhibit 3-E with LAPM 3-A
2.11 Project Implementation	<ul style="list-style-type: none">Removed bullet in reference to Exception to Design Standards; conflicts with language in LAPM 11.5 giving the authority to local agencies
2.12 City, County and Other Local Public Agency Responsibilities	<ul style="list-style-type: none">Moved DUNS Number section from Chapter 3 to the end of Section 2.12 and removed reference to Exhibit 3-E
Exhibit 2-A	<ul style="list-style-type: none">Retired Exhibit 2-A; utilized link to Local Assistance Contacts instead
Exhibit 2-B	<ul style="list-style-type: none">Added approval authority to Local Agency for “PIF – use of proprietary products and processes” under Chapter 12 section

Consideration may be given to complex Intelligent Transportation System (ITS) projects, politically-sensitive projects, projects with innovative features, or other relevant reasons. Additionally, the project sponsor may be as much a consideration as the project. For example, though a project does not meet the above criteria, applying this criterion could provide opportunity for greater FHWA engagement with a Caltrans District or LPA who do not have any PoDIs.

Caltrans and the FHWA jointly determine which projects are considered to be Project of Division Interest based on the criteria listed above. The Project of Division Interest project determination is made at the District level in conjunction with FHWA. One goal under the Agreement is to identify Project of Division Interest projects and FHWA approval/ involvement level as early as possible (prior to Authorization to Proceed). Continuous, open communication takes place throughout the year regarding the selection of Project of Division Interest projects. Regular meetings between Caltrans and the FHWA are scheduled to discuss any changes to the known or anticipated Project of Division Interest projects. Those projects selected as Project of Division Interest are mutually agreed upon by the appropriate Caltrans District and FHWA. The steps for identifying Project of Division Interest Local Assistance projects are as follows (see Figure 2-1):

1. **Pre-Authorization:** Caltrans Local Assistance procedures, checklists, and forms require local agency to assess proposed projects against the Project of Division Interest criteria and identify whether they think the project qualifies as a Project of Division Interest project prior to each Authorization to Proceed.
2. **Initial Authorization to Proceed:** The local agency indicates whether the project meets any Project of Division Interest project criteria in their initial [LAPM 3-A: Project Authorization/Adjustment Request](#). The Caltrans District will determine if the project meets any of the criteria for Project of Division Interest projects listed above. The District may request assistance from Caltrans Headquarters' Division of Local Assistance (DLA) and local agency may be asked to participate in the POA development.

If the assessment reveals that the project does meet one or more of the above criteria, then the Caltrans DLAE will contact the FHWA representative to discuss the assessment of the project. At this point, the Caltrans and FHWA representatives will jointly decide if the project meets the above criteria. If the joint decision is that one or more of the criteria are met, then the representatives will jointly decide if the criteria met are enough to warrant selection as a Project of Division Interest project. If the project does not meet the criteria, as determined by the District Local Assistance Engineer (DLAE), then the project will move forward as a Delegated project.

Once a project has been selected as a Project of Division Interest project, a Project of Division Interest Project Oversight Agreement (refer to Attachment A of the [Stewardship and Oversight Agreement](#)) will be filled out to identify FHWA and Caltrans project approval authorities for that particular project. The Project of Division Interest Project Oversight Agreement will document those areas where FHWA will have approval authority. It will also provide a project description, federal-aid and state project numbers, and a discussion of FHWA's involvement on the project outside of the approval authority.

The DLAE will work directly with the Local Agency and FHWA to assure that the project responsibilities of the Project of Division Interest Project Oversight Agreement are fulfilled.

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.

[Conflict of Interest Form ADM-3043](#) is to be completed annually by all Caltrans headquarters and district employees that review, rank and rate project applications from local agencies for any federal or state funded programs. Forms must be signed by the employee and their respective supervisor. Signatures from the Acquisition Analyst and Contract Officer are not required for DLA staff who are not acting as a contract manager. Immediate supervisors shall keep copies of the signed ADM-3043. Additional information on conflict of interest is provided by the Division of Procurement on the intranet at: <https://dpac.onramp.dot.ca.gov/#1>. Instructions are also included on the back of the ADM-3043.

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 local agency 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
- Develop financial plan for federal projects between \$100 million and \$500 million
- 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) [23 CFR 620.104]
- Provide approval of preliminary plans for unusual /complex bridges or other structures (non-interstate) [23 USC 109109(a) & FHWA policy]
- Retaining right-of-way encroachments [23 CFR 1.23(b) & (c)]
- Use of local force account agreements [23 CFR 635.104 & 204]
- Use of publicly owned equipment [23 CFR 635.106]

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 the FHWA has not delegated final approval, Caltrans monitors local agency activities, reviews or prepares documents, and makes recommendations to FHWA.

Caltrans also provides assistance to the local agencies 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 local agency through the required process and procedural steps.

- 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 local agency 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 local agency's employee in responsible charge need not to be an engineer.

Data Universal Numbering System (DUNS) Number

In compliance with the Transparency Act reporting requirements and 2 CFR Part 25.100, local agencies must acquire a DUNS Number. DUNS Number assignment is required for all federal-aid recipients and can be requested at no charge at: <http://fedgov.dnb.com/webform>.

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 local agency's responsibility to submit a request for allocation on time per the CTC preparation schedule. Refer to <https://dot.ca.gov/programs/transportation-programming/office-of-ctc-liaison-octcl>.

Programming

The CTC currently selects federal Transportation Enhancements 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 local agency with their application rules, procedures and timelines. They are also responsible for providing the local agency with results of the decisions about its projects and the agency, CTC, and federal approval dates.

The local agency 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.

Project Action/Activity	Local Agency	Caltrans District	Caltrans HQ	FHWA
Low Risk ITS Project development [23 CFR 940.11]	Prepare	Approve	-	-
Plans, Specifications & Estimates (Chapter 12)				
PS&E [23 CFR 630.205, 23 USC 106]	Approve & Certify	Verify	-	-
Public Interest Finding (PIF) – Statewide Application	-	Recommend	Prepare	Approve
Environmental Commitments are incorporated	Prepare	Verify	-	-
PIF – Use of publicly furnished materials [23 CFR 635.407]	Approve	-	-	-
PIF – Use of proprietary products and processes [23 CFR 635.411]	Prepare & Approve	-	Report ¹²	-
PIF – Use of contracting method other than competitive Bidding [23 CFR 635.104/204]	Prepare	Approve	-	-
Utility or Railroad Force Account Work [23 CFR 645.113 & 646.216]	Prepare	Approve	-	-
PIF – Advertising Period less than 3 Weeks [23 CFR 635.112]	Prepare	Approve	-	-
PIF – Use of Force Account [23 CFR 635.204,205]	Prepare	Approve ¹³	-	-
PIF – Use of Mandatory Borrow/Disposal Sites [23 CFR 635.407]	Prepare			-
PIF – Use of Publicly-Owned Equipment [23 CFR 635.106]	Prepare	Approve	-	-
Buy America Waiver [23 CFR 635.410]	Prepare	Recommend	Recommend	Approve
Innovative Contracting Requirements [SEP 14 & 15]	Prepare	Recommend	Recommend	Approve
Right-Of-Way (Chapter 13)				
Qualify Local Agencies	-	Approve	-	-
Qualify/Select Consultants	Perform/ Select	Verify	-	-
R/W certificate 3 – Conceptually concur as a condition of PS&E approval [23 CFR 635.309(r)(3)]	Prepare	Recommend	Recommend	Approve
Accept ROW certificate 1 and 2 as a condition of PS&E approval [23 CFR 635.309(c)(1)&(2)]	Prepare	Approve	-	-
Functional Replacement [23 CFR 710.509]	Prepare	Recommend	Recommend	Approve
Protective Buying and Hardship Acquisition [23 CFR 710.503]	Prepare	Recommend	Recommend	Approve
Public Interest Finding (PIF) – Concur on declaring Federally Funded R/W as excess for disposal [23 CFR 710.403, 409]	Prepare	Recommend	Recommend	Approve
Railroad Agreement [23 CFR 646.216 (3)(d)]	Prepare	Approve		
Request for Credits for Early Acquisition of ROW [23 CFR 710.501]	Prepare	Recommend	Recommend	Approve

¹² DLA HQ will compile Proprietary PIFs and Certifications and report to FHWA

¹³ Copy of approved force account PIFs to be forwarded to FHWA. For ARRA projects, force account PIFs are to be submitted to FHWA for approval.

LAPM C.3 PROJECT AUTHORIZATION

LAPM C.3 Project Authorization

Section / Exhibit	Description of Changes
3.1 Introduction	<ul style="list-style-type: none"> Updated definition for Advance Construction and added definition for Project End Date (formerly Agreement End Date)
3.2 Prior to Federal Authorization	<ul style="list-style-type: none"> Added ADA language from Chapter 9
3.3 Request for Authorization	<ul style="list-style-type: none"> OB 18-03: replaced superseded exhibits with LAPM 3-A Removed references to Field Review form Agreement End Date section inserted from LAPM C.5 and changed term to "Project End Date"
3.4 Administrative Procedures	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 3-O with LAPM 3-A Moved DUNS Number section to LAPM C. 2, Section 2.12
3.5 Allocation, Authorization, Encumbrance & Reimbursement	<ul style="list-style-type: none"> OB 18-03 edits Deleted reference to Field Review form
3.10 Toll Credit in Lieu of Non Federal Match	<ul style="list-style-type: none"> OB 18-03 edits
3.11 FTA Transfer	<ul style="list-style-type: none"> Removed reference to TE projects
Exhibit 3-M	<ul style="list-style-type: none"> Retire Exhibit; outdated information
Exhibit 3-N	<ul style="list-style-type: none"> Retire Exhibit; outdated information

Chapter 3 Project Authorization

3.1 INTRODUCTION

General

Prior to beginning highway work for which federal reimbursement will be requested, the project or project phase must be formally authorized (approved) by the Federal Highway Administration (FHWA). Each federally funded phase of work such as Preliminary Engineering (PE), Right of Way (R/W), Utility Relocation (R/W-UTIL), and Construction (CON), requires a separate federal authorization (the authorization of federal funds may be subdivided within a phase as well). Any work performed prior to federal Authorization to Proceed is not eligible for federal reimbursement. Construction phase work performed prior to authorization may disqualify that phase.

On May 28, 2015, the FHWA and California Department of Transportation (Caltrans) entered into the current Joint Stewardship and Oversight Agreement (Agreement). This Agreement outlines the roles and responsibilities for oversight and approval of federally funded transportation projects under the jurisdiction of the FHWA. The Agreement defines two categories of projects - Delegated and Projects of Division Interest. For Delegated projects, the FHWA has delegated as many project oversight and approval actions to Caltrans as the law allows. On Projects of Division Interest projects, approval actions are determined on a project-by-project risk basis as agreed to by the FHWA and Caltrans. Regardless of whether the project is Delegated or Projects of Division Interest, Caltrans recommends federal authorization and the FHWA must formally authorize the work. The determination as to whether a project is Delegated or Projects of Division Interest is based on the criteria listed in Section 2.5: Projects of Division Interest Projects, and the process is defined in Figure 2-1, in [LAPM Chapter 2: Roles and Responsibilities](#).

Exception: For Emergency Relief projects, prior FHWA approval is not required for Emergency Opening and PE. Permanent Restoration work must have prior FHWA program approval and authorization, unless the work is done as part of Emergency Opening repairs.

Terms and Definitions

Advance Construction (AC) – Advance Construction is a project authorization technique that allows the Federal Highway Administration to authorize a project without obligating Federal funds. FHWA is required to fully obligate the federal share of a federal-aid project at the time it executes a project agreement. Under an AC authorization, FHWA approves a project as being eligible for Federal funding but does not commit to funding the project. As such, the project must meet all Federal requirements except for the requirement to obligate funds. [Projects authorized under Advance Construction procedures will not receive federal reimbursement until Federal funds become available and are obligated on a subsequent sequence.](#)

Allocation - An administrative distribution of funds.

Apportionment - A statutorily prescribed division or assignment of funds. An apportionment is based on prescribed formulas in the law and consists of dividing authorized obligational authority for a specific program among the states.

alternatives and ensure decisions are made in the public's best interest based on a balanced consideration of the need for safe and efficient transportation.

Obligation - The federal government's legal commitment (promise) to pay or reimburse the states or other entities for the federal share of a project's eligible costs.

Obligation Authority (OA) - Total amount of federal funds that may be obligated in a FFY.

Overall Work Plan (OWP) - The OWP is the MPO/RTPA's transportation planning structure/plan for the state fiscal year, July 1 through June 30.

Preliminary Engineering (PE) - This phase includes all project initiation and development activities (including NEPA approval) undertaken through the completion of PS&E. It may include preliminary utility investigation and engineering work associated with utility relocation and pre-acquisition R/W activities such as estimating, title search and other studies necessary for project agreement approval and NEPA compliance.

Project End Date (PED) – The PED is defined as the date after which no additional costs may be incurred for a project. The PED is calculated by adding twelve (12) months to the estimated date of completing work for the phase of work requesting authorization.

Projects of Division Interest (PoDI) - Projects where the CADO has retained one or more 23 U.S.C. 106 (c) responsibilities. Are those projects that have an elevated risk, contain elements of higher risk, or present a meaningful opportunity for FHWA involvement to enhance meeting project objectives or advancing key initiatives. Major Projects are always designated as PoDIs.

Reversion Date - The last day that Caltrans may legally reimburse an encumbrance per state statute.

State Budget Authority - The state budget year and its period of reimbursement that is assigned to a particular state or federal encumbrance. State budget authority must be applied to all state and federal funds that are passed-through Caltrans to be eligible for reimbursement.

the DLAE by June 30 of each year for the following FFY. (See [LAPM Chapter 9: Civil Rights and Disadvantaged Business Enterprise](#).)

Each local agency must provide the Caltrans DLAE with a completed [Exhibit 9-C: Local Agency ADA Annual Certification Form](#) by June 30 of each year for the following federal fiscal year (October 1 to September 30). The form must be received prior to submitting a Request for Authorization to proceed with a federal-aid project.

If a Cooperative Agreement is necessary for the project, it should be executed prior to requesting authorization to proceed (see <https://dot.ca.gov/-/media/dot-media/programs/design/documents/pdpm-chapters.pdf#page=475>).

3.3 REQUEST FOR AUTHORIZATION

The project sponsor identified in the FTIP/FSTIP to receive the federal funds is responsible for requesting the federal Authorization to Proceed. The project sponsor must prepare and submit a Request for Authorization to Proceed package to the appropriate Caltrans District Local Assistance Office. The request package should include, as a minimum, the agency's Request for Authorization to Proceed (see [LAPM 3-A: Project Authorization/Adjustment Request](#) and all required support documentations. The Caltrans District Local Assistance Office must submit to Caltrans Headquarters Division of Local Assistance (DLA), [Exhibit 3-G: Federal Project Log Sheet](#) with the appropriate documents attached.

If the Request for Authorization package is complete and all federal and state requirements have been satisfied, a minimum of three (3) weeks processing time should be allowed to receive federal Authorization to Proceed for Delegated projects. More time will be required for Projects of Division Interest projects. Additional time may also be required near the beginning or end of the FFY.

If the Request for Authorization to Proceed package is incomplete, unacceptable or missing information that cannot be quickly obtained by FAX, telephone, e-mail, or other source, the package will be returned to the local agency for resubmittal.

Preliminary Engineering

Eligible preliminary engineering (PE) work includes location and environmental studies, NEPA approval ([LAPM Chapter 6: Environmental Procedures](#)), preliminary utility investigations and engineering work associated with utility relocation, final design (Plans, Specifications and Estimates, PS&E) and other related work including the cost of advertising leading to physical construction of a project. Preliminary R/W activities that may be considered eligible and authorized as part of PE include pre-acquisition activities such as estimating, title search and preliminary property map preparation and studies, as needed for NEPA compliance (see [LAPM Chapter 13: Right of Way](#)).

Only eligible work performed after the date of federal authorization is eligible for federal reimbursement. The preliminary studies portion of PE may be authorized prior to an optional or mandatory field review (see [LAPM Chapter 7](#)). This allows for the reimbursement of selecting consultants and other specialists who may be needed for field review.

Preliminary Engineering Phases Over Ten Years

Title 23 [CFR 630.112\(c\)\(2\)](#), as well as [USC Title 23, Section 102 \(b\)](#), requires the following for any federal-aid project: In the event that right-of-way acquisition for, or actual construction of, the road for which this Preliminary Engineering is undertaken is not started by the close of the

- HBP-Program Listings for FTIP/FSTIP (compiled if Structures Project)

Provided by PE>10 Projects Coordinator:

- FMIS printouts showing project authorizations, expenditures and balances

Intelligent Transportation Systems

ITS projects with no construction phase will be authorized as "Other" under the "Requested Reason". If an ITS project has an infrastructure construction phase, then the design funding will be authorized as "Preliminary Engineering" and the Construction/Integration funding will be authorized as "Construction" under the "Requested Reason".

For Intelligent Transportation Systems (ITS) projects, PE includes Systems Engineering, equipment, software development, and use of a Systems Manager or Systems Integrator (see Chapter 13 Intelligent Transportation Systems (ITS) Program, of the [LAPG](#) for details on Systems Engineering and the project development process for ITS projects).

The Systems Engineering Review Form (SERF) of High-Risk ITS projects must be approved by FHWA prior to or shortly after PE authorization. Development of the Systems Engineering Management Plan (SEMP) is contingent upon federal review comments and approval of the SERF. FHWA approval of the SEMP is required prior to proceeding to detailed component design.

Low-Risk (formerly Minor) ITS projects can undergo the traditional one PE phase authorization and will not require FHWA approval of the SERF and SEMP. However, the local agency still must complete the SERF as part of the Field Review Form.

Exempt ITS projects can undergo the traditional one PE phase authorization and will not require the SERF and SEMP.

Right of Way

Eligible Right of Way (R/W) work includes the preparation of R/W plans, making economic studies, other R/W related-preliminary work, appraisal for parcel acquisition, review of appraisals, payments for real property acquired, preparation for and trial of condemnation cases, management of properties acquired, furnishing of relocation assistance, and other related labor expenses (see 23 CFR 710 for details). This work is reported in the local agency's [LAPM 3-A: Project Authorization/Adjustment Request](#). Only eligible work performed after federal Authorization to Proceed with R/W may receive federal reimbursement.

As noted above, some pre-acquisition R/W activities and studies necessary for project agreement approval and completion of the NEPA process may be authorized as part of PE. However, an approved NEPA document is required prior to the majority of R/W activities (e.g., negotiating with property owners, acquisition and relocation assistance, refer to [LAPM Chapter 13: Right of Way](#). The request for R/W authorization must include an approved NEPA document.

Right of Way Utility Relocations

If federal reimbursement is sought for utility relocations (adjustments), all work must be performed in accordance with the FHWA's Alternate Procedure 23 CFR 645.119 (e)(2). Refer to [LAPM Chapter 14: Utility Relocations](#), for detailed information and procedures related to eligible costs, required federal actions (Authorization to Proceed [E-76], FHWA Specific Authorization to

Relocate Utilities, and FHWA Approval of Utility Agreement[s]), sequence of activities, notifications, support documentation and federal reimbursement.

Notet Investigative and preliminary utility engineering work associated with utility relocation necessary to complete NEPA and PS&E may be authorized under Preliminary Engineering.

Construction and Construction Engineering

Eligible construction costs include the actual cost to construct the highway itself, including its appurtenant facilities and any removal, adjustment or demolition of buildings or major obstruction, utility or railroad work that is a part of the physical construction of the project construction engineering, and administrative settlement of cost for contract claims. Construction costs exclude costs of PE, R/W, and construction engineering.

Federal Authorization to Proceed with construction must be received prior to advertising. Projects advertised for a construction contract prior to federal authorization are not eligible for federal reimbursement.

The request package for Authorization to Proceed with construction must include [LAPM 3-A](#), a copy of the approved NEPA document (either a signed Categorical Exclusion, Finding of No Significant Impact (FONSI), or Record of Decision (ROD)), if not previously submitted, approved Right of Way Certification, engineer's estimate ([the engineer's estimate may be included on the LAPM 3-A](#)), [Exhibit 12-D: PS&E Checklist](#) and PS&E package.

For projects of \$100 million or more, but less than \$500 million, a Financial Plan must be prepared and submitted to the DLAE with the request for construction authorization. For major projects of \$500 million or more, a Financial Plan must be submitted prior to the request for construction authorization and submittal of a draft Project Management Plan is required prior to environmental approval. For major projects, the Final Project Management Plan is due 90 days after the environmental decision document (i.e., FONSI or ROD). A Cost Estimate is required to be included in each Financial Plan. Both the Financial Plan and Project Management Plan are to be submitted to the DLAE for FHWA approval. The requirements for both of these plans are discussed in [LAPM Chapter 2: Roles and Responsibilities](#).

Construction Engineering (CE) includes the supervision and inspection of construction activities, additional staking functions considered necessary for effective control of the construction operations, testing materials incorporated into the construction, checking shop drawings, and measurements needed for establishing pay quantities. CE costs must be specifically included in the [LAPM 3-A](#) and authorized to be eligible for federal reimbursement. If CE is authorized after construction begins, only those CE costs incurred after the date of the CE authorization are eligible for federal reimbursement.

It is highly recommended that local agencies use 15% as a guide for estimating CE costs and maintain justification for higher CE costs. CE costs in excess of 15% on federally funded projects selected and programmed directly by Caltrans will need justification by local agencies and approval by the DLAEs. See [LAPM Chapter 12: Plan, Specifications & Estimate](#), Section 12.12: Estimate for more information on CE.

If Caltrans source inspection services will be requested, the local agency must submit/justify their request (refer to [Exhibit 16-V: Source Inspection Request to District Local Assistance Engineer \(DLAE\)](#)) at least 30 days prior to local agency submittal of their Request for Authorization to Proceed with Construction. Caltrans may perform the requested source

inspection services, subject to the availability of their inspectors (see [Quality Assurance Program](#)).

Some ITS projects may be fully deployed without ever advancing to construction. There are other ITS projects with non-construction activities, which might be handled as consultant, low-bid, or service contracts (see Section 13.9: Procurement/Construction of the [LAPG](#)).

Non-Infrastructure Projects

Non-infrastructure (NI) projects are those transportation-related projects that will NOT involve engineering design, right of way acquisition, and the eventual physical construction of transportation facilities. Examples of non-infrastructure projects include public awareness campaigns and outreach, Traffic Demand Management (TDM), traffic education and enforcement in the vicinity of schools, student sessions on bicycle and pedestrian safety, freeway service patrol, ridesharing activities, commuter incentives, and the purchase of alternative-fueled vehicles.

Federal-aid highway funds have primarily been used on highway construction projects. Recent highway acts have authorized the use of federal-aid highway funds for non-construction projects. For example, SAFETEA-LU mandated an allocation of 10-30% of the Safe Route to School Program (SRTS) funds to be used for non-infrastructure related activities. Other federal-aid funding programs that have been used for non-infrastructure projects are ATP and Congestion Mitigation and Air Quality (CMAQ) programs. The eligibility of non-infrastructure projects for federal participation is governed by the various federal funding program guidelines, such as ATP and CMAQ Programs. While it is apparent that projects receiving funding from the ATP program should be processed as NI projects, project sponsors receiving funding from other federal-aid programs should consult with their Caltrans District Local Assistance Engineer to see if their projects can be processed as NI projects.

For typical federal-aid highway construction projects, authorizations to proceed for federal-aid projects are granted to one of the project delivery phases, i.e., PE, R/W /Utility Relocation, or CON. NI projects do not neatly fit under any of the above traditional project phases. Due to various considerations such as the PE over 10 years rule and FTIP programming issues, federal Authorization to Proceed for NI projects will be processed under the NI phase using [LAPM 3-A](#).

FTIP/FSTIP: Most NI projects are programmed in the FTIP/FSTIP as Grouped projects, also known as Lump-sum projects. As such, they are traditionally programmed in the Construction phase. NI projects that are individually listed in the FTIP/FSTIP shall also be programmed under Construction.

Environmental Review: Even though NI projects do not involve the traditional engineering design, right of way, and ground disturbance during construction, environmental reviews are still required to ensure that the project will not have negative impacts on the environment. A full-scale preliminary environmental study (PES), however, may not be required for NI projects. Instead, the Preliminary Environmental Screening Form for Non-Infrastructure Projects (PES-NI) may be used to streamline the environmental reviews of NI projects. The approval of the PES-NI will result in a Categorical Exclusion as the NEPA determination. A copy of the PES (NI) Form is available at: <https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms>.

Right of Way: Since NI projects will not involve right of way acquisition or utility relocation, FHWA has agreed with Caltrans that Right of Way Certifications will NOT be required.

Plans, Specifications, and Estimates (PS&E): Any NI project requesting authorization to proceed must include a NI project work plan in lieu of the traditional PS&E. The work plan must be of sufficient detail to describe project tasks, schedule, activities, deliverables, and budgets/costs. A sample work plan is shown in [Exhibit 3-R: Non Infrastructure Project Work Plan Sample](#).

Project End Date

The Period of Performance is defined as the time frame during which eligible federal project costs can be incurred. The beginning of the Period of Performance is established when the project's first authorization (E-76) is approved by FHWA. The end of the Period of Performance is when the agency has finished incurring federally reimbursable costs. As a result of these eligible costs being incurred within the Period of Performance, they are eligible for reimbursement.

The **Project End Date (PED)** is the date that an agency must estimate in order to identify the end of the project's Period of Performance. It is defined as the date after which no additional costs may be incurred for an authorized phase of work and coincides with when the agency submits its complete and accurate Final Report of Expenditures (FROE) to the District Local Assistance Engineer (DLAE). Any costs incurred after this date will not be eligible for federal reimbursement. The PED is established by adding twelve (12) months to the local agency's estimated date of completing the authorized phase of work. The completion of the Preliminary Engineering and Right of Way phases of work is estimated as the anticipated advertising date for construction. For the Construction phase of work, completion is estimated as board/council construction contract acceptance. Upon adding a future phase of work, the local agency must also revise the PED. Revisions to the PED require Caltrans concurrence and FHWA approval. If the PED is revised after the authorized PED has past, any costs incurred between the expiration of the authorized PED and the revised PED are ineligible for reimbursement.

Establishing the PED

Effective immediately, local agencies are required to estimate the PED and include it at the time of their authorization request. The PED is required to be shown on the [LAPM 3-A: Project Authorization/Adjustment Request](#) and submitted with every Request for Authorization package for the project. When preparing the E-76, the DLAE will enter this date into the **Project End Date** field in the Caltrans Federal Aid Data System (FADS). After Caltrans concurrence and FHWA approval, Caltrans will notify the local agency of the established PED along with the project authorization.

Revising the PED

The local agency is expected to monitor the progress of its project. If the need arises, the local agency may need to revise the PED to accurately reflect the amount of time needed to complete the project or phase of the project. This is readily done and documented as part of an agency's authorization request when the project progresses from one phase of work to the next, as the project's delivery schedule will be more refined. While working within a particular phase of work, however, to request a revision to the PED, the local agency must submit an updated [LAPM 3-A](#) and adequate justification to the District Local Assistance Engineer (DLAE). Examples of situations which may justify a revision to the PED include, but are not limited to: litigation, major changes in design, environmental or permit issues, construction claims, differing site conditions, significant additional work, area-wide material shortages, labor strikes, unusually severe weather, or other events which are outside the control of the local agency. This documentation must be submitted as a separate request to the DLAE. Revisions to the PED without Caltrans concurrence and FHWA approval may result in costs not being eligible for reimbursement.

3.5 ALLOCATION, AUTHORIZATION, ENCUMBRANCE, & REIMBURSEMENT

The obligation of federal funds is a commitment by the FHWA to reserve the authorized federal funds for the project. The FHWA obligates federal funds for all federally funded projects under their jurisdiction. Typically, the obligation of federal funds is automatic upon federal authorization of the project (or phase of work) provided the state has sufficient Obligation Authority (OA) and federal fund balances for the current FFY.

DLA Finance Letter

For each request for federal authorization, the project sponsor must [include LAPM 3-A](#), identifying the phases of work for which federal reimbursement is sought. In addition, the [LAPM 3-A](#) must specify the types and amounts of federal, state and local match funds contributing to the project.

The [DLA Finance Letter \(LP2000 Finance Letter\)](#) is a project specific financial summary document (prepared by the [DLAE as part of the LAPM 3-A](#) and approved by Caltrans DLA) required by LPA as support documentation for the project funding agreement. The Finance Letter identifies:

- Project reference data such as responsible and administering agency(ies), project number, Project ID, PPNO, whether or not the project is on the State Highway, etc.
- Federally funded phases of work, to date.
- Total project costs and cost eligible for federal participation by phase of work, to date.
- Federal, state, local and other fund sources (by fund type and amount) funding each phase of work, to date.
- Federal reimbursement rates for progress invoice purposes (by phase of work and fund types).
- Local agency certification and signature.
- Project specific remarks.

Program Supplement Agreements and State Budget Authority

Following the obligation of federal funds, State Budget Authority must be reserved by encumbering the funds on a project specific program supplement agreement (PSA). The PSA must be signed by the project sponsor and executed by Caltrans prior to requesting the reimbursement of funds (see [LAPM Chapter 4: Agreements](#)). [The LP2000 Finance Letter is made part of the PSA by reference and contains the information in the bulleted list above.](#)

In an effort to streamline the agreement process, revised agreements are typically no longer required for each phase of work. California Government Code 16304 stipulates that any federal and state local assistance funds encumbered for a project are typically available for disbursement for a period of six years from the beginning of the fiscal year(s) the funds are appropriated in the State Budget Act. A DLA prepared project Finance Letter (based on information provided by the project sponsor) is sent to the project sponsor and reflects various project fund reversion dates. It is imperative that a local agency request federal authorization only when they are ready to do the work and only for work that will be completed and invoiced within this time period. Federal authorization for the remaining project work should be requested at a future date.

Once the PSA has been executed by Caltrans, Local Programs Accounting (LPA) will encumber the funds with an appropriation year corresponding to the state fiscal year authorized for expenditure in the State Budget Act.

Therefore, project sponsors that have savings of transportation dollars due to toll credit match of federal funds shall spend that savings on other transportation related projects.

In addition, it needs to be noted that the use of toll credits does not generate any additional federal funding. Its use is merely to meet the non-federal match requirement of the federal participating cost. The amount of toll credit available each year is limited by the amount of annual Federal Obligation Authority (OA).

Caltrans policy does not allow the retroactive use of toll credits for funds that have already been obligated. However, subsequent obligations can be authorized to use toll credits.

In order to use toll credit, the following requirements MUST be met:

- The intended use of toll credits is explicitly expressed in the [LAPM 3-A](#) by marking the appropriate toll credit [box](#);
- Federal reimbursement rate of those funds utilizing toll credits must be 100%, excluding federally non-participating costs;
- Programmed in the current Federal Statewide Transportation Improvement Program (FSTIP), or post-programmed, as using toll credits;
- The project is funded from one of the programs listed in Caltrans' Statewide Toll Credit Use Policy.

The following examples demonstrate how the use of toll credits is different than the normal federal/non-federal match funding.

Scenario A – Traditional Project Funding with Match

For a project with a total cost of \$120,000 including \$20,000 of federally non-participating costs (\$100,000 federally participating) using a federal reimbursement rate of 88.53%, the funding plan would normally be as indicated in the following Table 1.

Prog Code	Total Cost	Participating Cost	Federal Funds	Non-Federal Funds	Toll Credit
M240	\$120,000	\$100,000	\$88,530	\$31,470	\$0

The federal fund amount required in this scenario is \$88,530 (88.53%) of the participating cost and the non-federal funding amount is equal to the non-participating amount \$20,000 plus the required \$11,470 (11.47%) non-federal match for a total amount of \$31,470.

Scenario B – Toll Credit Funding

When toll credit is being applied to the project, it will be used as a credit toward the non-federal share or \$11,470. Since toll credits are not federal funds, federal share must be increased to accommodate the reduction of Non-Federal funds resulting from the toll credit being used as indicated in the following Table 2.

Table 2 - Use Toll Credit					
Prog Code	Total Cost	Participating Cost	Federal Funds	Non-Federal Funds	Toll Credit
M240	\$120,000	\$100,000	\$100,000	\$20,000	\$11,470

The federal fund amount required is changed from \$88,530 (88.53%) to \$100,000, the total Participating Cost, and the non-federal funding amount is equal to the non-participating amount. This option is not applicable for Local HBP projects on the State Highway System and Highway Safety Improvement Program (HSIP) projects (see Scenario C below).

Scenario C – Toll Credit with Dual Federal Funding

This scenario is for an HSIP project using STP funds as a match. When other types of federal funding are being applied as a match to the project, each fund must be treated as a separate funding component with 100% federal funding and a corresponding toll credit. A toll credit value equal to the required non-federal match will be applied to each of the federal funding lines as indicated in Table 3.

Table 3 - Use Toll Credit With Federal Funding						
Funding Line	Prog Code	Total Cost	Participating Cost	Federal Funds 1	Federal Funds 2	Toll Credit
1	MS30 (HSIP)	\$90,000	\$90,000	\$90,000	\$0	\$9,000
2	M240 (STP-Match)	\$10,000	\$10,000	\$0	\$10,000	\$1,147
	Total	\$100,000	\$100,000	\$90,000	\$10,000	\$10,147

For this example, the required non-federal match for HSIP funding line #1 is \$9,000 (10%). For funding line #2 the required match for STP funding is \$1,147 (11.47%). Therefore, the total amount of toll credit applied to this project is \$10,147. This option is applicable for On-System Local HBP projects and Highway Safety Improvement Program (HSIP) projects.

Local Agencies:

- Work with the respective Metropolitan Planning Organization (MPO) or RTPA to ensure the use of toll credit is appropriate and that such use is properly programmed in the MPO's Federal Transportation Improvement Program (FTIP), and subsequently in the Federal Statewide Transportation Improvement Program (FSTIP);
- Submit [LAPM 3-A](#) indicating the use of toll credits for the project; Federal funds must equal 100% of the total participating costs. Include a comment in the Remarks section of the Finance letter for the use of toll credits; and
- After receiving Authorization to Proceed, an executed Program Supplemental Agreement (PSA), and a State approved Finance Letter. Invoices for eligible costs may be billed at 100% of the participating costs.

LAPM C.4 AGREEMENTS

LAPM C.4 Agreements

Section / Exhibit	Description of Changes
4.4 Process and Procedure Processing	<ul style="list-style-type: none">• OB 18-03: removed Exhibit 7-B reference

4.4 PROCESS AND PROCEDURE PROCESSING

A new Locode and Master Agreement will normally be requested by local agency soon after their first Local Assistance project is selected and programmed for inclusion or amended into the FTIP/FSTIP or STIP. Neither a Master Agreement nor project specific requests or agreements will be processed until after the associated pre-award audit process is completed and no findings (if there are any) remain (see [LAPM Chapter 3: Project Authorization](#), Section 3.2: Prior to Federal Authorization).

All project specific agreements are contingent on budget actions by the federal and state governments.

Federal-aid projects must be authorized and have funds obligated before an agreement is prepared. For projects in the State Transportation Improvement Program (STIP), Transportation Congestion Relief Program (TCRP), Conservation Lands, Statewide Transportation Enhancements (STE) Program, and Environmental Enhancement and Mitigation (EEM) Program, an allocation vote is required by the CTC. Caltrans does not prepare the agreement until the authorization, obligation and vote allocation are complete.

An agreement is prepared only once for each project after the initial authorization/obligation. In certain cases, more than one agreement is required. In such instances, the DLA will identify the need and prepare a revised agreement.

Processing

After the funds have been obligated/allocated, the DLA prepares the agreement. Once the requested funds have been encumbered by Local Programs Accounting, the DLA sends the agreement to the local agency for signature. The agreement must be signed by the local agency and returned to the DLA along with the signed and dated resolution as soon as possible. [Exhibit 4-B: Local Agency Agreement Execution Checklist](#), identifies key data or actions which should be provided in the agreement execution process. Any changes in funding or agreement language made by the local agency will void the agreement.

A local agency may pass a resolution for each agreement as it is presented or may pass a resolution authorizing an individual, e.g., public works director, to execute specific types of agreements as they occur. The latter method can save significant amounts of work and time and should be considered by any agency, which constructs a large number of federal-aid, or state funded projects. In either case, the resolution should clearly indicate the title of the person who is authorized to sign and for which agreement(s) or agreement types.

Upon receipt of the signed agreement and resolution, the DLA must review and sign the agreement before it can be conformed and executed. A copy of the executed agreement is then sent to the local agency and Local Programs Accounting at which time invoices may then be submitted for payment.

4.5 FEDERAL-AID PROJECT AUTHORIZATION TO PROCEED (E-76)

Section 106(a) of Title 23 of the United States Code (USC), as revised under the Transportation Equity Act for the 21st Century (TEA-21) and as superseded by the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) combined the project authorization, obligation of funds, and the execution of the federal-aid project agreement into a single action. To support SAFETEA-LU, the Federal-Aid Data System (FADS) was upgraded and implemented this new federal-aid processing requirement. Under the upgraded FADS, one electronic form entitled Authorization to Proceed (E-76) replaced the PR-2, PR-2A, and FNM-

LAPM C.5 INVOICING

LAPM C.5 Invoicing

Section / Exhibit	Description of Changes
5.2 Requirements for Reimbursement	<ul style="list-style-type: none">• OB 18-03: replaced Exhibit 3-O with LAPM 3-A
5.3 Reimbursable Project Costs	<ul style="list-style-type: none">• OB 18-03: replaced Exhibit 3-O with LAPM 3-A• Agreement End Date section moved to Chapter 3, Section 3.3• Replaced Project Finance Letter references with LAPM 3-A
5.8 Audit of Local Agency Expenditures	<ul style="list-style-type: none">• Replaced Title 49 CFR, Section 18.42 with 2 CFR 200.33

Note: Costs incurred prior to the authorization date are not eligible for FHWA reimbursement except for Emergency Opening and Preliminary Engineering work that is part of the Emergency Relief program. See [Chapter 11: Emergency Relief Program](#) of the [Local Assistance Program Guidelines \(LAPG\)](#) for additional details.

For additional information about phases of work and the project authorization process, see [LAPM Chapter 3](#).

Invoice Submittal

The local agency may submit monthly invoices for reimbursement of participating costs (costs eligible for state and/or federal reimbursement). Amounts claimed must reflect the cost of completed work, which has been paid for. The local agency must claim all reimbursable work within 180 days of project completion or prior to the expiration date of the project agreement, whichever comes first. Per the Master Agreement, an invoice must be submitted at least every six months to avoid being classified as inactive.

Towards the end of the state fiscal year (June 30), it is very important for local agencies to submit invoices timely for all incurred project costs so that accrued expenditures are properly identified on Caltrans financial statements.

Each fiscal year, the Division of Local Assistance (DLA) will notify local agencies regarding projects funded from lapsing appropriations (funds that will expire/not be available for spending June 30 of that fiscal year). They will be notified of the deadline for submitting invoices for these projects.

Award Package

The local agency must submit a complete Award Package to the DLAE within 60 days of the award of the construction contract and prior to the local agency's first invoice for construction. The DLAE will forward a copy of the Award Package to DLA and [Exhibit 15-L: Local Agency Contract Award Checklist](#) to LPA for processing.

If the DLAE does not receive a copy of the Award Package with the first invoice for the construction phase, the invoice will be returned to the local agency unpaid. No award package is required if the local agency utilizes only its own work forces. However, an approved Public Interest Finding (PIF) document must be included with the first invoice.

The Award Package for Federal-Aid funded construction contracts shall consist of the documents outlined in Award Package (see [LAPM Chapter 15: Advertise and Award Project](#), Section 15.7: Award Package).

1. [Exhibit 15-L](#) with attachments
2. [Exhibit 15-M: Detail Estimate](#)
3. [LAPM 3-A: Project Authorization/Adjustment Request](#)
4. [Exhibit 15-B: Resident Engineer's Construction Contract Administration Checklist](#)
5. [Exhibit 15-G: Construction Contract DBE Commitment](#)

For example, project CML – XXXX (XXX) has:

- Federal participating ratio of 100%
- Normal pro rata share of 88.53%
- Total estimated costs of the project are \$1,000,000.00
- Total federal funds are \$750,000.00
- The Federal Appropriation Code is Q240
- The reimbursement ratio would be: $\$750,000.00/\$1,000,000.00 = 75\%$

If the federal funding (\$750,000) divided by the federally participating costs (\$1,000,000) is less than the full pro rata share (88.53%), the project is considered underfunded. In this case, the progress payments must be reimbursed at the lower reimbursement ratio, which is 75%.

Pro Rata vs. Lump Sum

23 Code of Federal Regulations (CFR) 630.106(f)(1) requires the federal share of eligible project costs to be established at the time of project agreement execution either by pro rata with the agreement stating the federal share as a specified percentage, or by lump sum with the agreement stating that federal funds are limited to a specified dollar amount not to exceed the legal pro rata.

In requests for federal authorization to proceed, local agencies must document whether the federal-aid share is to be pro rata or lump sum, by phase and fund type. Caltrans will then enter the pro rata or lump sum share in the Federal-Aid Data System (FADS) E-76 transmittals. For the construction phase of work, the pro rata or lump sum share may be adjusted before or shortly after contract award in accordance with 23 CFR 630.106(f)(2). Requests for award adjustment must be submitted by a local agency to Caltrans within 90 days of contract award.

Subsequent to an award adjustment, an increase in the federal funding obligation beyond the established lump sum share may be allowable as a result of an increase to the total project construction cost. A prior established lump sum amount less than the legal federal share does not prohibit reimbursement up to the maximum legal share. For pro-rata projects, subsequent cost adjustments will maintain the established reimbursement rate. If no additional federal funds are added, the reimbursement rate will be reduced. In no cases will the reimbursement rate be increased.

On existing projects for which the lump sum or pro rata method had not been established during previous project agreement processing, the next request for adjustment must indicate the method to be established. Otherwise, the pro rata method will be assigned by default.

The federal share to be established will be identified in the local agency's [LAPM 3-A: Project Authorization/Adjustment Request](#) submittal, on the project's LP2000 Finance Letter utility, and in FADS Fund Detail Screen prior to District E-76 transmittal to headquarters.

Upon establishment of a pro rata or lump sum share for a specific Fund Detail line in FHWA's Fiscal Management Information System, the same share method shall be set for that Fund Detail line for the life of the project. While not a preferred option, a multi-funded project may have a combination of lump sum and pro rata for different types of funds within the project (under such a scenario, the different types of funding must be shown in separate rows in a project finance letter).

- Final Invoice
 - [Exhibit 15-M: Detail Estimate](#) (federal-funded projects),
 - [Exhibit 15-M Final Detail Estimate Summary \(pg.2 of 4\)](#) (federal-funded projects)
 - [Exhibit 17-M: Final Project Expenditures Report](#) (state-funded projects)
- If there are Liquidated Damages, they are shown on both the Final Invoice and the Final Detail Estimate. If there were none, write None.
 - A Change Order Summary is provided, whether there were change orders or not. If there were none, write None.
 - Contractor Claims are listed. If there were no claims, write None.

5.7 FINAL PROJECT COSTS

The final project cost listed in the local agency's Final Report of Expenditures will be analyzed by Accounting's Local and Reimbursement Final Vouchering Section to determine if the costs reported for each phase of work are eligible for federal reimbursement. Eligible amounts for each phase of work, as determined from the analysis are reconciled with the costs recorded in the Caltrans financial system. If it is determined that the funds paid to the local agency are more than the amount eligible for reimbursement, Accounting's Local and Reimbursement Final Vouchering Section will initiate an Accounts Receivable billing to the local agency for recovery of the overpayment.

5.8 AUDIT OF LOCAL AGENCY EXPENDITURES

The local agency shall maintain written source document records that account for agency costs and payments made to consultants, vendors, and contractors. Contract records must be retained by the local agency for a minimum period of three years from the date of the final payment by the state. Refer to [2 CFR 200.333](#) federal requirements for retention and access of records. Local agency expenditures for all Local Assistance programs are subject to financial and compliance audits by Caltrans IOAI or designee. Audits performed by IOAI may, at a minimum, include an audit of the local agency's financial management system, project costs incurred and reimbursed, and indirect cost allocation plans/ICRPs if applicable. Any audit findings will be discussed with the local agency before finalizing the audit report.

Local agencies are also subject to the audit requirements of 2 CFR, Part 200. A single audit is required if an agency receives and spends more than \$500,000 in federal funds from all sources in their fiscal year. For fiscal years beginning on or after January 1, 2015, the threshold for requiring a Single Audit increases to \$750,000 per the federal Office of Management and Budget Circular A-133 Supplement 2014. Impacted agencies must send a copy of their single audit report to the SCO within nine months of the end of the agency's previous fiscal years.

5.9 FINAL REPORT OF EXPENDITURES ON PROJECTS ADMINISTERED BY THE STATE

The final report of expenditures for state administered Local Assistance projects is prepared by a Caltrans Project Manager. On some projects, the state performs only specific phases of work associated with a Local Assistance project. For example, design engineering, Right of Way acquisition, or striping may be performed by the local agency for a construction project administered by the state. In such instances, the Caltrans Project Manager is responsible for preparing a Final Report of Expenditures for the work performed by state staff. The local agency is responsible for preparing the Final Report of Expenditures for work it performed and for any expenditure it incurred.

Documentation of Proposal

All local agencies desiring to claim their indirect cost for federal-aid and/or state funded projects must prepare an ICRP and CSCAP and provide related documentation to support those costs. All documents related to the ICRP and CSCAP must be retained for audit in accordance with the records retention requirements in 2 CFR Part 200.333. The following shall be included with each ICRP submission as prescribed by 2 CFR Part 200, Appendix VII for fiscal years beginning after December 31, 2014 and by 2 CFR Part 225 for fiscal years beginning before December 31, 2014.

1. Indirect Cost Rate Proposal

- a. Rate calculation schedule showing the calculation of rate(s) proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.
- b. Subsidiary worksheets should include the following:
 - For final rates and/or carry forward years, a schedule of actual direct/indirect/unallowable costs incurred by cost category type (i.e., rent, utilities, etc.t...) as well as by department unit.
 - For fixed rates, a schedule of budgeted or estimated direct costs and indirect costs by cost category type and department unit supported by Board approved budget or prior year's actual costs that were used as the basis for the rate(s) submitted.
 - Schedule showing calculation of the over/under carry forward provision when fixed rate is used.
- c. A copy of the financial data (audited financial statements, comprehensive annual financial report, single audit report, and management letters if applicable, etc.) on which the rate is based.
- d. The approximate amount of direct base costs to be incurred under federal-aid reimbursement. These costs should be distinguished between salaries and wages and other direct costs.
- e. A chart identifying the organization structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all agency units. After initial submittal, only revisions need to be included with subsequent proposals.
- f. Certification that the ICRP was prepared in a manner consistent with the cost principles of 2 CFR Part 200, Subpart E and Appendices V & VII for fiscal years beginning after December 31, 2014 and by 2 CFR Part 225 for fiscal years beginning before December 31, 2014.

Local agencies, which are required to submit their Indirect Cost Rate Proposal to Caltrans for approval, shall submit it in the sample format of [Exhibit 5-1: Sample Indirect Cost Rate Proposal](#) which includes documentation outlined in paragraph a, b and f above. In addition, submit the other required documentation (paragraph c, d and e above) which includes documentation outline in paragraph a, b and f above, along with the documentation outlined in paragraphs c, d and e above. Send it to Caltrans IOAI at the address specified above.

LAPM C.6 ENVIRONMENTAL PROCEDURES

LAPM C.6 Environmental Procedures

Section / Exhibit	Description of Changes
6.2 An Overview of the Environmental Process	<ul style="list-style-type: none">• OB 18-03: replaced Exhibits 3-E and 3-F with LAPM 3-A• Added clarification for Caltrans responsibility regarding CEQA review for off-system projects
6.7 Step-by-Step Procedures – Categorical Exclusion with Technical Studies	<ul style="list-style-type: none">• OB 18-03: replaced “in the LA/State Comments field” with “in LAPM 3-A”
Exhibit 6-B	<ul style="list-style-type: none">• Updated link and instructions for Land and Water Conservation Fund money

be internally consistent and prepared using with the applicable SER annotated environmental document outlines are approved for public availability by the Caltrans district director or deputy district director (Environmental) or the Environmental Office chief, if designated by district director.

NEPA encourages public participation; however, because there is no formal scoping requirement for an EA, the degree of public participation and the means of soliciting public input are determined on a case-specific-basis, taking into consideration the level of public interest or controversy. The local agency initiates public circulation of the draft EA following approval by Caltrans and following public involvement, responds to comments as necessary, and prepares the Final EA. Local agencies are responsible for performing the initial Quality Control Review on Final EAs. When an EA does not identify any significant impacts, and no significant impacts are identified during the period of public availability, the local agency submits the record of public comments, responses to those comments, and a request for a FONSI to the DLAE.

In accordance with the 327 MOU, Caltrans is responsible for making the official “finding” that a proposed project will not significantly impact the environment. The Caltrans district director or deputy district director (Environmental) or Environmental Office chief, if designated by district director, signs the FONSI making this “finding.”

The DLAE notifies the local agency immediately upon Caltrans approval of the FONSI so that they may commence with final design.

When an EA indicates that the project has the potential to result in a significant impact, an EIS must be prepared. An EA is not required when a decision has already been made to prepare an EIS. For details on preparing and processing an EA refer to the [SER](#), Chapter 31.

Upon submitting a “Request for Authorization” for new phases of work, the local agency will enter the appropriate coding and the date Caltrans signed the FONSI on the [LAPM 3-A: Project Authorization/Adjustment Request](#). Refer to [LAPM Chapter 3: Project Authorization](#).

The district SEP (or designee) completes appropriate environmental fields in LP2000 for tracking, reporting, and performance monitoring.

Environmental Impact Statement (EIS)

An EIS is a full disclosure document and is the highest level of analysis required by NEPA. The determination to prepare an EIS may result from one or more of the following situations:

- Based on information gathered during the PES, where it is clear that the proposed project will have significant impacts. The local agency indicates the potential for significance under Sections A and B of the PES Form, and the DLAE and district SEP (with written concurrence of HQ EC in email) determine that an EIS is the appropriate NEPA Class of Action, by signing the PES form.
- Based on the conclusions of the Draft EA where the potential for cumulative or significant adverse impacts are shown.

When it is determined that a proposed project may have a significant environmental impact, the local agency drafts the NOI to prepare an EIS in collaboration with the DLAE and district SEP (or designee) and arranges for the Early Scoping Meeting.

The local agency conducts the Early Coordination Meeting, undertakes all required technical studies, and prepares the required technical reports and the Draft EIS according to the guidance set forth in the SER.

An EIS is a summary of the findings and conclusions of technical reports, the results of regulatory and resource agency coordination and should accurately reflect the outcome of both. The local agency is required to use the NEPA only Environmental Impact Statement Annotated Outline but may use the joint Environmental Impact Report/Environmental Impact Statement Annotated Outline which are both provided at: <http://www.dot.ca.gov/ser/forms.htm>.

The local agency is responsible for performing a quality control review of their EIS and supporting technical studies and completing the External Certifications (Environmental Document Quality Control Review Certification) form.

Details on preparing and processing EISs are provided in [Section 6.10: Step by Step Procedures – Environmental Impacts Statement \(EIS\)](#) in this chapter. The district SEP (or designee) tracks the review and processing of the EIS and records relevant dates and information in LP2000. The DLAE provides notification to the local agency of environmental document status and approval.

Upon submitting a “Request for Authorization” for new phases of work, the local agency enters the appropriate coding and date of Caltrans district director signature on the ROD on the [LAPM 3-A: Project Authorization/Adjustment Request](#). Refer to the [LAPM Chapter 3: Project Authorization](#).

Other Federal Environmentally Related Processes

Every action that has federal involvement must comply with laws that protect particular elements of the environment. Although NEPA requirements have remained relatively unchanged over the years, environmentally related processes have increased in number and importance.

Following is a summary of those federal environmentally related laws processes most commonly required on local assistance transportation projects. Local agencies are required to comply with the provisions of these laws prior to finalizing NEPA documentation.

- **Section 4(f) - (Protection of Publicly Owned Park, Recreation Area, Wildlife or Waterfowl Refuge, or Land from Historic Sites)** - The Section 4(f) process was established in the U.S. Department of Transportation Act of 1966 to give certain protections to publicly owned public parks, recreational areas, wildlife and waterfowl refuges, and land from historic sites of national, state or local significance. Section 4(f) requires that the agency must show that there are no feasible or prudent alternatives to the use of these areas. If Section 4(f) land is required, a Section 4(f) avoidance alternative is required. If Section 4(f) land is still required, all possible planning must be taken to minimize the impact. Guidance on compliance with the provisions of Section 4(f) is provided in the [SER](#), Chapter 20.
- **De Minimis Impacts to Section 4(f) Resources** - When it is determined that a transportation use of Section 4(f) property, after consideration of any impact avoidance, minimization, and mitigation or enhancement measures, result in a *de minimis* impact on that property, no further Section 4(f) evaluation is required. Local agencies must work with the district/region Senior Environmental Planner to complete the analysis. The Senior Environmental Planner is responsible for making the *de minimis* impact finding.

CE/CE, IS/EA, EIR/EIS) do not necessarily need to match up with each other. An EA may be the appropriate document to prepare under NEPA when an EIR is appropriate under CEQA. Guidance on developing Joint CEQA/NEPA documents is available in the [SER](#), Chapter 37.

Following are some of the basic similarities and differences between the NEPA and CEQA.

- **Categorical Exclusion (NEPA)/Categorical Exemption (CEQA) Determination**
The list of projects exempt from the federal legislation is quite different from that of the State of California. NEPA requires that each federal agency identify its own list of CEs; therefore, the list of projects exempt from NEPA used for Caltrans purposes is specific to FHWA. CEQA guidelines list 33 standard categories for all state agencies to use. Thus, a careful reading of 23 CFR 771.117 and the FHWA/Caltrans MOUs prepared pursuant to 23 U.S.C. 326 and 327 is necessary to determine which actions are CEs. Caltrans may use a CE for a project not listed if it meets the criteria for CE under 23 CFR 771.117 (a) and (b). Separate determinations must be made for the NEPA and CEQA. Section 6.5 “Categorical Exclusions,” in this chapter describes this phase of the process.
- **Environmental Assessment/Initial Study**
The required contents of an EA are similar to that of an Initial Study (IS). However, NEPA requires that an EA discuss at least one build alternative and the no build alternative, whereas CEQA does not require a discussion of alternatives in an IS. Guidance on the development of Joint IS/EAs is available in the [SER](#), Chapter 37.
- **Integrating Other Environmentally Related Processes (NEPA/CEQA)**
One of the more complex aspects of the EA or EIS preparation is the requirement for integrating NEPA with other federal environmental requirements. The local agency must identify and list in the EA or EIS all other federal environmental requirements that may be applicable to the proposed action and, to the fullest extent possible, integrate the NEPA process with the review processes established by these laws. See [Section 6.2: An Overview of the Environmental Process](#) for a brief overview of the other federal environmental requirements. This degree of integration of state and local environmental review is not required under CEQA.
- **Significant Impact (NEPA) vs. Significant Effect (CEQA)**
NEPA requires the identification of any impacts and the avoidance and minimization of them, with compensation considered when reasonable. NEPA does not focus on assessment of whether each and every adverse impact is significant or not. Presence or absence of “**significant impacts**” as defined by NEPA is the determining factor for what type of environmental document is appropriate. NEPA’s definition of a significant impact does not necessarily correlate with CEQA identified “**significant effects**.” Further, CEQA requires mitigation only when an impact is designated as “**significant**.” This can result in measures to avoid or reduce impacts being identified under NEPA that would not be identified under CEQA.

Local Assistance projects are Federal-Aid highway projects that are located off the SHS. Because these projects are located off the SHS, the local agency serves as the CEQA lead for the project and is solely responsible for compliance with CEQA. In cases where the local agency project is processed with no federal involvement, the project will only require compliance with the CEQA. Caltrans is the NEPA lead agency for all local assistance projects. The local agency will prepare (or cause to have prepared) the NEPA documentation for approval by

Caltrans. Local Assistance projects follow the procedures outlined in this Chapter of the LAPM and the SER.

Timing for Environmental Processes

Estimating the time required for preparing and processing technical studies and environmental documents is very important when establishing a project delivery schedule. The amount of time needed to demonstrate full compliance with the provisions of NEPA and other federal environmental requirements varies depending upon project scope and the presence of federally protected environmental resources within and immediately adjacent to the project area (direct), indirect (secondary), and cumulative impacts.

Compliance with the environmental requirements may occur simultaneously with Preliminary Engineering. However, the local agency may not commence with final design prior to obtaining NEPA approval (a Caltrans signed (CE, FONSI, or ROD). It is incumbent upon the DLAE to notify the local agency as soon as NEPA approval is obtained and to forward a copy of the Caltrans signed CE, FONSI, or ROD.

The following time frames reflect best case scenarios and do not take into account the time involved in consultant selection, correction of inadequate studies, regulatory or advisory agency review and comment, projects involving large numbers of very complex, unusual environmental issues or controversy. The time frames also assume the various environmental studies and documents are performed and written simultaneously.

Below are some examples for estimating time frames:

- A project that meets the criteria for a CE with “no required technical studies” can be processed in one month, assuming the PES Form or PES (NI), if applicable, and supporting information are complete and sufficient.
- A CE “with required technical studies” may take from six months to two years depending upon the required technical studies that must be completed and the time of year the studies are initiated. It is important to identify and plan for critical survey periods when determining a project schedule. For example, surveys for certain plant species may have to be performed in spring or during their appropriate blooming/identifiable period.
- It is also important to factor in sufficient time for potentially lengthy processes such as Section 106 of the NHPA. Depending upon the nature of the undertaking and its effects to historic properties, the Section 106 process can take less than one week for screened undertakings to more than 20 months for very complex projects involving multiple resources or requiring archaeological excavation.
- An EA that results in a FONSI may take between two to three years. At a minimum, the Draft EA must consider the build alternative and the no build. Complex Draft EAs must undergo a separate review by Caltrans HQ environmental coordinator and Legal Office. The Complex Draft EAs go through a thirty (30) day public review period. The Routine Draft EAs also go through a 30 day review period. Processing an EA which results in a FONSI with an Historic Property Survey Report (HSPR), or any other environmentally related process may require additional time because these environmentally related processes require separate studies and separate regulatory reviews. For example, a preliminary Finding of Effect for cultural or archaeological resources must be completed before a draft EA or an EIS can be circulated for public review. Section 106

38. LA inserts the date the DLAE signed the CE/CE Determination form in the [LAPM 3-A](#) when completing the Request for Authorization for the next phase of the project (see [LAPM Chapter 3: Project Authorization](#)). LA begins final design. Prior to advertisement for construction, LA sends the DLAE a copy of all permits (that is, Coastal, 401, 404, 1602 Series, Sec 10, State or Federal Encroachment or Right of Entry) and documentation that the LA has fulfilled all mitigation commitments.
39. Upon receipt of list of mitigation commitments and permits, the district SEP (or designee) updates LP2000 Environmental-Permits Screen and Mitigation Commitments Screens according to the instructions provided in July 20, 2007 DLA memo, Subject: Tracking Local Assistance NEPA Compliance Milestones.

6.8 STEP-BY-STEP PROCEDURES – ROUTINE ENVIRONMENTAL ASSESSMENT (EA)

The requirement to prepare an EA may come about through one or more of the following situations:

- Based on information gathered during PES, where it is clear that the proposed project will not qualify for a CE or where unusual circumstances are likely. The LA identifies the potential for significance under Section A of the PES form and recommends the development of an EA (under Section E of the PES form). The DLAE and district SEP determine (with email concurrence from HQ EC) that an EA is the appropriate NEPA Class of Action by signing the PES form.
- During or upon completion of technical studies, when it becomes apparent that the proposed project will not qualify for a CE or that unusual circumstances exist. The decision to prepare an EA is made by the district SEP in collaboration with the DLAE (with email concurrence from HQ EC) and must be clearly documented for the project file.

The Routine Environmental Assessment (EA) process is shown in Figure 6-2: Routine Environmental Assessment (EA) Process Flowchart. The numbers on the flowchart correlate with the step-by-step procedures within this section.

1. LA receives signed PES form recommending an EA as the NEPA Class of Action.
2. LA coordinates with interested agencies and others to advise them of the scope of the project and potential social, economic, or environmental impacts identified in the PES form.
3. LA identifies alternatives and measures which might mitigate adverse environmental impacts.
4. LA (or consultant) completes technical studies and prepares technical reports and Administrative Draft EA according to appropriate Caltrans Annotated Outline, provided at: <https://dot.ca.gov/programs/environmental-analysis/standard-environmental-reference-ser/forms-templates>. LA (or consultant) completes the Environmental Document Review Checklist (ED Checklist), provided at: <https://dot.ca.gov/programs/environmental-analysis/standard-environmental-reference-ser/forms-templates>, cross-referencing items on the checklist with the corresponding page numbers found in the Draft EA.
5. LA performs Quality Control Review of all technical reports and Draft EA according to Caltrans Environmental Document Quality Control Program under NEPA Assignment

Do not begin the Section 4(f) Evaluation until after the PES form is fully signed. The consultant contract for the Evaluation shall be prepared according to the guidance and procedures set forth in the LAPM, Chapter 10, "Consultant Selection," provided at:

http://www.dot.ca.gov/hq/LocalPrograms/lam/prog_p/p10consult.pdf

Guidance on determining de minimis impacts to Section 4(f) properties, or on preparing an Individual Section 4(f), or one of the five (5) Programmatic Section 4(f) Evaluations:

- Parklands, Recreation Areas and Wildlife and Waterfowl Refuges
- Minor Involvement with Historic Sites
- Historic Bridges
- Bikeways and Walkways
- Projects that have a Net Benefit to Section 4(f) properties

Refer to SER, Chapter 20, Section 4(f) and Related Requirements, at:

<http://www.dot.ca.gov/ser/vol1/sec3/special/ch204f/chap20.htm>

21. Does the project have the potential to affect properties acquired or improved with Land and Water Conservation Fund Act (Section 6(f)) funds?

To determine whether Land and Water Conservation Fund (L&WCF) money was involved in the acquisition or improvement of a Section 4(f) property within or adjacent to your project area, go to the Land and Water Conservation Fund website at: <https://www.nps.gov/subjects/lwcf/index.htm>. Furthermore, the Office of Grants and Local Services (OGALS) serves as the state administrator of the program for California. You can access this website at: https://www.parks.ca.gov/?page_id=1008. To learn more about LWCF projects and see where the funding has been awarded throughout California, you can access OGALS Grant Allocation Tool here: <https://www.parksforcalifornia.org/grants>.

If "No," check the "No" box next to Question #21 in Section A of the PES form. No further study is needed. In the "Preliminary Environmental Investigation Notes to Support the Conclusions of the PES Form" list all surrounding land uses. When one of the surrounding land uses is a park, identify ownership.

If "Yes," (L&WCF funds were utilized for acquisition or improvement), further study will be needed and all practical alternatives to the proposed conversion must be evaluated.

Check the "Yes," or "To Be Determined," box next to Question #21 in Section A of the PES form. Check Section 6(f) in Section B, check coordination with Agency with Jurisdiction under Section C, and if the project will result in the conversion of the Section 6(f) property, check coordination with National Park Service (NPS) under Section C, and check Approves Conversion under Section D. The NPS Regional Office must concur that all environmental review requirements related to the proposed project have been met.

Section 6(f) study procedures are outlined in the SER, Chapter 20, provided at:

<http://www.dot.ca.gov/ser/vol1/sec3/special/ch204f/chap20.htm#consider>

Approval of a Section 6(f) conversion/replacement property shall be documented in the Section 4(f) Evaluation and Environmental Document.

Visual Resources

22. Does the project have the potential to affect any visual or scenic resources?

Refer to the Visual Impact Assessment (VIA) Guide in the SER, provided at:

http://www.dot.ca.gov/hq/LandArch/via_outlines/questionnaire.htm

Consider each of the ten (10) questions and select the response that most closely applies to the project in question. Refer to Preliminary Design Information provided on the first page of the PES form when answering questions. Each response has a corresponding point value. After the checklist is completed the total score will indicate the potential for impact and the level of detail needed to adequately address visual impacts in the PES form.

Note: This scoring system should only be used as a preliminary guide and should not be used as a substitute for objective analysis on the part of the user. Although the collective score may direct the user toward a

LAPM C.7 FIELD REVIEW

LAPM C.7 Field Review

Section / Exhibit	Description of Changes
7.5 Preparation of Field Review Form	<ul style="list-style-type: none">• OB 18-03 edits
7.7 Submittal of Field Review Form	<ul style="list-style-type: none">• OB 18-03 edits

A representative from FHWA should be consulted for all Projects of Division Interest projects. Request for FHWA consultation should be coordinated through the DLAE (see [LAPM Chapter 2: Roles and Responsibilities](#) and [LAPM Chapter 6: Environmental Procedures](#) for further details).

Optional Field Reviews

For projects that Caltrans has determined a field review is not required, the local agency is responsible for deciding whether to perform a field review (formal or informal) and for notifying all potentially affected agencies, utility companies, etc. and making arrangements for any on-site or office meetings. In deciding whether and how to conduct a review, an agency should consider the following factors: functional classification, project type and Delegated/Projects of Division Interest status, project complexity, total cost, interested, and affected parties and type of funds.

If a local agency wishes Caltrans (or FHWA) staff to participate in the field review process, a request must be made to the DLAE. Caltrans participation is based on the following factors:

- Availability of Caltrans staff and time requirements
- Experience of local agency staff
- Complexity of project, type of structures
- Funding program
- Right of way and design issues

For railroad crossing projects, the PUC participates in the review process.

Discussions with the DLAE should also indicate whether Caltrans participation in any subsequent phases of the project is expected. This is especially important if PS&E reviews are needed for structures. Caltrans and the agency should reach a clear agreement early in the process on the extent of Caltrans staff participation in any phase of project development.

7.4 TENTATIVE PLANS

The local agency should have a tentative plan as well as horizontal and vertical alignment sketches available for review by participants, either prior to, or at the field review. On projects that involve bridges, the agency should also provide preliminary hydrologic and hydraulic data. This information need not be in great detail, but sufficient to make an engineering review of the proposal.

7.5 Preparation of Field Review Form

The local agency shall prepare and complete [Exhibit 7-B: Field Review Form](#) (or DAF for ER projects) for all federal-aid projects, even if a Field Review was not required. (For ER projects, the DAF is used in lieu of the [Exhibit 7-B](#), see [LAPG Chapter 11: Emergency Relief](#)). The field review form documents the results and decisions of the field review and other initial project research. It also includes data helpful in the preparation of the Request for Authorization and the Program Supplement Agreement.

The field review process and documents should be completed, as early as possible. For Highway Bridge Program (HBP) funded (Bridge) projects, the field review documents, including major structure data sheets, must be completed prior to any request for authorization. The field review document must be completed and submitted prior to, or concurrently with the initial submittal of the PES form (completed and with supporting information attached) for Caltrans review and approval see [LAPM Chapter 6: Environmental Procedures](#).

Field Reviews Attended by Caltrans and the FHWA

For projects on the NHS, early review and discussions should be held with the DLAE and the FHWA engineer. Similar early discussions should occur for HBP funded (Bridge) projects to ensure funding eligibility.

If a field review is required, Caltrans and the FHWA will attend. Caltrans and the FHWA may also attend optional field reviews, if requested. The local agency shall fill out [Exhibit 7-B](#) as completely as possible prior to the field review and send a copy with a location map to each of the interested parties attending the field review. This allows the participants to come to the meeting prepared to discuss the specific issues and methodologies, which can lead to successful project implementation. The earliest date for the field review should be two weeks after the receipt of the drafted [Exhibit 7-B](#) by the district. Copies for the FHWA, DLA, and Office of Structure Design must be submitted to the district for further transmittal.

Caltrans has delegated design exception approval authority for projects off the SHS to the City/County Public Works Director see [LAPM Chapter 11: Design Guidance](#). However, proposed design exceptions should be identified and discussed at the field review.

The Field Review Form should be updated and signed by the local agency, district, and FHWA representatives, as appropriate, at the field review even if some of the questions remain unanswered. Information determined after the field review is to be provided by the local agency as a supplement to the Field Review Form and may require FHWA concurrence.

Optional Field Reviews Not Attended by Caltrans or the FHWA

If the field review is optional and Caltrans and the FHWA will not be attending, the local agency may complete [Exhibit 7-B: Field Review Form](#) without a formal or informal review or meeting. An on-site visit by the project engineer and project manager is recommended as good practice to verify the data and information used to complete the forms.

7.6 FIELD REVIEW DATA

Scope

The project must be defined in sufficient detail to accurately specify where it is, why it is necessary and what will be done. This process of project definition began with the planning and programming process. Now, further details are needed to clarify the limited FSTIP information with the specific project location, system and conditions as they currently exist and as they will be upon project completion. If the scope changes significantly from the approved FSTIP description, now or at any time during project development, a FSTIP amendment may be necessary. Items 1 to 5 on [Exhibit 7-B](#) and LAPM [Exhibit 7-C: Roadway Data](#), [Exhibit 7-D: Major Structure Data](#), [Exhibit 7-E: Railroad Grade Crossing Data](#), vicinity maps, typical section(s), alternative sketches, signal warrants, and collision diagrams, as appropriate, provide data related to the general scope of the project. For non-roadway projects, [Exhibit 7-B](#) and attachments would be modified as appropriate for the project activity and scope, e.g., site plans, work plans, and building sketches.

Environmental Process

All federal-aid projects must follow the federal environmental process (NEPA) described in [LAPM Chapter 6: Environmental Procedures](#). NEPA approval, Caltrans signed Categorical Exclusion (CE), Finding of No Significant Impact (FONSI) or Record of Decision (ROD) must be

Project Schedule

A federal project is normally scheduled for a specific year in the FHWA-approved FSTIP document. While the funds are usually carried forward into new FTIP and FSTIP adoptions, this is at the discretion of the MPO. For State funded projects, the specific program guidelines define the year or years the program funds are available. The delivery schedule for advertising should be reviewed to see if the project could be developed in a timely manner. The items discussed above define some of the critical steps in this effort. For federally funded projects, if there will be significant delays, the agency should work with the MPO to reschedule the work through a current FSTIP amendment or into the next FSTIP. State program guidelines define the appropriate actions for the State funded projects. In non-MPO areas, contact the Caltrans District FSTIP coordinator for necessary amendments.

7.7 SUBMITTAL OF FIELD REVIEW FORM

As soon as formal or informal discussions and review are complete, the local agency prepares the final [Exhibit 7-B: Field Review Form](#) and attachments. If a field review is required for NHS projects, all appropriate forms and attachments shall be completed. If the field review is optional, the first two pages of [Exhibit 7-B](#) summary must be completed, as a minimum. See the brackets ([]) notation under Item 12 of [Exhibit 7-B: Field Review Form](#) for additional attachments.

The local agency consults with the district regarding the number of copies to be sent. The district forwards [Exhibit 7-B: Field Review Form](#) (two if a bridge is involved) with the required attachments to the Division of Local Assistance. The local agency may wish to provide copies to their MPO and other interested parties.

The project engineer and project manager should periodically review [Exhibit 7-B](#) and data to ensure that the project development is proceeding as initially proposed or that significant changes have been approved.

The field review document must be completely filled out and submitted prior to or concurrently with the initial submittal of the PES form (completed and with supporting information attached) for Caltrans review and approval (see [LAPM Chapter 6: Environmental Procedures](#)).

LAPM C.9 CIVIL RIGHTS & DBE

LAPM C.9 Civil Rights & DBE

Section / Exhibit	Description of Changes
<p>9.3 Accessibility</p>	<ul style="list-style-type: none"> • OB 18-03 edits; replaced Exhibit 12-C with LAPM 3-A • Added ADA Nondiscrimination Policy section
<p>9.4 EEO Contractor Compliance</p>	<ul style="list-style-type: none"> • Edits to EEO Reporting section
<p>9.6 Local Agency Responsibilities</p>	<ul style="list-style-type: none"> • Added "Section 10262 of the California Public Contract Code"
<p>9.7 DBE Participation on the Contract</p>	<ul style="list-style-type: none"> • OB 19-03 edits • Replaced Exhibit 15-G to be "included in the bid" with "submitted no later than 4 p.m. on the 5th day after bid opening" • Deleted reference to submission of Exhibit 17-F within 30 days after completion of the contract • Moved bullet from Materials and Supplies to DBE Trucking section
<p>9.8 Good Faith Efforts</p>	<ul style="list-style-type: none"> • OB 19-03 edits • Replaced Exhibit 15-H to be "included in the bid" with "submitted no later than 4 p.m. on the 5th day after bid opening" • Substitutions section: added paragraph to reference 49 CFR 26.53(f) for when a DBE firm can be terminated • Noncompliance section: replaced "should" with "shall" with clarifying statement "unless agreed by the Local Agency in writing"
<p>Exhibit 9-B</p>	<ul style="list-style-type: none"> • Added "Section 10262 of the California Public Contract Code" • Replaced "30" days with "7" days payment requirement to agree with Exhibit 12-G.
<p>Exhibit 9-C</p>	<ul style="list-style-type: none"> • Edits as shown
<p>Exhibit 9-D</p>	<ul style="list-style-type: none"> • OB 19-03
<p>Exhibit 9-E</p>	<ul style="list-style-type: none"> • OB 19-03

Local Agency Construction Contract Administration Checklist

[Exhibit 15-A: Local Agency Construction Contract Administration Checklist](#) confirms that DBE and labor/EEO compliance requirements are performed and documented in the project files. [Exhibit 15-A](#) documents that the local agency will meet all of the requirements prior to the award of the construction contract (see [LAPM Chapter 15: Advertise and Award Project](#)).

Resident Engineer's Construction Contract Administration Checklist

[Exhibit 15-B: Resident Engineer's Construction Contract Administration Checklist](#) is completed by the local agency Resident Engineer. The purpose of this checklist is to assist the local agencies in administering federal-aid highway construction projects. It also provides a record that the EEO/Wage Rate/False Statements posters are being posted at specific locations, that employee interviews will be conducted in accordance with the Labor Compliance/EEO interview form, and that DBE requirements are met. The local agency submits [Exhibit 15-B](#) along with the Award Package shortly after award of the construction contract (see [LAPM Chapter 15](#)).

Additional Resources for Title VI Implementation

You may access additional information on implementing Title VI (including potential Title VI issues, self-monitoring, good practices, and mitigation measures) in Caltrans' Title VI Program Plan and Caltrans' Title VI Guidelines available at: <https://dot.ca.gov/programs/business-and-economic-opportunity/title-vi>.

In addition, Caltrans has produced a Title VI brochure that is available in ten different languages at: <https://dot.ca.gov/programs/business-and-economic-opportunity/title-vi>.

9.3 ACCESSIBILITY: REHABILITATION ACT OF 1973/AMERICANS WITH DISABILITIES ACT OF 1990

As part of FHWA's regulatory requirements under Title II of the ADA Section 504 of the Rehabilitation Act of 1973 (504), Caltrans ensures that subrecipients of federal and state funds do not discriminate on the basis of disability in any highway transportation program, activity, service or benefit they provide to the general public. The subrecipients must ensure that people with disabilities have equitable opportunities to use the public rights-of-way system.

Section 504 of the Rehabilitation Act of 1973 (codified as 29 USC Subsection 791 et seq.) requires that any entity receiving federal financial assistance must ensure that persons with disabilities are not discriminated against in any and all aspects of employment, or denied access to the goods or services that these federal fund recipients provide.

The intent of the Americans with Disabilities Act of 1990 (Public Law 101-336, codified as 42 USC 12101 et seq.) is to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for persons with disabilities. This law extended the protections offered for persons with disabilities.

28 CFR 35 requires that facilities constructed on behalf of, or for the use of, a public entity shall be designed and constructed so that the facility is accessible to and usable by persons with disabilities.

49 CFR 27 requires nondiscrimination on the basis of disability in programs and activities receiving or benefiting from federal financial assistance. The State of California has also adopted regulations in Section 54 of the California Civil Code that specifies all buildings, structures, sidewalks, curbs, and related facilities constructed in California by the use of state,

county or municipal funds, or the funds of any political subdivision of the state, shall be accessible to and usable by persons with disabilities.

American with Disabilities Act (ADA) Assurances

Administering agencies sign ADA assurances as part of their [Exhibit 4-C: Master Agreement](#) with Caltrans. The Program Supplement Agreement (PSA), (see [Exhibit 4-D: Sample -Program Supplement Agreement](#) for each project, includes the administering agency's reaffirmation of the nondiscrimination assurances contained in the Master Agreement.

Designation of an ADA Liaison Officer

[A local agency that employs 50 or more persons is required to](#) designate an ADA Liaison Officer who is responsible for coordinating the efforts of the local agency to comply with ADA requirements, including investigation of complaints. The local agency shall make available to the public the name and contact information (mailing address, telephone number, e-mail address, etc.) of its designated ADA Liaison Officer 28 CFR 35.107(a).

Adoption of Grievance Procedures

A local agency that employs 50 or more persons is required to adopt and publish procedures for resolving grievances arising under Title II of the ADA ([28 CFR 35.107\(b\)](#)). Pursuant to 28 CFR 35.170, any individual who believes that he or she or a specific class of individuals has been subjected to discrimination on the basis of disability by a public entity may file a complaint within 180 days of the date of the alleged discrimination, unless the time for filing is extended by a local agency for good cause.

Grievance procedures set out a system for resolving complaints of disability discrimination in a prompt and fair manner. The grievance procedure shall include:

- A description of how and where a complaint under Title II of the ADA may be filed with the local agency.
- A statement notifying potential complainants that alternative means of filing a complaint, other than in writing, will be made available to individuals with disabilities.
- A description of the time frames and processes to be followed by the complainant and the local agency.
- Information on how to appeal an adverse decision.
- A statement of how long complaint files will be retained.

ADA Nondiscrimination Policy

[All public entities must provide information to the public, program participants, program beneficiaries, applicants and employees about the ADA and how it applies to the public entity.](#)

[Here are some methods that public entities have used:](#)

- [Put the notice on the public entity's website.](#)
- [Include the notice in social media such as Twitter and Facebook.](#)
- [Post the notice at facilities.](#)
- [Publish the notice in local newspapers.](#)

- Broadcast the notice in public service announcements on local radio and television stations.
- Include the notice in program announcements and applications.

The information must be provided in “alternative” formats so that it is accessible to people with hearing and vision disabilities. Examples of alternative formats:

- Captioned public service announcements on television
- Large print (recommend: san-serif typeface such as Helvetica or Arial, 18 point size. If an individual requests a specific point size, provide notice in that size)
- Braille
- Text file on a thumb disk or emailed to the person
- HTML format on an accessible website
- Audio recording
- Radio announcement

Public entities must provide the information not just once, but on an ongoing basis. For example when there’s a new ADA Coordinator the ADA Nondiscrimination Policy should be updated.

Self-Evaluation

The local agency is required to complete a self-evaluation of its current programs, policies, and practices to identify barriers for people with disabilities pursuant to 28 CFR 35.105, 49 CFR 27.11(c)(2), and Section 504 of the Rehabilitation Act of 1973. The scope of the self-evaluation includes both architectural and administrative barriers. The local agency shall provide an opportunity for interested persons, including individuals with disabilities or organizations representing individuals with disabilities, to participate in the self-evaluation process by submitting comments.

Critical areas to evaluate as part of a self-evaluation shall accomplish the following, but are not limited to:

- Identify all programs (including public right-of-way facilities), activities, and services and their locations.
- Determine whether employees and officials are familiar with the public entity’s ADA obligations, including the requirement to make reasonable modifications to policies, practices and procedures.
- Determine whether employees and officials know how to arrange for auxiliary aids and services, such as sign language interpreters, material in Braille and assistive listening systems; to ensure that communication with people with disabilities is as effective as others.
- Review service, activity and program’s policies and procedures to determine whether they ensure an equal opportunity for people with disabilities to participate and benefit.

- Survey facilities and determine whether there are physical barriers to access programs. If non-structural changes, such as moving programs, should be made, include them in the self-evaluation. If structural changes are needed, include them in the transition plan.

All public entities are required to complete a self-evaluation. However, only those that employ 50 or more persons are required to maintain the self-evaluation on file and make it available for public inspection for at least three years pursuant to 28 CFR 35.105(c). Other public entities are not required to retain their self-evaluations but are encouraged to do so because these documents evidence of a public entity's good faith efforts to comply with ADA requirements.

NOTE: Local agencies shall implement a system for periodically reviewing and updating self-evaluations and, if applicable, transition plans 49 CFR 27.11(c)(2)(v). As a best practice, an updated self-evaluation is recommended every three (3) years prior to updating the agency's Transportation Improvement Program.

Transition Plan

Following completion of a self-evaluation, a local agency with 50 or more employees is required to develop a transition plan to prioritize removal of structural barriers for accessibility purposes pursuant to 28 CFR 35.150(d). Although public entities with fewer than 50 employees are not required to develop a transition plan, it may be useful in setting priorities when structural changes are required to bring the organization into compliance.

The transition plan shall accomplish the following, but are not limited to:

- Identify physical obstacles in the public agency's facilities that limit the accessibility of its programs or activities to individuals with disabilities.
- Describe in detail the methods that will be used to make the facilities accessible.
- Specify the schedule for taking steps necessary to upgrade pedestrian access to meet Section 504 and/or ADA requirements in each year following the transition plan.
- Indicate the official responsible for implementation of the plan.

NOTE: Local agencies shall implement a system for periodically reviewing and updating self-evaluations and, if applicable, transition plans 49 CFR 27.11(c)(2)(v). As a best practice an updated transition plan is recommended every three (3) to five (5) years following adoption of the updated self-evaluation.

Design

State and local governments, regardless of whether they receive federal financial assistance, are required to comply with Federal [2010 ADA Standards](#), Title 24 of the California Code of Regulations (which contains California building regulations), or local code, whichever provides the greatest access. Private-funded improvements within the public Right of Way are also required to comply with the federal [2010 ADA Standards](#) or with Title 24, whichever code offers the greatest access or protection to individuals with disabilities. All new and altered pedestrian facilities such as, but not limited to, highway rest area facilities, sidewalks, crosswalks, pedestrian overpasses, underpasses, and ramps shall be made accessible to persons with disabilities in accordance with federal and state accessibility standards on all local agency federal-aid projects. Facility maintenance does not constitute an alteration (see [LAPM Chapter 11: Design Guidance](#) for what constitutes an alteration triggering accessibility requirements).

Certification

Local agencies certify compliance with federal, state, and local ADA regulations, laws, and codes in the [Exhibit 12-D: PS&E Checklist](#).

ADA Monitoring

Local Agency ADA Annual Certification Form

Each local agency must provide the Caltrans DLAE with a completed [Exhibit 9-C: Local Agency ADA Annual Certification Form](#) by June 30 of each year for the following federal fiscal year (October 1 to September 30). The form must be received prior to submitting a Request for Authorization to proceed with a federal-aid project.

[Exhibit 9-C](#) includes:

1. Designated ADA Liaison Officer information (name, address, phone number, and e-mail address).
2. Certification that the local agency has an updated self-evaluation and transition plan, if applicable. If the local agency does not have an updated self-evaluation and transition plan, then the local agency provides an estimated date that they will have one, **and may be subject to a desk or on-site program review**.
3. Certification of the adoption of a grievance procedure. If the local agency does not have a grievance procedure, then the local agency provides an estimated date that they will have one.

Field Reviews

During the field review, an agreement is reached among all interested parties (local agency, DLAE, FHWA) on the general design features and exceptions for the project. ADA deficiencies are discussed and agreed upon at this time (see [LAPM Chapter 7: Field Review](#)).

Plans, Specifications & Estimate

Local agencies certify that their project's Plans, Specifications & Estimate (PS&E) complies with all applicable federal and state regulations and codes (see [LAPM 3-A: Project Authorization/Adjustment Request](#) and [Exhibit 12-D: PS&E Checklist](#), and [LAPM Chapter 12: Plans, Specifications & Estimate](#)).

Final Inspection

The local agency conducts the final inspection and certifies on the [Exhibit 17-C: Final Inspection Form](#) that the project was constructed in accordance with the scope and description of the project authorization document and that all federal and state requirements have been met. **If the DLAE reviews the job site and cannot verify completion of required ADA accessible components (as certified in [Exhibit 17-C](#)), the agency may be subject to sanctions as identified in [LAPM Chapter 20: Deficiencies and Sanctions](#).**

9.4 EQUAL EMPLOYMENT OPPORTUNITY (EEO) CONTRACTOR COMPLIANCE

The current Federal Transportation Act, 23 USC 140(a), and implementing regulations of 23 CFR 230 require that the local agency receiving federal financial assistance assure that employment in connection with federal highway construction projects is provided without regard to race, color, religion, sex, national origin, age or disability.

The local agency is also required to include notification of a federal-aid contractor's EEO responsibilities in the advertised contract specifications. The local agency shall maintain and make available apprenticeship, skill improvement or other upgrading programs, which provide equal opportunity for training and employment without regard to race, color, religion, sex, national origin, age or disability.

Federal regulation 23 CFR 635.107 sets forth FHWA policy relating to federal-aid highway contract letting, and requires equal opportunity for DBE participation. Other sections of the CFR include nondiscriminatory bidding procedures, subcontractor and contractor responsibilities, labor, employment and Native American Indian preference provisions, payroll and statements of wages paid, and contract termination procedures.

Form FHWA 1273, Required Contract Provisions for Federal-Aid Construction Contracts is a standard federal form containing required contract provisions and proposal notices and is required to be physically inserted into each federal-aid highway construction contract and subcontracts (at any tier). When a contractor signs a federal-aid contract of \$10,000 or more, the nondiscrimination provisions in the Form FHWA 1273 constitutes the contractor's Equal Employment Opportunity/Affirmative Action Program standards for that contract.

EEO Implementation

Assurances

Local agencies sign assurances as part of their Master Agreement with Caltrans. Appendix A to Exhibit B of the Master Agreement includes nondiscrimination in the selection and retention of sub-applicants and the prohibition of discrimination in employment practices.

Required Federal Contract Provisions

Local agencies shall physically insert the Form FHWA 1273 into the contract document. Local agencies are aware that contractor's noncompliance with the EEO specifications in the Form FHWA 1273 may be considered a breach of contract for which payment may be withheld, or the contract terminated (see [LAPM Chapter 12: Plans, Specifications & Estimate](#)).

Construction

Federal-aid prime contractors and subcontractors employment practices in the areas of recruitment and selection decisions (hiring, promotions, terminations, training) are to be conducted without regard to race, color, religion, sex, national origin, age or disability.

The local agency's resident engineer should be cognizant of the contractual requirement and monitor the contractor for compliance. Specifically, the resident engineer should be **concerned** whether discriminatory practices take place, particularly in the hiring, firing, training, promotion, and utilization of employees (see [LAPM Chapter 16: Administer Construction Contracts](#), Section 16.12: Equal Employment Opportunity).

EEO Monitoring

The three checklists listed in [Section 9.2: Nondiscrimination Title VI of the Civil Rights Act of 1964 and Related Statutes](#) serve to assist local agencies in implementing EEO and are monitoring tools for DLAEs to ensure that EEO requirements are met. In addition, DLA performs periodic EEO process reviews that include reviews of the DLAE, local agency, and contractor.

Caltrans OBEO includes local agency contracts in their compliance reviews of federal-aid contractors.

EEO Reporting

During the last full pay period in July, the prime contractor must complete [Exhibit 16-O: Federal-Aid Highway Construction Contractor's Annual EEO Report \(FHWA 1391 Form\)](#) for all federal-aid construction contracts that are active.

NOTE: The person who should be signing [Exhibit 16-O](#) would either be the Local Agency Resident Engineer or the Project Manager. The person signing the forms is responsible for verifying all the information provided is correct and will be the contact person if there are any discrepancies.

9.5. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

Background

Caltrans is required under 49 CFR 26 to administer a Disadvantaged Business Enterprise (DBE) Program. The DBE Program is intended to ensure a level playing field and foster equal opportunity in federal-aid contracts. As a result, Caltrans periodically conducts studies that examine the availability, disparity, and discrimination of disadvantaged businesses in the transportation construction and engineering industry in California. Past studies have determined that discrimination continues to exist in the transportation contracting industry. When establishing the overall DBE goal, Caltrans must include the level of DBE participation that local agencies could contribute. This will include an assessment of the subcontracting opportunities for specific items of work and the DBE availability for specific items of work. In other words, that level of subcontracting opportunities that DBEs could reasonably be expected to compete for on a contract.

DBE Definitions

Calendar Days - Unless stated otherwise, days in this chapter is understood to mean calendar days which includes weekends and holidays.

Disadvantaged Business Enterprise (DBE) - A for-profit small business concern that is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals. One or more such individuals must also control the management and daily business operations. These individuals must be citizens (or lawfully admitted permanent residents) of the United States and (1) any individual who a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis, or (2) who are either African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, (persons whose origin are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal or Sri Lanka), Women, or any other group found to be socially and economically disadvantaged by the Small Business Administration (See 49 CFR 26).

Race-Conscious Measure or Program - One that is focused specifically on assisting only DBEs. The use of contract goals is the primary example of a race-conscious measure in the DBE program.

Race-Neutral Measure or Program - A race-neutral measure or program is one that, while benefiting DBEs, is not solely focused on DBE firms. For example, small business outreach programs, technical assistance programs, and prompt payment clauses can assist a wide variety of small businesses not just DBEs. For purposes here, race-neutral includes gender neutrality.

DBE Liaison Officer

Each local agency must designate a Disadvantaged Business Enterprise Liaison Officer (DBELO) who shall have direct independent access to the local agency's Chief Executive Officer concerning DBE program matters. This person shall be responsible for the duties as described in the [Exhibit 9-A: DBE Implementation Agreement for Local Agencies](#). Annually, the DBELO designation will be reported to Caltrans when the local agency completes its [Exhibit 9-B: Local Agency DBE Annual Submittal Form](#).

Required Contract Clauses

These and other requirements of this chapter are included in the [Exhibit 12-G: Required Federal-aid Contract Language](#).

Contract Assurance

DBE regulations require the following contract assurance statement in every federal-aid contract and subcontract:

- The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract, or such other remedy as recipient deems appropriate.

Prompt Progress Payment to Subcontractors

Attention is directed to Section 7108.5 of the California Business and Professions Code and [Section 10262 of the California Public Contract Code](#) which require a prime contractor or subcontractor to pay any subcontractor not later than seven (7) days of receipt of each progress payment, unless otherwise agreed to in writing.

These requirements apply to both DBE and non-DBE subcontractors.

Prompt Payment of Withheld Funds to Subcontractors

Federal Regulation (49 CFR 26.29) requires one of the following three methods be used in federal-aid contracts to ensure prompt and full payment of any retainage kept by the prime contractor or subcontractor to a subcontractor:

1. The local agency may decline to hold retainage from prime contractors and prohibit prime contractors and subcontractors from holding retainage from subcontractors.
2. The local agency may decline to hold retainage from prime contractors and include a contract clause, obligating the prime contractor and subcontractors to make prompt and full payment of any retainage kept by the prime contractor or subcontractor to all subcontractors within thirty (30) days after the subcontractor's work is satisfactorily completed.
3. The local agency may hold retainage from the prime contractor and provide for prompt and regular incremental acceptances of portions of the contract, pay retainage to prime contractors based on the acceptances and include a contract clause obligating the prime contractor and subcontractors to pay all retainage owed to all subcontractors for

satisfactory completion of the accepted work within thirty (30) days of local agency payment to the contractor.

In the above methods, a subcontractor's work is satisfactorily completed when all tasks called for in the subcontract have been accomplished and documented as required by the agency. The work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed, when an agency has made an incremental acceptance of a portion of the contract work. Annually, the local agencies choose one of the above three methods to ensure prompt pay. The local agency's choice will be reported to Caltrans when it completes [Exhibit 9-B: Local Agency DBE Annual Submittal Form](#).

9.7 DBE PARTICIPATION ON THE CONTRACT

Participation Opportunities

The local agency should structure its contracts [and cost estimates by task](#) to provide opportunities for DBE participation. Participation by DBEs is possible during the Preliminary Engineering, Environmental, Final Design, Right of Way, and Construction phases of the project, and includes work as [lead consultants](#), [prime contractors](#), sub-consultants, subcontractors, suppliers, vendors and truckers.

DBE Contract Goals

[All federal-aid contracts that have subcontracting opportunities must have a DBE goal set. This includes, but is not limited to: construction, consultant services such as project specific Architectural & Engineering \(A&E\), and master on-call A&E contracts.](#) A DBE contract goal is a percentage of the total contract amount that is expected to be performed by certified DBE firms. The DBE contract goal will vary depending on the type of work involved, the location of the work, and the availability of DBEs for the work of the particular contract.

The contract goal may be zero [in situations such as](#) extremely limited subcontracting opportunities, the lack of [certified DBEs available in the District for the work to be performed](#), or other reasons. [The local agency will need to keep documentation in the project file when a zero percent DBE contract goal is deemed appropriate.](#)

[Some contracts, such as Emergency Opening, Sole-source, Nonprofit do not require a DBE goal. Work performed through Force Account also does not need a DBE goal. In these cases, there is no contract goal \(different from zero percent goal\).](#)

Setting the DBE Contract Goal

[DBE contract goals are established to encourage more participation of DBEs for federal-aid transportation contracts. The bullets below provide a summary guidance of how to set the DBE contract goal. For a detailed set of instructions and a template example, please refer to \[Exhibit 9-D: DBE Contract Goal Methodology\]\(#\).](#)

- [The project analysis starts with finalizing the cost estimate and determining potential sub-contractable items of work in the Exhibit 9-D: DBE Contract Goal Methodology template.](#)
- [The local agency must consider the type of work involved \(Work Category Code\), location of the work \(by Caltrans District number\), and the potential number of DBEs listed in the database. For each work category code, determine the number of available](#)

DBE subcontractor/ subconsultants by conducting a search in the California Unified Certification Program (CUCP) database geographically by Caltrans District only. Use the District where the work will take place.

- Determine the DBE Work Factor for each task:
 - If the number of available DBE subcontractors or sub-consultants is 7 or more, use 100 percent.
 - If there are less than 7 DBEs available: for consultant contracts, use 0 Work Factor; for construction projects, determine whether or not there is a component of trucking or material supply, and apply a 10 or 12 percent DBE Work Factor, respectively, otherwise use 0.

Submitting Exhibit 9-D

All federal-aid contracts must have an [Exhibit 9-D: DBE Contract Goal Methodology](#) submitted to the DLAE. The following are responsibilities and a flowchart for local agencies, DLAEs, and HQ DLA.

Local Agency Responsibilities

- Local agencies must submit an [Exhibit 9-D, DBE Contract Goal Methodology](#) in Microsoft Excel format to their DLAE for all federal-aid contracts, including master on-call A&E contracts, prior to advertisement and/or with the request for authorization (RFA) package as applicable.
- Local agencies may not advertise the contract before receiving DLAE feedback on the DBE goals and notification from the DLAE that the authorization to proceed (E-76) has been issued.
 - For construction contract estimates greater than \$2 million and consultant contract estimates greater than \$500,000, the DBE goal will need to be reviewed and approved by Caltrans. Local agencies will have an opportunity to discuss and resolve any differences in the respective goal calculations; however, the final decision rests with Caltrans.

DLAE Responsibilities

- For construction contract estimates greater than \$2 million and consultant contract estimates greater than \$500,000, e-mail the [Exhibit 9-D, DBE Contract Goal Methodology](#) in Microsoft Excel format to HQ DLA: DBEgoal.GFE@dot.ca.gov.
 - Once the [Exhibit 9-D, DBE Contract Goal Methodology](#) has been reviewed by the Office of Business & Economic Opportunity (OBEO), send a confirmation e-mail to the local agency with the recommended DBE contract goal.
- For construction contract estimates less than or equal to \$2 million and consultant contract estimates less than or equal to \$500,000, conduct a cursory review of the Exhibit 9-D and send an email to the local agency to confirm the DBE contract goal.

DLA Responsibilities

The following applies to DBE goal setting for construction contract estimates greater than \$2 million or consultant contract estimates greater than \$500,000:

- Send confirmation to the DLAE that Exhibit 9-D is being processed.
- After processing, reply to the DLAE with the recommended DBE contract goal.
- If the agency disagrees with the DBE contract goal, review the reasoning and make a decision if the goal needs to be adjusted.

It will not take more than 15 business days to review the Exhibit 9-D after receipt from the District. If there is no response from DLA after 15 days, the DLAE has the discretion to move forward

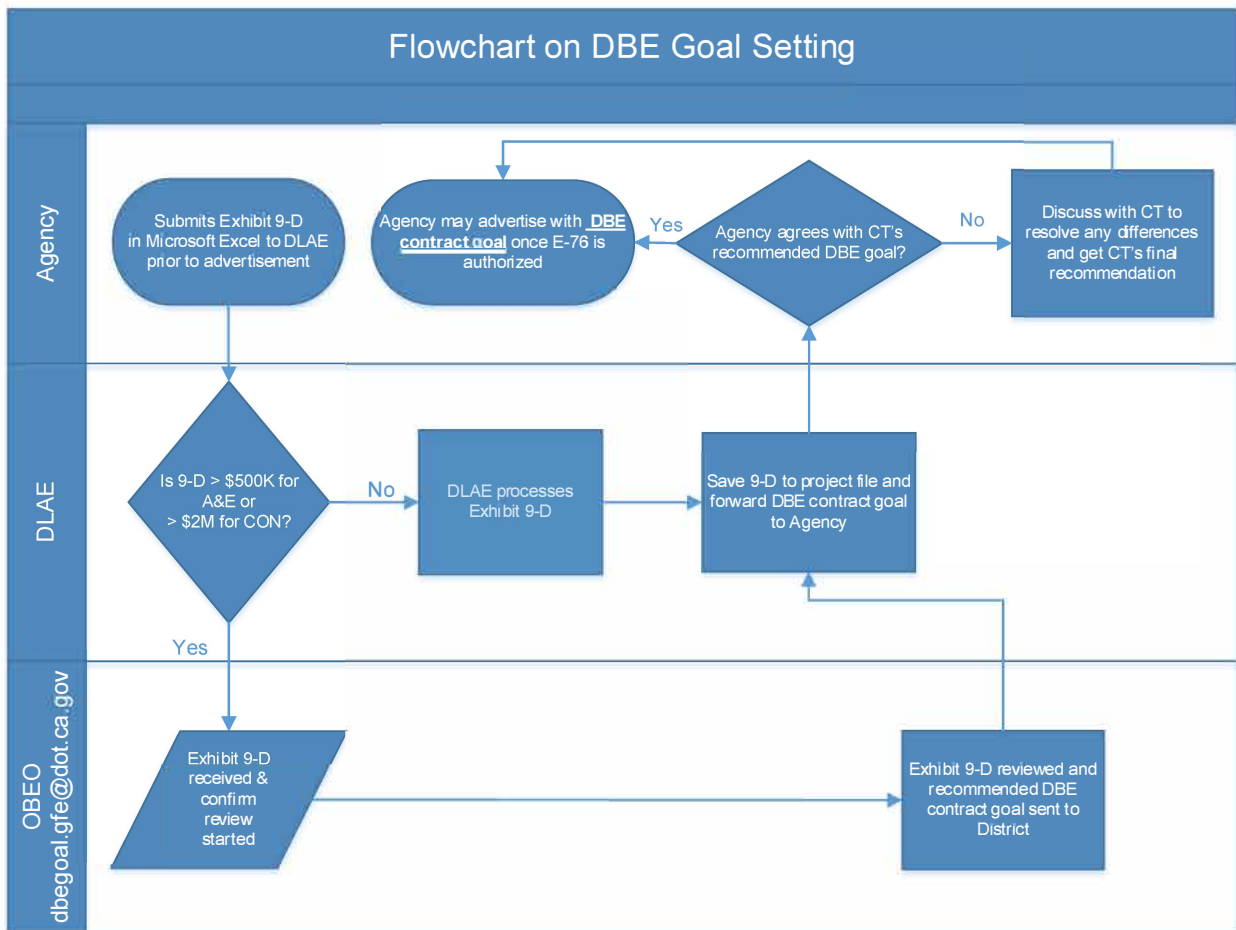


Figure 9-1: DBE Goal Setting Flowchart

Local Agency Bidder or Proposer DBE Commitment and DBE Information Forms

On construction contracts, the [Exhibit 15-G: Construction Contract DBE Commitment](#) must be provided by each bidder and submitted no later than 4pm on the 5th day after bid opening. On consultant contracts, [Exhibit 10-O1: Consultant Proposal DBE Commitment](#) must be included in each consultant's proposal and the [Exhibit 10-O2: Consultant Contract DBE Commitment](#) form must be included in best qualified consultant's executed consultant contract. [Exhibits 15-G](#), [Exhibit 10-O1](#) and [Exhibit 10-O2](#) must include the names, addresses and phone numbers of DBE firms that will participate, and a complete description of work or supplies to be provided by each. [Exhibits 15-G](#) and [Exhibit 10-O2](#) must also include the dollar value of each DBE work item or service to be performed ([Exhibit 10-O1](#) will not have the dollar values since they are not known prior to consultant contract negotiation).

When 100% of a contract item of work is not to be performed or furnished by a DBE, a description of the exact portion of that work to be performed or furnished by that DBE should be included in the DBE information, including the planned location of that work. A bidder certified as a DBE should describe the work it has committed to perform with its own forces, as well as any other work that it has committed to be performed by DBE subcontractors, suppliers, and trucking companies. The bidder or proposer is required to provide written confirmation from each DBE participating in the contract. A copy of a DBE's quote will serve as written confirmation that the DBE is participating in the contract. If a DBE is participating as a joint venture partner, the bidder or proposer is encouraged to submit a copy of the joint venture agreement. [Exhibit 15-G](#) or [Exhibit 10-O2](#) shall be included in the construction or consultant contract whether or not there is a DBE goal on the contract. The local agency shall submit this form to the DLAE within 30 days of contract execution for timely reporting. The purpose of these forms is to capture all DBE [proposed](#) participation, or in instances when there is no DBE contract goal, DBE [proposed](#) participation acquired through normal contracting procedures as required under 49 CFR 26.

Final Report

Upon completion of the construction or consultant contract, regardless of whether DBE participation was obtained, a summary of the DBE records shall be prepared, certified correct, and submitted on the [Exhibit 17-F: Final Report-Utilization of DBE and First-Tier Subcontractors](#), or equivalent by the contractor to the local agency showing total dollars paid to each subcontractor and supplier whether DBE or non-DBE. [Exhibit 17-F](#) is reviewed by the local agency and certified as complete and accurate. The information in this report is required by the DBE Program and the FHWA to demonstrate DBE participation on local agency projects.

The local agency must send one copy of the completed [Exhibit 17-F](#) to the DLAE as part of its [Final Report of Expenditure package](#) before final payment (see [LAPM Chapter 17: Project Completion](#)).

Counting DBE Participation

Actual payment to subcontractors that are certified DBEs performing a commercially useful function will be counted as DBE participation. If the prime contractor is a qualified DBE, his/her work is reported and counted.

- Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.
- Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
- Effectively using the services of available minority or women community organizations; minority or women contractors or consulting groups; local, state, and Federal minority or women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

The above actions are typically documented by the bidder on [Exhibit 15-H: DBE Information - Good Faith Efforts](#), which is to be submitted no later than 4pm on the 5th day after bid opening. This information is used by the Local Agencies to determine if the GFE was adequate or not prior to awarding the contract. In determining whether a bidder has made GFEs, the Local Agency may take into account the performance of other bidders in meeting the DBE Contract Goal. The Local Agency should evaluate GFEs considering the DBE commitments of the 2nd and 3rd bidders. For example, when the apparent successful bidder fails to meet the DBE contract goal, but the 2nd and 3rd bidders meet it, it may reasonably raise the question of whether, with additional reasonable efforts, the apparent successful bidder could have met the goal. If the apparent successful bidder fails to meet the goal, but meets or exceeds the DBE participation obtained by the 2nd and the 3rd bidders, this along with other supporting factors may be viewed as evidence of the apparent successful bidder having met the burden of proof of GFEs. See the Civil Rights Disadvantaged Business Enterprise Evaluating Good Faith Efforts video on the FHWA Federal-aid Essentials for Local Public Agency website at: <https://www.fhwa.dot.gov/federal-aidessentials/knowmore.cfm>

The Local Agency should ensure that the following is included in the contract documents:

- The Local Agency may consider the DBE commitments of the 2nd and 3rd bidders when determining whether the low bidder made Good Faith Efforts to meet the DBE contract goal.
- For projects awarded based on a GFE, the Local Agencies must prepare and submit with the award package [Exhibit 9-E: Sample Evaluation of Good Faith Efforts](#), that cites reasons as to why the GFE is adequate. In addition, [Exhibit 15-H](#), without supporting documentation, should be included in the award package.

Note: [Exhibit 15-H](#) and [Exhibit 9-E](#) need not be submitted with the award package, if the low bidder has met the DBE contract goal. However, bidders should be encouraged to submit [Exhibit 15-H](#) with their bid package, even if they believe they have met the DBE contract goal, in case errors are found in the [Exhibit 15-G: Construction Contract DBE Commitment](#).

Administrative Review and Reconsideration

An administrative review (see 49 CFR 26.53) and evaluation of the Good Faith Efforts (GFEs) should be made prior to award in each instance by the Local Agency. If the Local Agency determines that the apparent successful bidder has failed to meet the GFEs requirements, the Local Agency, before awarding the contract, must provide the apparent successful bidder the opportunity for administrative reconsideration in accordance with 49 CFR 26.53.

Substitutions

After a contract, which specified goals for the DBE participation, has been executed, adequate Good Faith Efforts (GFEs) are required for any needed substitution of DBE subcontractors to the extent needed to meet the DBE contract goal.

Local Agencies must require a prime contractor not to terminate for convenience a DBE subcontractor listed in [Exhibit 15-G: Construction Contract DBE Commitment](#) or an approved substitute DBE subcontractor and have the work performed of the terminated subcontract with its own forces or those of an affiliate without the Local Agency's prior written consent.

The Local Agency must include in each prime contract a provision stating that the contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains the Local Agency's written consent due to the following, but not limited to, good reasons such as: the listed DBE subcontractor fails or refuses to execute a written contract, fails or refused to perform the work of its subcontract in a way consistent with normal industry standards, fails or refuses to meet the prime contractor's reasonable, nondiscriminatory bond requirements, the listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness, as stated in 49 CFR 26.53(f).

When a DBE subcontract is terminated or when a DBE subcontractor fails to complete its work on the contract for any reason, the Local Agency must require the prime contractor to make GFEs to find another DBE subcontractor to substitute for the original DBE subcontractor. These GFEs shall be directed at finding another DBE subcontractor to perform at least the same amount of work under the contract as the DBE subcontractor that was terminated to the extent needed to meet the DBE contract goal.

Noncompliance

Local Agencies must include in each prime contract a provision for appropriate sanctions that will be involved if the prime contractor fails to fulfill the DBE commitments made at the time of execution of the contract. The Local Agency **shall** deny payment to the prime contractor for the portion of the contract that was committed at the time of contract execution to be performed by a DBE subcontractor but was completed by the prime contractor or a substitute non-DBE subcontractor, **unless agreed by the Local Agency in writing**.

Submitting the GFE and Supporting Document for Review

For construction contracts less than or equal to \$2 million and consultant contracts less than or equal to \$500,000, the agency must perform the GFE review if DBE goal is not met.

For construction contracts greater than \$2 million and consultant contracts greater than \$500,000 that had their DBE goal approved by Caltrans, if the low bidder or the most qualified consultant did not meet or exceed the DBE contract goal, the local agency must submit the GFE documentation to their DLAE for review.

The following are responsibilities and a flowchart on Good Faith Effort Review (see Figure 9.3) for local agencies, DLAEs, and DLA.

Local Agency Responsibilities

- The local agency must obtain, complete, and review all of the following documentation prior to determining if the low bidder or the most qualified consultant made a GFE:

- [A bid tabulation summary sheet such as included in Exhibit 15-D: Bid Tabulation Summary Sheet or Exhibit 10-O1: Consultant Proposal DBE Commitment.](#)
- [All bidders' Exhibits 15-G: Construction Contract DBE Commitment or Exhibit 10-O1: Consultant Proposal DBE Commitment.](#)
- [All bidders' Exhibit 15-H: Proposer/Bidder Good Faith Efforts](#) or other documentation that all bidders' submit in lieu of Exhibit 15-H. If bidders did not submit GFE documentation within five (5) days after bid opening, it should be noted in [Exhibit 9-E: Local Agency Good Faith Effort Review.](#)
- [Exhibit 9-E: Local Agency Good Faith Effort Review.](#)
- For construction contracts less than or equal to \$2 million and consultant contracts less than or equal to \$500,000, the agency has responsibility to perform the GFE review.
- For construction contracts greater than \$2 million and consultant contracts greater than \$500,000, if the low bidder or the most qualified consultant did not meet or exceed the DBE contract goal, the local agency must submit the above GFE documentation to their DLAE **prior to awarding a contract or starting the negotiation.**
- Local agencies **may not** award a contract to the low bidder or negotiate with the most qualified consultant without first receiving a memorandum from their DLAE that Caltrans has determined that they made a GFE.
- If Caltrans determines the GFE was inadequate, the local agency will take Caltrans feedback on GFE into consideration and re-evaluate the GFE. After the re-evaluation:
 - If the local agency still thinks the GFE is adequate, they can award the contract or start the negotiation process.
 - If the local agency concludes that the GFE is inadequate, they must invite the low bidder or the most qualified consultant to an Administrative Reconsideration.

DLAE Responsibilities

- For construction contracts greater than \$2 million and consultant contracts greater than \$500,000, e-mail all completed GFE documentation including the local agency's bid summary (Exhibit 15-D or Exhibit 10-O1), DBE commitments (Exhibit 15-G or Exhibit 10-O1), the bidders' GFEs (Exhibit 15-H), and the local agency's GFE evaluation (Exhibit 9-E) to DBEgoal.GFE@dot.ca.gov.
- Communicate the outcome of Caltrans GFE review to local agencies.

DLA Responsibilities

The following applies to the GFE evaluation for construction contracts greater than \$2 million and consultant contracts greater than \$500,000:

- After receiving a complete GFE package from the DLAE, reply to the DLAE when evaluation starts on the GFE review.
- Once the GFE review has been finished, reply to the DLAE with Caltrans' GFE review conclusion in a memorandum.

The process will not take more than 15 business days after receipt of the GFE package from the District. If there is no response from DLAE after 15 days, the DLAE has the discretion to move forward.

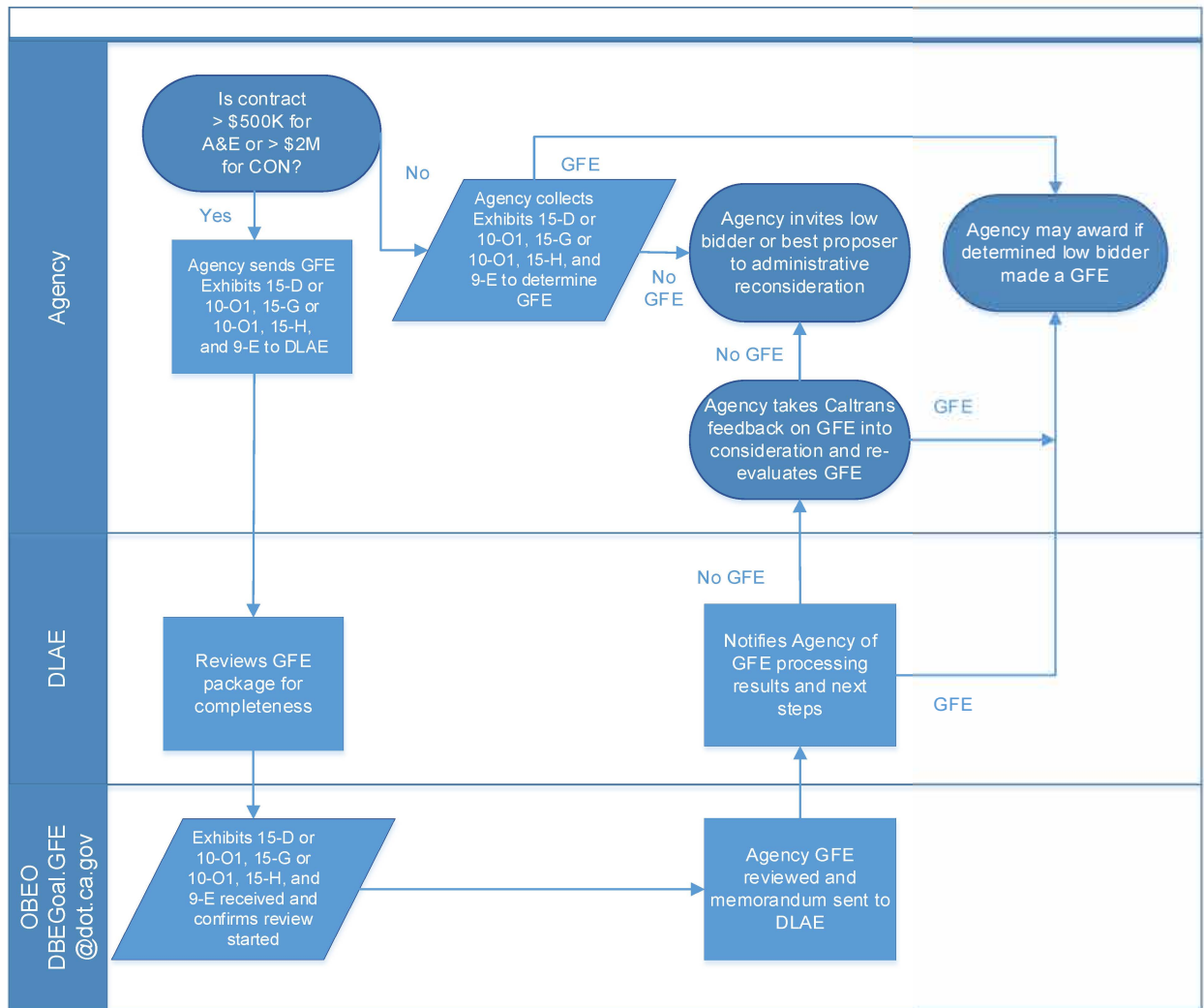


Figure 9.2: Good Faith Effort Review Flowchart

(Attachment)**Prompt Payment of Withheld Funds to Subcontractors**

Federal regulation (49 CFR 26.29) requires one of the following three methods be used in federal-aid contracts to ensure prompt and full payment of any retainage kept by the prime contractor or subcontractor to a subcontractor.

Please check the box of the method chosen by the local agency to ensure prompt and full payment of any retainage.

- Method 1:** No retainage will be held by the agency from progress payments due to the prime contractor. Prime contractors and subcontractors are prohibited from holding retainage from subcontractors. Any delay or postponement of payment may take place only for good cause and with the agency's prior written approval. Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code [and Section 10262 of the California Public Contract Code](#). This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.
- Method 2:** No retainage will be held by the agency from progress payments due to the prime contractor. Any retainage kept by the prime contractor or by a subcontractor must be paid in full to the earning subcontractor in [seven \(7\)](#) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment may take place only for good cause and with the agency's prior written approval. Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and remedies specified in Section 7108.5 of the California Business and Professions Code [and Section 10262 of the California Public Contract Code](#). This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.
- Method 3:** The agency shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the agency of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within [seven \(7\)](#) days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the agency. Any delay or postponement of payment may take place only for good cause and with the agency's prior written approval. Any violation of these provisions shall subject the violating prime contractor [or subcontractor](#) to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code [and Section 10262 of the California Public Contract Code](#). This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

**EXHIBIT 9-C LOCAL AGENCY AMERICANS WITH DISABILITIES ACT (ADA)
ANNUAL CERTIFICATION FORM**

Local Agency ADA Annual Certification Form
49 CFR 27: Nondiscrimination on the Basis of Disability in
Programs or Activities
Receiving Federal Financial Assistance

Local Agency: _____

State Fiscal Year (July 1-June 30): _____

I. Name of ADA/ 504 Liaison Officer: _____
Telephone Number: _____
E-mail Address: _____

NOTE: Section 504 applies to federally funded programs and **ADA** applies to state and local government funded programs (Title II). An ADA Officer is only required if the agency has 50 or more employees.*

II. ADA Grievance / Complaint Procedure Adopted?
Yes: _____ No: _____
If yes, date of adoption: _____
If no, planned date of adoption: _____

NOTE: An ADA Officer is only required if the agency has 50 or more employees.*

III. Self-evaluation completed?
Yes: _____ No: _____
If yes, date of completion: _____
If no, planned date of completion: _____

NOTE: All public entities receiving federal funds are required to complete a self-evaluation. Agencies are required to review and make modifications as needed to the self-evaluation to ensure there is non-discrimination on the basis of disability. Local agencies shall implement a system for periodically reviewing and updating self-evaluations and, if applicable, transition plans. As a best practice, it is recommended to review the self-evaluation every three years prior to submitting or adopting the four-year Transportation Improvement Program.

* The Section 8.1000 in Title II, Technical Assistance Manual states, "How does a public entity determine whether it has 50 or more employees? Determining the number of employees will be based on a governmentwide total of employees, rather than by counting the number of employees of a subunit, department, or division of the local government. Part-time employees are included in the determination."

IV. Transition Plan completed?

Yes: _____ No: _____

If yes, date of completion: _____

If no, planned date of completion: _____

NOTE: In the event that structural changes to facilities will be undertaken to achieve program accessibility, a public entity with 50 or more employees are required to develop a transition plan.* The transition plan is the action plan developed from the results of the self-evaluation. As a best practice, it is recommended to update the transition plan every three to five years after completion of the recommended self-evaluation and to update the schedule of ADA compliant changes that will be accomplished.

V. Have the policies, procedures, and criteria for implementing ADA compliance improvements in maintenance and capital improvement programs been reviewed and have the required revisions been made?

Yes: _____ No: _____

VI. Does the agency have procedures to obtain approval from the Division of State Architect (DSA) for design packages consistent with State law?

Yes: _____ No: _____

DSA website: <https://www.dgs.ca.gov/DSA/Resources/Page-Content/Resources-List-Folder/Accessibility-Plan-Review>

Reminder: State of California Government Code Sections 4450- 4454 requires DSA to review and approve the plans and specifications to all buildings, structures, sidewalks, curbs and related facilities constructed in the state, using state, county or municipal funds, or the funds of any political subdivision of the state. These facilities shall be accessible to and usable by persons with disabilities. Please reference Section 9.3 of the Local Assistance Procedures Manual for submittal of design packages to DSA.

The DSA has limited their review to "Safe Routes to School" projects. For ATP Projects, the California Transportation Commission considers Safe Routes to School projects as those "that directly increase safety and convenience for public school students to walk and/or bike to school. Safe Routes to Schools infrastructure projects must be located within two miles of a public school or within the vicinity of a public-school bus stop and the students must be the intended beneficiaries of the project."

VII. Are agency's Standard Plans reviewed and updated on an ongoing basis for full ADA and California Accessibility compliance?

Yes: _____ No: _____

Signature
(ADA Liaison Officer) Date: _____

Distribution: (1) Original - DLAE

Exhibit 9-D Instructions

I. Policy:

Exhibit 9-D shall be submitted in Excel to the District Local Assistance Engineer (DLAE) PRIOR to advertisement on all federal-aid contracts. Please complete the "DBE Goal Template - A&E" along with the Exhibit 10-C, "Consultant Contract Reviewer's Checklist" database entry for A&E projects or the "DBE Goal Template - CON" along with the Exhibit 12-D, "PS&E Checklist" for construction projects.

II. Procedure for Calculating DBE Contract Goal:

- (1) **Federal Aid Number:** List the federal aid number if available. If not, list the number in the Federal State Transportation Improvement Program (FSTIP) or the Federal Transportation Improvement Program (FTIP).
- (2) **Local Agency:** List your local agency's name.
- (3) **Project Title:** List the project title. Refer to FSTIP and FTIP as appropriate.
- (4) **Project Description:** Enter a brief project description such as location and limits, proposed facilities, etc. Avoid vague project descriptions such as provide engineering design, environmental services, or professional services.
- (5) **Phase:** Identify the phase of work as Preliminary Engineering (PE), Construction Engineering (CE), a combination of PE and CE, or Construction (CON).
- (6) **Contract type:** Select one from On-Call, Multi-Phase, or Project Specific (this type also includes bundled construction projects under one contract).
- (7) **Item No.:** List tasks in numerical order, which should match to the Engineer's Estimate or Independent Cost Estimate.
- (8) **Approx. Quant.:** List the approximate quantity of units estimated for each item of work.
- (9) **Meas. Unit.:** List measuring units such as cubic yard (CY), each (EA), hour (HR), linear feet (LF), lump sum (LS), square feet (SF), and tons (TON).
- (10) **Item Description:** List the items or tasks necessary to accomplish the contracted work.
- (11) **Unit Price:** Cost per individual unit in (10).
- (12) **Total:** This field will auto-calculate by multiplying the Approx. Quant. (8) times Unit Price (11).
- (13) **Likely to be performed by Sub-contractor:** Determine the work items that will (typically) be performed by the prime contractor and what work items can be subcontracted out. Type "Y" for these items. **This does not mean that if the prime contractor is capable of performing all the work items, then no work can or will be subcontracted out.** The Agency should make Good Faith Efforts to identify work items that may be subcontracted to attain DBE participation. For example, in an Asphalt-Concrete overlay project: traffic control, striping, pavement marking, and storm water preparation are typically subcontracted out. In a bridge design project, geotechnical, computer aided drafting, and surveying can be subcontracted out. Since each project can be unique, care should be exercised to identify work items that can be subcontracted out.
- (14) **Trucking or Supply of Material Involved:** Determine if the item requires Supply or Trucking. If so, list "Y".
- (15) **Work Category Code:** For the work items that can be subcontracted in number (13), identify the Work Category Codes from the California Unified Certification Program (CUCP) DBE database: <https://dot.ca.gov/programs/business-and-economic-opportunity/dbe-search>
- (16) **Number of Available DBEs:** From number (15), determine the number of DBE subcontractors or subconsultants by conducting a search in the CUCP database **by Caltrans District only.**
- (17) **DBE Work Factor:** Determine the "DBE Work Factor" for each item of work. The DBE Work Factor is the percentage of work that can be performed by a DBE subcontractor for each item of work:

DBE Work Factor %	Description
100%	DBE performs, manages and supervises the work item.
12%	DBE provides the material or supplies for work item.
10%	DBE provides the trucking operation for a work item.

If the number of available DBE subcontractors or subconsultants is 7 or more, a 100 percent DBE Work Factor is applied to that item of work. If there are less than 7 DBEs available to perform the item of work, then determine whether or not there is a component of trucking or material supply, and apply a 10 or 12 percent DBE Work Factor to those items of work as demonstrated in the table above.

For task items not typically subcontracted, determine whether or not there is an element of trucking or material supply and apply a 10 or 12 percent DBE Work Factor to those items of work as demonstrated in the table above.

- (18) **DBE Work Amount:** This field will auto-calculate by multiplying the Total (12) times the DBE Work Factor (17).
- (19) **Comment:** Provide additional comments if necessary.
- (20) **Work Item Total:** This field will auto-calculate by summing the amounts in the Total (12) column.
- (21) **Total DBE Work Amount:** This field will auto-calculate by summing the amounts in the DBE Work Amount (18) column.
- (22) **X 80% Work Factor:** The Exhibit 9-D factors the Total DBE Work Amount (21) by 80% to get the DBE Contract Goal Amount. The "80%" reflects the amount of ready, willing, and available DBEs to participate on this contract.
- (23) **DBE Contract Goal Amount:** This field will auto-calculate by multiplying the Total DBE Work Amount (21) times the 80% Work Factor (22).
- (24) **DBE Goal Percentage:** This field will auto-calculate by dividing the DBE Contract Goal Amount (23) by the Work Item Total (20).
- (25) **Work Code:** The code from the CUCP database that corresponds to the type of work. For example, C0651 is the Work Category Code for a Concrete and Cement Supplier.
- (26) **Category:** The description of the work category from the CUCP database. For example, C0651 has a work category of Concrete and Cement Supplier.
- (27) **Local Agency Contact E-mail:** Enter the local agency contact's e-mail address.
- (28) **Date:** Local agency contact enters the date when the Exhibit 9-D was submitted to the District.
- (29) **District Received by:** Enter District staff name that received the Exhibit 9-D.
- (30) **Date:** District staff enters the date received by the District.

EXHIBIT 9-E SAMPLE EVALUATION OF GOOD FAITH EFFORTS**M e m o r a n d u m****To: PROJECT FILE****Date:** Month XX, XXXX

Federal-Aid Project Number:

Bid Opening Date: Month XX, XXXX

Bidder: [Contractor/Consultant Name]

Type of Work: [General Description of Work]

Bid Amount: [\$ Award Amount]

From: [Name of Agency]**Subject:** Evaluation of Good Faith Efforts

The [Name of Agency] established a Disadvantaged Business Enterprise (DBE) goal of XX percent for this [contract](#). The bidder [commits](#) [count only qualifying DBE participation] XX percent DBE participation.

The [Name of Agency]'s evaluation of the apparent low bidder's Good Faith Efforts is based on [Section 9.9 of the Local Assistance Procedures Manual and Appendix A in Part 26 of Title 49 of the Code of Federal Regulations](#). The efforts of the bidder were reviewed by the [Name of Agency or department] from the information provided in Exhibit 15-H: [Proposer/Contractor Good Faith Efforts](#) signed and submitted by [Name of Low Bidder].

The [Name of Agency] determined that the Low Bidder [did or did not] demonstrate Good Faith Efforts to meet the DBE participation goal of this project for the reasons cited in this evaluation.

EVALUATION**A. Items of work the bidder made available to DBE firms**

[Describe the work and approximate dollar amount, as a percentage of total work, made available to DBEs by the Low Bidder. If the bidder did not make enough work available to meet the goal, the bidder definitely did not make adequate efforts to meet the goal. The amount of work made available relative to the goal is generally positively correlated with the adequacy of the bidder's Good Faith Efforts.]

[Did the Low Bidder separate the work into economically feasible units to facilitate DBE participation?]

B. Solicitation effort documentation

[[Document the number of DBEs](#) originally contacted by the Low Bidder and the dates and number of follow-up solicitations and determine if sufficient time was allowed for the DBEs to respond.]

[[Document if](#) the Low Bidder solicited through all reasonable and available means (e.g., attendance at pre-bid meetings, advertising and/or written notices, [etc.](#)) to all certified DBEs who have the capability to perform the work of the contract?]

[Did the Low Bidder provide proof of [the](#) aforementioned items?]

[How many of the DBEs solicited are capable of performing the work identified in A? Use the California Unified Certification Program online database at:
<https://dot.ca.gov/programs/business-and-economic-opportunity/dbe-search>

C. Rejected DBE documentation

[How many DBE quotes were accepted or rejected by the Low Bidder? Why were the quotes rejected?]

[Was/were quote(s) rejected when it was only marginally higher and could have substantially increased the DBE commitment or even allow it to meet the DBE goal?]

D. Publication effort made to advertise the projects to include DBE participation

[What publications were used and when to request DBE participation for this the project? Did the Low Bidder provide copies of publications?]

E. Agencies, organizations, or groups contacted to provide assistance in contacting, recruiting and using DBEs

[Did the Low Bidder contact other organizations for outreach to encourage DBE participation on the contract?]

F. Efforts to provide information about the plans, specifications, and contract requirements

[Did the Low Bidder provide contract information to interested DBEs and were these listed in their Good Faith Efforts?]

G. Assistance with bonding, lines of credit, insurance, equipment, supplies, materials, and/or services

[Did the Low Bidder provide references to the DBEs and were these listed in the GFE?]

H. Additional data to support a demonstration of Good Faith Effort

[Was any more information provided by the Low Bidder to demonstrate a Good Faith Effort?]

[Did the 2nd or 3rd low bidder meet the goal or get substantially more DBE commitment than the apparent low bidder? When an apparent low bidder fails to meet the goal and other bidders meet the goal, you may reasonably raise the question of whether, with additional reasonable efforts, the apparent low bidder could have met the goal.]

FINDING OF THE [NAME OF AGENCY]

The [Name of Agency] finds that the Low Bidder [did or did not] demonstrate Good Faith Efforts to meet the DBE contract goal for the reasons cited in this evaluation.

Submitted by:

Approved by:

John Doe
[Job Title]

Jane Doe*
[Job Title]

*Must be approved by someone other than the reviewer.

LAPM C.10 CONSULTANT SELECTION




LAPM C.10 Consultant Selection

Section / Exhibit	Description of Changes
<p>10t1 Federally Funded A&E Contracts</p>	<ul style="list-style-type: none"> • Minor additions of COI and Method of Payment • Changed 10-C process to match database
<p>10t1.1 General</p>	<ul style="list-style-type: none"> • Added consultants can be procured prior to E-76
<p>10t1.2 Identifying & Defining a Need for Consultants</p>	<ul style="list-style-type: none"> • Added “maximum total contract dollar amount” • Removed the word “actual” from cost plus fixed fee contracts • Added Other Direct Costs to include all amounts • Clarified that firm fixed price and lump sum are not the same
<p>10t1.3 A&E Consultant Audit and Review Process</p>	<ul style="list-style-type: none"> • Deleted 10-H4 reference
<p>10t1.5 Consultant Selection One-Step RFP Method</p>	<ul style="list-style-type: none"> • Minor clarifications made • Changed 10-C to database submittal process
<p>10t1.6 Consultant Selection One-Step RFQ Method</p>	<ul style="list-style-type: none"> • Changed to database submittal process
<p>10t1.7 Consultant Selection Two-Step RFQ/RFP Method</p>	<ul style="list-style-type: none"> • Clarified two-step and prequalified list • Removed conformance letter reference/changed 10-C to checklist
<p>10t1.8 Completing the Project</p>	<ul style="list-style-type: none"> • Removed acceptance of 10-C to coincide with new 10-C process • Clarified amendments
<p>10t1.9 Miscellaneous Considerations</p>	<ul style="list-style-type: none"> • Clarified cost is not to be used • Removed confusing sentence for Public Interest Finding • Removed Personal Services Contract section

LAPM C.10 CONSULTANT SELECTION

10t2.3 Minimum Audit Requirements	<ul style="list-style-type: none"> • Clarified best practice for Full & Open Competition • Removed Exhibit 10-C.2
10t3 Non A&E Contracts	<ul style="list-style-type: none"> • Clarified 10-C database is not required for non-A&E
Exhibit 10tC	<ul style="list-style-type: none"> • Physical form retired; replaced with 10-C database
Exhibit 10-C2a/b	<ul style="list-style-type: none"> • Physical forms retired; replaced with 10-C database
Exhibit 10tH1	<ul style="list-style-type: none"> • Removed “actual” and added “or”
Exhibit 10tI	<ul style="list-style-type: none"> • Added wording to note when it is OK not to have a goal
Exhibit 10tR	<ul style="list-style-type: none"> • Deleted reference to actual cost plus fixed fee • Deleted reference to ranges for salaries • Deleted local agency specific references

SECTION 10.1: FEDERALLY FUNDED A&E CONTRACTS

<i>Procurement Planning</i>		
1	2	3
		
<ul style="list-style-type: none"> *Select Project *Set Project Objectives *Determine Project Schedule *Obtain CTC Allocation/Federal Authorization to Proceed prior to beginning reimbursable work *LAPM Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement, if applicable: submit Conflict of Interest (COI) and Scope of Work (SOW) to DLA-HQ prior to contract advertisement. 	<ul style="list-style-type: none"> *Identify Need for Consultant *Appoint Contract Administrator *Segment Project Work *Define SOW of A&E Consultant *Specify Products to be delivered 	<ul style="list-style-type: none"> *Estimate Cost of Consultant Work (independent cost estimate) *Determine Type of Contract (Project Specific or On-Call) *Determine Method of Payment: Lump Sum; Cost-Plus- Fixed-Fee; Cost Per Unit of Work; or Specific Rate of Compensation *Submit Exhibit 9-D to DLAE

A&E = Architectural and Engineering
IOAI = Caltrans Independent Office of Audits and Investigations
CT = Caltrans
DBE = Disadvantaged Business Enterprise
DLA = Division of Local Assistance
DLAE = District Local Assistance Engineer
DLA-HQ = Division of Local Assistance-Headquarters
LAPG = Local Assistance Program Guidelines
LAPM = Local Assistance Procedures Manual
MOP = Method of Payment
RFP = Request for Proposal
RFQ = Request for Qualifications
SOQ = Statement of Qualifications
SOW = Statement/Scope of Work

Figure 10-1: A&E Contract Procurement Process Workflow Diagram

Contract Negotiation		
Contract Execution		
10	11	12
<div style="border: 1px solid black; background-color: #4a86e8; color: white; padding: 5px; border-radius: 10px; display: inline-block;">Local Agency</div> ↔	<div style="border: 1px solid black; background-color: #4a86e8; color: white; padding: 5px; border-radius: 10px; display: inline-block;">Local Agency</div> ↔	<div style="border: 1px solid black; background-color: #4a86e8; color: white; padding: 5px; border-radius: 10px; display: inline-block;">Local Agency</div> ↔
<ul style="list-style-type: none"> *Negotiate contract costs with the most qualified Consultant *Prepare and retain record of cost negotiations *Initiate CT IOAI Financial Review Section (LAPM Section 10.1.3) and send documents (Exhibit 10-A: A&E Consultant Financial Document Review Request), if applicable, to Caltrans IOAI *Receive and analyze findings of the Financial Review Letter from CT IOAI, if any *Address and resolve all findings by IOAI and incorporate into final contract and cost proposal *If negotiations with First ranked firm is unsuccessful, formally terminate cost negotiations with Consultant and begin Step 9 with next ranked consultant * Complete Exhibit 10-C database to DLA-HQ prior to award or after award, but no later than the first invoice *Retain Exhibit 10-C 	<ul style="list-style-type: none"> *Finalize contract, cost proposal *Retain copy of contract Financial Review Letter with acceptance, denial, or adjustment of the ICR *Sign and Execute contract *Offer and conduct debriefing meetings with consultant who asked for one *Send copies of executed contract and DBE Commitment (Exhibits 10-01: Consultant Proposal DBE Commitment and Exhibit 10-02: Consultant Contract DBE Commitment) to DLAE *Close out contract procurement process 	<div style="border: 1px solid black; background-color: #f08080; padding: 5px; margin-bottom: 10px; text-align: center; font-weight: bold;">DLAE</div> <ul style="list-style-type: none"> *Prior to concurring with invoice payment related to consultant services, ensure that district confirms submission of Exhibit 10-C and has a copy of the executed consultant contract on file and 10-01 and 10-02. Also, check IOAI database to ensure that LAPM Exhibit 10-K: Consultant Annual Certification of Indirect Costs and Financial Management System, if applicable, has been received by IOAI <div style="border: 1px solid black; background-color: #f0e68c; padding: 5px; margin-bottom: 10px; text-align: center; font-weight: bold;">Caltrans IOAI</div> <ul style="list-style-type: none"> *Perform Incurred Cost Audit, if selected

- A&E = Architectural and Engineering**
- IOAI = Caltrans Independent Office of Audits and Investigations**
- CT = Caltrans**
- DBE = Disadvantaged Business Enterprise**
- DLA = Division of Local Assistance**
- DLAE = District Local Assistance Engineer**
- DLA-HQ = Division of Local Assistance-Headquarters**
- LAPG = Local Assistance Program Guidelines**
- LAPM = Local Assistance Procedures Manual**
- MOP = Method of Payment**
- RFP = Request for Proposal**
- RFQ = Request for Qualifications**
- SOQ = Statement of Qualifications**
- SOW = Statement/Scope of Work**

Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued

design phase services may not be the most qualified firm to provide construction phase services. Similarly, the qualifications and capacity of a firm may change over time. As such, it may not be appropriate to contract with a consulting firm to provide construction phase services at the outset of a design phase, knowing that these services may not be needed for an extended period until the preconstruction phase of the project is complete and construction funding authorized. The contract with a consulting firm providing design phase services on a project may not be amended to include construction phase services unless the desired construction phase services were included within the original advertised scope of services and evaluation criteria of the solicitation from which a qualifications based selection was conducted. All consultants acting in a management support role must complete [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#) (see [Section 10.1.9: Miscellaneous Considerations](#) in this chapter) and retain it in the local agency files.

Miscellaneous Considerations Authorization to Proceed

The Federal Highway Administration (FHWA) must give the local agency an Authorization to Proceed (E-76) with the work prior to performing of any work for which federal reimbursement is to be requested, (see the [LAPM Chapter 3: Project Authorization](#)). [Eligible consultant contracts may be procured using local funds prior to receiving the E-76, but reimbursement is for work performed after the E-76 authorization date. If contract is procured using state or local funds, federal procedures must have been followed if seeking federal reimbursement.](#) For state funded projects see [Section 10.2: State-Only Funded A&E Contracts and the Local Assistance Program Guidelines \(LAPG\)](#), [Chapter 23: Local Agency State Transportation Improvement Program Projects](#), for guidance on when work may proceed.

Copies of the Authorization to Proceed and the consultant contract must be retained in the local agency project files for future audit.

10.1.2 IDENTIFYING & DEFINING A NEED FOR CONSULTANTS

The need for a consultant is identified by comparing the project's schedule and objectives with the local agency's capabilities, its staff availability of the required expertise, and its funding resources. If the local agency does not have sufficient staff capabilities, it may solicit assistance from another agency, or use a qualified private consultant to perform the required work.

If the local agency determines that there is a need to solicit assistance from another local agency, or to use a consultant, the District Local Assistance Engineer (DLAE) should be notified if federal-aid funds are to be requested for the project segment to be contracted out.

Appointing the Contract Administrator

The Contract Administrator is responsible for ensuring the quality of consultant contract products or services. The Contract Administrator is appointed as soon as the need for consultant services is identified. The Contract Administrator is involved throughout the development of the selection process and the contract provisions, and in the administration of the consultant's work. The Contract Administrator must be a qualified local agency employee or have staff that is qualified to ensure the consultant's work is complete, accurate, and consistent with the terms and conditions of the consultant contract. On federal-aid contracts, the Contract Administrator or staff members must be a full-time employee and familiar with the work to be contracted out and the standards to be used. The Contract Administrator must also abide by the laws, regulations and policies required as part of accepting federal or state funding for their

resource quantity and the cost data. A cost example would involve multiplying the planned quantity of work by the historical cost per unit to obtain the estimated cost of the contract.

Bottom-up Estimating:

This technique involves estimating the cost for individual work in the contract with the lowest level of detail. This detailed cost is then summarized or rolled up to determine a total cost of contract. Cost detail should include estimated hours per task, labor hourly cost for professional and non-professional classifications, subconsultant costs, other project direct costs, and profit. Labor costs should be broken down to direct labor and indirect cost rates, if possible.

If more than one project or phase of work is to be developed within the consultant contract, separate cost estimates are required for each project or phase of work. Separate cost estimates are required for each milestone and portion of the work expected to be subcontracted.

For on-call (as-needed) contracts, the cost estimate/analysis should include at minimum, a historical analysis of annual needs for consultant work, professional labor cost and market analysis, and reasonable profit analysis.

Determine Type of Contract

Types of contracts to be used are described as follows:

- Project-specific contract is between the local agency and consultant for the performance of services and a defined scope of work related to a specific project or projects.
- Multi-phase contract is a project-specific contract where the defined scope of work is divided into phases which may be negotiated and executed individually as the project progresses.
- On-call contract is a contract that may be utilized for a number of projects, under which task or work orders are issued on an as-needed basis, for an established contract period and **maximum total contract dollar amount**. On-call contracts are typically used when a specialized service of indefinite delivery or indefinite quantity is needed for a number of different projects, such as construction engineering, design, environmental analysis, traffic studies, geotechnical studies, and field surveying, etc. Many agencies use these contracts to address peaks in workload of in-house engineering staff and/or to perform a specialized service which the agency does not have. On-call contracts shall specify a reasonable maximum length of contract, not to exceed 5 years, and a maximum total contract dollar amount (23 CFR 172). The maximum dollar amount for all contracts awarded under the solicitation is stated in the solicitation. The maximum dollar amount is the aggregate of the on-call contracts anticipated to be awarded. If the solicitation lists that up to 5 contracts may be awarded, the aggregate amount of these 5 contracts is the maximum contract dollar amount. How many contracts are anticipated to be awarded must be stated in the solicitation. How task orders will be issued must be stated in the solicitation (two options exist: geographically designated areas or additional competitive solicitation to all consultants who provide the same type of service and awarded a contract under the same solicitation).
 - To maintain the intent of the Brooks Act (40 USC 1101-1104) in promoting open competition and selection based on demonstrated competence and qualifications, on-call consultant contracts established through the RFQ process must meet the following requirements:

would exceed the NTE Sum, and Consultant shall not enter into a Task Order that exceeds the NTE Sum.”

Determining the Project Schedule

The local agency develops a schedule for performance of work and completion of the project. The schedule must include sufficient time to allow for:

- Selecting the consultant;
- Developing the consultant contract;
- Completing the A&E consultant contract audit process;
- Conducting meetings and project reviews.

Determine Method of Payment

The method of payment of contract must be specified. Four methods are permitted depending on the scope of services to be performed reference 23 CFR 172.9(b):

- Cost-Plus-Fixed Fee (see [Exhibit 10-H: Sample Cost Proposal](#), Example #1);
- Cost Per Unit of Work (see [Exhibit 10-H](#), Example #3);
- Specific Rates of Compensation (see [Exhibit 10-H](#), Example #2);
- Lump Sum (see [Exhibit 10-H](#), Example #1).

The method of payment to the consultant shall be set forth in the original solicitation, contract, and in any contract modification thereto. A single contract may contain different payment methods as appropriate for compensation of different elements of work.

The cost plus a percentage of cost and percentage of construction cost methods of payment shall not be used. Both of these methods are explicitly prohibited by Federal Regulations.

Cost-Plus-Fixed Fee

The consultant is reimbursed for costs incurred and receives an additional predetermined amount as a fixed fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The determination of the amount of the fixed fee shall take into account the size, complexity, duration, and degree of risk involved in the work. The fixed fee is not adjustable during the life of the contract. The fixed fee dollar amount must be clearly stated in the contract.

This method of payment is appropriate when the extent, scope, complexity, character, or duration of work cannot be precisely predicted. The fixed fee limit applies to the total direct and indirect costs. Fixed fees in excess of 15 percent of the total direct labor and indirect costs of the contract may be justified only when exceptional circumstances exist. The contract shall specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see [Exhibit 10-H: Sample Cost Proposal Example #1](#) and [Exhibit 10-R: A&E Sample Contract Language](#), Article V, *Option 1* in this chapter). The contract cost proposal must identify all key employees and/or classifications to be billed. New key employees and/or classifications must be approved by the local agency before they incur work on the contract or the costs can

be questioned or disallowed. [Local agencies are not required to update the Exhibit 10-C database. For more details reference Section 10.1.8.](#)

Cost Per Unit of Work

The consultant is paid based on specific item of work performed. The item of work must be similar, repetitious and measurable, such as geotechnical investigation and material testing. This method of payment is appropriate when the cost per unit of work can be determined with reasonable accuracy in advance, but the extent or quantity of the work is indefinite. Contract payment provisions must specify what is included in the price to be paid for each item. Any item of work not identified in the contract cost proposal is not eligible for reimbursement. New items of work (those within the original scope of work only) must be amended into the contract before work is performed. The contract shall also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see [Exhibit 10-H](#), Example #3 and [Exhibit 10-R](#), Article V Option 2).

Specified Rates of Compensation

The consultant is paid at an agreed and supported specific fixed hourly, daily, weekly or monthly rate, for each class of employee engaged directly in the work. Such rates of pay include the consultant's estimated costs and net fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The specific rates of compensation, except for an individual acting as a sole proprietor, are to include an hourly breakdown, direct salary costs, fringe benefits, indirect costs, and net fee. Other direct costs may be included, such as travel and equipment rentals, if not already captured in the indirect cost rate. [Other direct costs regardless of amount are to be listed on the cost proposal.](#)

This method of payment should only be used when it is not possible at the time of procurement to estimate the extent or the duration of the work, or to estimate costs with any reasonable degree of accuracy. This method should not be used for project specific contracts and is recommended for on-call contracts for specialized or support type services, such as construction engineering and inspection, where the consultant is not in direct control of the number of hours worked, and it also requires management and monitoring of the consultant's level of effort and the classification of employees used to perform the contracted work. The contract shall also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see [Exhibit 10-H](#), Example #2 and [Exhibit 10-R](#), Article V Option 3).

Lump Sum

The consultant performs the services stated in the contract for an agreed amount as compensation, including a net fee or profit. This method of payment is appropriate only if the extent, scope, complexity, character, duration, and risk of the work have been sufficiently defined to permit fair compensation to be determined and evaluated by all parties during negotiations (see [Exhibit 10-H: Sample Cost Proposal](#), Example #1 and [Exhibit 10-R: A&E Sample Contract Language](#), Article V: Option 4). Normally, a lump sum contract will be paid in full at end of the contract when completed. However, a lump sum contract can be negotiated with progress payment if feasible. The progress payment shall be based on percent of work complete or completion of clearly defined milestones. The contract cost proposal shall document the agreed upon progress payment and include the necessary milestones costs, or the percent work complete schedule.

Changes to Exhibit 10-H requiring resubmittal to Independent Office of Audits and Investigations for review:

- Consultant name change
- New participating subconsultant
- Change in ICR rate

Since these changes require an amendment, local agency is to update the Exhibit 10-C database.

A firm fixed price method of payment is not the same as lump sum. A firm fixed price contract shall not be amended.

10.1.3 A&E CONSULTANT AUDIT AND REVIEW PROCESS

This section outlines the audit and review process for A&E contracts that at any time use state or federal funds. All proposed A&E contracts and supporting documents are subject to audit or review by Caltrans' Independent Office of Independent Office of Audits and Investigations (IOAI), other state audit organizations, or the federal government. Not all proposed contracts will be audited or reviewed; rather, they will be selected on a risk-based approach.

Applicable Standards

State and federal requirements listed below, and specific contract requirements, serve as the standards for audits and reviews performed.

Local agencies, consultants, and subconsultants are responsible for complying with state, federal, and specific contract requirements. Local agencies are responsible for determining the eligibility of costs to be reimbursed to consultants.

Applicable standards include, but are not limited to:

- Caltrans Local Assistance Procedures Manual (LAPM);
- State and Federal agreements between local agencies and Caltrans, (i.e. Master Agreements);
- Project Program Supplemental Agreements;
- 23 United States Code (U.S.C.), Section 112 – Letting of Contracts;
- 40 U.S.C., Chapter 11: the Brooks Act;
- 23 CFR, Chapter 1, Part 172 - Procurement, Management, and Administration of Engineering and Design Related Services;
- 23 CFR, Chapter 1- Federal Highway Administration, Department of Transportation;
- 48 CFR, Federal Acquisition Regulation (FAR), Chapter 1, Part 31- Contract Cost Principles and Procedures;
- 48 CFR, Chapter 99 – Cost Accounting Standards (CAS), Subpart 9900;
- 2 CFR, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;

- For ICRs that have been adjusted by IOAI, the consultant must provide a revised cost proposal that reflects the adjusted ICR.

Local Agencies' Responsibilities

Local Agencies are responsible for obtaining all required ICR supporting documentation from A&E prime consultants and sub-consultants as outlined in Exhibit 10-A: A&E Consultant Financial Document Review Request and the Exhibit 10-A-Checklist. Local Agencies are responsible for forwarding these documents to IOAI for review. Local agencies are also required to ensure that IOAI has copies of the Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System and Exhibit 10-H: Cost Proposal for all consultants, both prime and sub-consultants. The ICR included in Exhibit 10-H must match the ICR included in the Exhibit 10-K and the consultant's ICR schedule. The proposed ICR, however, can be lower than ICR in Exhibit 10-K and the consultant's ICR schedule if the consultant elects to propose a lower ICR. For contracts spanning more than one year, local agencies are responsible for ensuring the Exhibit 10-K and cost proposals are updated annually unless all concerned parties agree to fix the ICR for the term of contract, and this is clearly specified in the contract. ICR updates are not required to IOAI if the ICR is fixed for the life of the contract. ICR's are only reviewed for consultants that are being awarded a contract, not consultants on a shortlist or [prequalified list](#).

The Exhibit 10-H: Cost Proposal includes contract costs: direct salary or wage rates, fixed fees, other direct costs, indirect costs, total costs, and certification for the costs. Local agencies must perform and retain documentation of activities and resources used to support that a cost analysis has been performed to establish that costs and elements were determined to be fair and reasonable in accordance with Federal cost principles.

All contract supporting documentation must be retained by the local agency in project files for the required retention period. Unsupported costs may be disallowed and required to be returned to Caltrans. Having proper documentation policy and procedures, trained staff and organized project files are essential for demonstrating that costs claimed and reimbursed have been incurred, are eligible, reasonable, allowable, and allocable to the contract and comply with Federal cost principles.

Contracts below \$150,000 are not subject to the Caltrans Financial Document Review but local agencies are required to establish that all costs are in compliance with the Federal cost principles, 48 CFR, Chapter 1, Part 31, and other applicable requirements are met. All documents listed above and cost analysis documents are required to be retained in the project files to demonstrate compliance.

Instructions are provided in the Exhibit 10-A on the requirements for submitting a complete Financial Review packet. Financial packets can be e-mailed to:
conformance.review@dot.ca.gov.

Alternatively, if you do not have Internet access, you can mail Financial Review packets to:

Department of Transportation
Independent Office of Audits and Investigations
MS 2 Attention: External Audit Manager
P.O. Box 942874
Sacramento, CA 94274-0001

Consultants' Responsibilities (Both prime consultants and subconsultants)

A&E prime consultants and subconsultants in contract with local agencies using state or federal-aid highway funds should refer to Exhibit 10-A and the 10-A Checklist for the ICR financial documents required to be submitted to their local agency. Consultants must complete the "Annual Certification of Indirect Costs and Financial Management System" (Exhibit 10-K) that attests that the ICR rate proposed is in compliance with FAR (48 CFR, Chapter 1, Part 31) and that the consultant's financial management system is adequate to accumulate and segregate, reasonable, allowable, and allocable direct and indirect project costs. The Exhibit 10-A and 10-K should be submitted to the local agency who will forward a copy to IOAI along with all other related and required financial documents. For all future contracts within a same fiscal year, the consultant needs to only provide a copy of the Exhibit 10-K to the Local Agency.

Consultants must follow all the federal, state, and contract requirements outlined above in the Section above, "Applicable Standards". Each contracting consultant must ensure its ICR is not combined with any parent company's or subsidiary's ICR.

ICR schedules for both prime consultants and sub-consultants should be prepared using the accrual basis of accounting and be presented in compliance with the Federal cost principles. Figure 10-3 at the end of this chapter provides an example of a Standard Indirect Cost Rate Schedule that consultants can use when preparing their own.

For public works Prevailing Wage contracts, all workers must be paid the prevailing wage rate determined by the Director of the Department of Industrial Relations according to the type of work and location of the project. <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>.

For guidance see Caltrans' Prevailing Wage Interpretive Guidance and webinar on IOAI's website <https://iq.dot.ca.gov/audits>.

When determined necessary, IOAI may request additional information, such as a labor distribution summary and Executive Compensation Analysis (ECA). A consultant's labor distribution summary report is a labor expense report that detail all hours worked (paid and unpaid) for a fiscal year, wages earned, and benefits accrued by all the consultant's employees. The labor summary report should include employee names, salaries, hourly rates, total hours worked segregated by direct hours, indirect hours, paid time off hours, and uncompensated hours and amounts.

An ECA is an evaluation by the consultant to determine the allowability and reasonableness of executive compensation in compliance with Federal cost principles and the AASHTO Audit Guide that can be based on either the National Compensation Matrix or independent compensation surveys.

Independent Office of Audits and Investigations' Responsibilities

After IOAI receives a consultant's complete financial document packet (per Exhibit 10-A and Exhibit 10-A Checklist) from the local agency, IOAI will review the proposed ICR and supporting documents and notify local agencies in writing whether the proposed ICRs are accepted or adjusted.

Contracts will be executed after IOAI either accepts or adjusts the ICR and a revised final cost proposal (if applicable) is received. Correction of the final cost proposal, however, does NOT

Conduct Proposer's Conference or Answer Written Questions

The local agency may allow for clarification of the RFP by inviting submittal of written questions or by conducting a proposer's conference, or by doing both. The local agency must publish or mail their responses to any written questions to all consultants receiving the RFP. No response should be given to verbal questions. It is important that all competing consultants receive the same information. If a proposer's conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposer's conference normally is not mandatory. However, consultants not attending the conference do not receive notes from the meeting unless they request the notes.

Receive and Evaluate Technical Proposals

The Contract Administrator must verify that each proposal contains all of the forms and other information required by the RFP. If all required information is not provided, a proposal may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed.

Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended. The members of the consultant selection committee must evaluate each proposal according to the technical criteria listed in the RFP. Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. The justification should state that the solicitation did not contain conditions or requirements that arbitrarily limited competition per 23 CFR 172(a)(1)(iv) (D) and competition is determined to be inadequate and it is not feasible or practical to re-compete under a new solicitation per 23 CFR 172(a)(3)(iii)(C). If only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) must be documented and signed by the DLAE. In either case, the re-advertisement of the RFP should be considered as an option.

The committee must also evaluate reference checks and other information gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Develop Final Ranking and Notify Consultants of Results

The selection committee **evaluates** each proposal; interviews the three or more highest ranked consultants (short listed) **if noted in solicitation**; and develops a final ranking of the highest ranked consultants. All consultants that submitted proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not the highest ranked. **The local agency may have an established procedure adopted for conducting debriefings but may also consider the following:** The selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective reasons. The consultant should not be compared to others and should not be provided with information about other consultants during this debriefing. Normally,

- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments, and fees. Fee is required to be negotiated as a separate element;
- Hours, level of effort by task and/or classification.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency. The local agency and the consultant will agree on the final cost proposal and incorporate into final contract. Retain all documentation related to negotiations.

Before executing the consultant contract, the local agency must review contract to ensure that all federal and state requirements have been met (see [A&E Consultant Procurement Checklist: https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement](https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement)) and adjustment or denial of ICR as identified in the Financial Review Letter has been included in the final cost proposal, if applicable.

Prior to contract award, [or after contract award but no later than the first invoice](#), the local agency must submit a completed Exhibit 10-C for all new or amended federal funded A&E consultant contracts [using the database at http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C](http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C) (please use Firefox or Chrome if not supported by your browser).

If there are any changes [requiring an amendment](#) to the contract after [submittal](#) of Exhibit 10-C, the local agency must submit an updated Exhibit 10-C and all contract amendments to <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C>. Submission of Exhibit 10-C to Caltrans HQ is not required for non-A&E consultant contracts.

10.1.6 CONSULTANT SELECTION USING THE ONE-STEP RFQ METHOD

The RFQ method is used when the services being procured are specialized, or the scope of work is defined broadly and may include multiple projects.

Appoint Consultant Selection Committee

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews and scores the materials submitted by consultants in response to the RFQ, develops a shortlist of qualified consultants, interviews those consultants, and develops a final ranking of the most qualified consultants. Representation on the committee includes the Contract Administrator and subject matter experts from the project's functional area. The members should be familiar with the scope of work to be contracted out and with the local agency standards that will be used in the contract.

Participation by a Caltrans district representative is at the option of the local agency and subject to the availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the local agency of its responsibility to ensure that proper procurement procedures are followed and all requirements are met.

Local agency Contract Administrator ensures that all committee members meet the conflict of interest requirements (23 CFR 172) by completing and signing a conflict of interest statement

registry for firms who received the RFQ and therefore facilitates the broadcast of any revisions or addenda to the RFQ, if necessary.

Issue/Publish RFQ

The local agency shall publish the RFQ online and also issue the RFQ to all consultants responding to newspaper advertisement. The local agency shall keep a record of all consultants that have downloaded the RFQ on line as well as those receiving an RFQ through other means, to ensure that any inquiry responses, addendums, or amendments to the RFQ are given to all consultants that received the RFQ.

Receive/Evaluate Statements of Qualifications and Develop Shortlist

The first step in the evaluation process is to determine that each SOQ contains all forms and other information required by the RFQ. Otherwise, the submittals may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, and submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed. Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. If only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) must be documented and signed by the DLAE. In either case, the re-advertisement of the RFP should be considered as an option.

The consultant selection committee reviews the submitted SOQ according to the published evaluation criteria and weighting factors. The committee makes an independent random check of one or more of the consultant's references. This check applies to major subconsultants also. The committee establishes a shortlist of consultants who are considered to be best qualified to perform the contract work. The shortlist includes enough qualified consultants to ensure that at least three consultants are interviewed.

Notify Consultants of Shortlist

All consultants that submitted an SOQ must be notified of the results of the review. The notification also identifies those consultants (short list) that will be requested to attend interviews [if interviews were an option in the solicitation](#). Most consultants will request information as to why they were not placed on the shortlist. Therefore, the selection committee should keep notes why a particular consultant was not selected for the shortlist. When a consultant requests a debriefing, the reasons given for not being selected must be objective reasons. Consultants should not be compared with each other during the debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Interview Top-Ranked Consultants

Each consultant to be interviewed is given a copy of the draft of the proposed contract, defining the detailed scope of work, and/or description of required services, and other information. This should be sent with the initial notification of the interview.

returned unopened or properly disposed of by permanently deleting the cost proposals in accordance with local agency's written policies and procedures.

A contract audit and review may be required (see [Section 10.1.3: A&E Consultant Audit and Review Process](#) earlier in this chapter). Local agency Contract Administrator is responsible for the submittal of all required documentations to Caltrans IOAI in a timely fashion, including all documents for a Financial Review, if applicable. Caltrans IOAI will not proceed with a Financial Review until all required documentation is completed correctly and submitted. Negotiations may be completed after receipt of the Caltrans IOAI Financial Review Letter. An indirect cost audit may be performed within the record retention period of the contract.

The items typically negotiated include:

- Work plan;
- Staffing plan;
- Schedule (including contract begin and end dates);
- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments and fee. Fee is required to be negotiated as a separate element.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency. For on-call contracts, typically a price agreement is reached based on specific rate of compensation for the term of the contract. The subsequent task orders (or mini agreements for individual project work) is negotiated based on cost plus fee, or lump sum, which is derived from the wage rates agreed upon earlier for the on-call contract.

Before executing the consultant contract, the local agency must review contract to ensure that all federal and state requirements have been met (see [A&E Consultant Procurement Checklist at <https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement>](#)), and receive Caltrans IOAI's Financial Review acceptance letter, if applicable.

Prior to contract award, [or after contract award but no later than the first invoice](#), the local agency must submit a completed Exhibit 10-C for all new or amended federal funded A&E consultant contracts [using the database at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C>](#) (please use Firefox or Chrome if not supported by your browser).

If there are any changes to the contract after [submittal](#) of Exhibit 10-C, the local agency must submit an updated Exhibit 10-C and all contract amendments to [http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C](#). Submission of Exhibit 10-C to Caltrans HQ is not required for non-A&E consultant contracts.

10.1.7 CONSULTANT SELECTION USING THE TWO-STEP RFQ/RFP METHOD

Combined RFQ and RFP

Selecting consultants using the Two-Step RFQ/RFP method requires combining certain steps from each of the other two methods previously described. The consultants are rated based upon both their qualifications and their technical proposals. This procurement procedure involves a [two-step](#) process with issuance of a request for qualifications (RFQ) whereby responding consultants are evaluated and ranked based on qualifications and an RFP is then provided to three or more of the most highly qualified consultants. [The two-step method leads to an executed project specific contract.](#)

A different process may also be used that includes assessing minimum qualifications of consultants to perform services under general work categories or areas of expertise through a prequalification process whereby annual statements of qualifications and performance data are encouraged. These consultants are not ranked, and an RFP must be submitted to the entire list for evaluation and consideration. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under a RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications.

The initial steps in this method (up to the development and notification of the shortlist) are similar to the steps followed when using the One-Step RFQ method. At this point, the consultants from the shortlist are issued an additional RFP. The remaining steps are the same as the later steps followed in the One-Step RFP method. The combination of these steps is indicated in Figure 10-4: Consultant Selection Flowchart. Because it is a combination of the One-Step RFQ and One-Step RFP methods, this method of consultant selection requires more work and time than the other two methods. Consequently, the combined RFQ/RFP method is recommended for use only when the scope of work is not clearly known, very complex or unusual.

The Two-Step RFQ/RFP is also well suited for procuring multiple on-call contracts through a single solicitation. The outcome of the first step RFQ will be multiple contracts, or on-call list of consultants. For multiple on-call contracts, project work will be procured thru subsequent competition or mini-RFPs amongst the on-call consultants. The mini-RFP or the task order will be negotiated with first ranked firm from each competition. Task order (mini-RFP) cost will be based on wage rates established in the master on-call contract, and the time and deliverable requirements in the task order.

Local agencies may also use this method to:

1. [Develop and maintain a pre-qualified file/list of consultant firms by specific work categories or areas of expertise. This list includes all consultants that meet the minimum published pass/fail requirements. The pre-qualified list can be updated annually or at least every two years and must be maintained by the agency. This list has not gone through the evaluation process.](#)
2. [Create a short list of evaluated and ranked consultants that leads to executed contracts](#)

The mini-RFP contains evaluation criteria that matches the strengths of the qualified firms to the specifics of the known tasks, thereby selecting the most qualified firm for each task. The evaluation can include: availability of personnel, staff capabilities, DBE (10% or less of overall

Negotiations then proceed to the next most qualified consultant, and so on. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals shall be returned to consultants.

A contract audit and review may be required (see Section 10.1.3: A&E Consultant Audit and Review Process). The local agency Contract Administrator is responsible for the submittal of all required documentations to Caltrans IOAI in a timely fashion, including all documents for a Conformance Review, if applicable. Negotiations may be completed after receipt of the Caltrans IOAI Conformance Letter. An indirect cost audit may be performed within the record retention period of the contract.

Items typically negotiated include:

- Work plan
- Schedule and deadlines (for deliverables and final duration of contract)
- Products to be delivered
- Classification, wage rates, and experience level of personnel to be assigned
- Other Direct Cost items, and profit or fee

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency.

The local agency and the consultant will agree on the final cost proposal and incorporate into final contract.

Before executing the consultant contract, the local agency must review contract to ensure that all federal and state requirements have been met (see [A&E Consultant Procurement Checklist at https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement](https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement)).

10.1.8 COMPLETING THE PROJECT

Develop the Final Contract

The Contract Administrator requests a revised cost proposal from the consultant after: (1) negotiations have been completed, (2) the local agency and consultant have agreed to a fair and reasonable price, and (3) a letter, if applicable, is released by Caltrans IOAI that accepts, denies or makes an adjustment to the proposed ICR. The Contract Administrator should review the revised cost proposal to ensure that all the items and changes discussed during negotiation were included. This revised cost proposal then becomes the final cost proposal, is attached to and made a part of the consultant contract. Sample contract language and format have been included as [Exhibit 10-R: A&E Boilerplate Agreement Language](#).

The Contract Administrator has responsibility to ensure that the final negotiated contract is complete and has verified that all required backup documents have been provided. Copies of the contract are sent to the consultant for signature first.

Review and Approval of Contracts

Proposed contracts for consultant services (including subcontracted work) must be reviewed by the local agency to verify that:

- Compensation is fair and reasonable and includes prevailing wage rates, if applicable;
- Work activities and schedules are consistent with the nature and scope of the project;
- DBE goal Exhibit 10-O2: Consultant Contract DBE Commitment is included for all contracts regardless of goal.;
- [Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System](#) (for Prime and Subs), and [Exhibit 10-A: A&E Consultant Financial Document Review Request](#) and Checklist and all supporting documents, if applicable (contracts above \$150,000), have been submitted to Caltrans IOAI;
- If applicable, adjustment or denial of the ICR identified in the Financial Review Letter have been included in the final cost proposal;
- [Exhibit 10-C: A&E Consultant Contract Database](#) must be used to ensure that required documentation has been provided;
- A cost proposal (see [Exhibit 10-H: Sample Cost Proposal](#)), must include the costs of materials, direct salaries, payroll additions, other direct costs, indirect costs, fees, and backup calculations.

Before approving a contract for consulting services, the Contract Administrator must be satisfied that the consultant's organization:

- Is qualified to perform the services required;
- Is in a position, considering other work commitments, to provide competent and experienced personnel to perform the services in the time allowed;
- Is fully aware of all applicable federal and state laws including implementing regulations, design standards, specifications, previous commitments that must be incorporated into the design of the project, and administrative controls including those of Caltrans and FHWA.
- Has an adequate financial management system as required by the applicable federal regulations.
- Is not disbarred or suspended from state or federally funded contracts. Per 23 CFR 172.7(b)(3) "A contracting agency shall verify suspension and debarment actions and eligibility status of consultants and subconsultants prior to entering into an agreement or contract in accordance with 2 CFR part 1200 and 2 CFR part 180.

The contract must provide for a defined level of acceptability and a statement to the effect that the consultant may be required to modify its work as necessary; to meet that level of acceptability as defined in the contract. The contract shall provide for local agency reviews at appropriate stages during performance of the work, to determine if any changes or other actions are warranted.

- Identifying changes to the scope of work and preparation of amendments (must ensure that any changes to the scope is within the constraints of the original RFP/RFQ;
- Completing the consultant performance evaluations (see [Exhibit 10-S: Consultant Performance Evaluation](#)).

Substitution of Consultant Personnel and Subconsultants

After contract execution the consultant should not substitute key personnel (project manager and others listed by name in the cost proposal) or subconsultants without prior written approval from the local agency. Refer to LAPM Chapter 9: Civil Rights & Disadvantaged Business Enterprise and Title 49 CFR 26 for DBE substitution requirements. To do so can result in the costs being ineligible for federal or state reimbursement. The consultant must request and justify the need for the substitution and obtain approval from the local agency prior to use of a different subconsultant on the contract.

The proposed substituted person must be as qualified as the original, and at the same or lower cost. For engineering types of consultant contracts, the consultant's project manager must be a registered engineer in the State of California.

Invoicing (or Progress Payments)

The frequency and format of the invoices/progress payments are to be determined by the contract. Program Supplement Agreements (see [LAPM Chapter 3: Project Authorization](#)) need to have been prepared prior to any payments being requested. Payments to the consultant are to be in arrears. In other words, the consultant must have actually incurred and paid the costs before invoicing the local agency.

For federal reimbursement of consultant costs on a project, the local agency must submit the following to the DLAE, for each consultant or consulting firm used on the project (failure to do so will result in the consultant's invoices for reimbursement being returned to the agency unprocessed):

- Copy of Executed Consultant contract;
- [Exhibit 10-O1: Consultant Proposal DBE Commitment](#)
- [Exhibit 10-O2: Consultant Contract DBE Information](#)

DLAE must confirm that the local agency has submitted copies of [Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System](#) (for Prime and Subconsultants) to Caltrans IOAI and agency has submitted [Exhibit 10-C: Consultant Contract Database](#) to Caltrans.

The local agency is to follow the procedures given in [LAPM Chapter 5: Invoicing](#), to obtain reimbursement of federal or state funds.

Contract Amendments

Contract amendments are required to modify the terms of the original contract for changes such as extra time, added work, or increased costs. Only work within the original advertised scope of services shall be added by amendment to the contract. The addition of work outside the original advertised scope will make that work ineligible for federal or state reimbursement (see [Q&As](#) at: http://www.fhwa.dot.gov/programadmin/172qa_01.cfm).

There is no prescribed format for contract amendments. They may take the form of letter-type agreements meeting the legal requirements of the local agency, clearly outlining the changes and containing a mutually agreed upon method of compensation. Such agreements must conform to the requirements of this manual with regard to payment.

A consultant contract may be amended at any time prior to the expiration date of the original contract. The most common amendment is to extend the ending date of the contract. All contract amendments must be fully executed before the ending date of the contract **by formal amendment**. Failure to amend a contract prior to the ending date will make the subsequent costs ineligible for federal and state reimbursement. Task orders are not considered an amendment and therefore not appropriate to extend the terms of the contract.

All contract amendments shall be negotiated following the same procedures as the negotiation of the original contract and must be in writing and fully executed by the consultant and local agency before reimbursable work begins on the amendment. For any additional engineering and design related services outside of the scope of work established in the original solicitation, a contracting agency shall either procure the series under a new solicitation, perform the work itself using agency staff, or use a different, existing contract under which the services would be within the scope of work. Overruns in the costs of the work shall not automatically warrant an increase in the fixed fee portion of a cost plus fixed fee reimbursed contract. Permitted changes to the scope of work or duration may warrant consideration for adjustment of the fixed fee portion of cost plus fixed fee or lump sum reimbursed contracts. If an emergency exists of such magnitude that a delay cannot be tolerated, the local agency and the consultant may agree on an amendment initiating the work, so that reimbursable work may begin. The initiating amendment is then followed by a final amendment once the full scope of the emergency work is known and agreed to by both parties. In both cases, sufficient funding should be included in the amendments to pay for all work to be performed by the consultant. The final amendment must be executed as quickly as possible. Failure to fully comply with this section may result in the loss of local agency funding. [Section 10.1.3: A&E Consultant Audit and Review Process](#) of this chapter shall apply to the entire contract and must be completed prior to execution of the contract amendment. All amendments shall incorporate any current requirements of the federal regulations including the federal fiscal provisions and submit [Exhibit 10-C: Consultant Contract Reviewers Checklist Database](#) to <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> (please use Firefox or Chrome if not supported by your browser).

Performance Evaluation

Pursuant to 23 CFR §172.9(d)(2) agencies are required to prepare an evaluation of the consultant when the project has been completed. The Contract Administrator evaluates the consultant's performance after the consultant's final report has been submitted, and the Contract Administrator has conducted a detailed evaluation with the consultant's project manager. See [Exhibit 10-S: Consultant Performance Evaluation](#) for a suggested format for use by the local agency.

Project Records

Federal-Aid Highway Program funding recipients and sub-recipients must maintain adequate and readily accessible project performance and financial records, supporting documents, and other records considered pertinent to the grant agreement and in compliance with Federal laws and regulations (e.g., 23 USC 112; 40 USC 1101-1104, 23 CFR 172, 48 CFR 31, and 2 CFR

Part 200). These records shall be maintained for a minimum of three (3) years following issuance of the final voucher from FHWA (forwarded by Caltrans) and the closure of all other pending matters (*2 CFR Part 200.333*).

For audit purposes, project records and documentation shall be kept for three (3) years after payment of the final federal or state voucher. Among the records to be retained are as follows (not an all-inclusive list):

- Copies of RFPs and RFQs, changes, addendums, etc. and bidder's list;
- Documentation of DBE participation (including [Exhibit 10-O1: Consultant Proposal DBE Commitment](#), [Exhibit 10-O2: Consultant Contract DBE Commitment](#)), [Exhibit 10-G: Individual A&E Task Order DBE Tracking Sheet](#), [Exhibit 17-F: Final Report– Utilization of DBE and First-Tier Subcontractors](#), and [Exhibit 17-O: DBE Certification Status Change](#));
- Solicitation and advertisement records;
- Identification of selection committee members;
- Record of receiving proposals, statement of qualifications;
- Evaluation and ranking records such as original score sheets from all panel members, short list questions and other documentation (see [Exhibit 10-B: Suggested Consultant Evaluation Sheet](#));
- Independent cost estimate (prepared in advance of requesting a cost proposal from the top-ranked consultant);
- Record of negotiations (to include a separate negotiation of profit in accordance with federal guidelines);
- Financial Review Letter and Cognizant Agency Letter, when applicable;
- CPA-audited ICR Audit Report or Approved State DOT Cognizant Indirect Rate Letter, if any;
- Consultant Certification of Costs and Financial Management ([Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System](#)) for contracts over \$150,000 or more;
- A&E Consultant Audit Request Letter and Checklist ([Exhibit 10-A: A&E Consultant Audit Request Letter and Checklist](#)) for contracts over \$150,000 and all supporting documentation.
- Executed consultant contracts, cost proposals and amendments (see [Exhibit 10-R: A&E Boilerplate Agreement Language](#) and [Exhibit 10-H: Sample Cost Proposal](#));
- Contract oversight and progress meeting documents;
- Progress and final payments, and supporting documentation;
- Performance evaluation (see [Exhibit 10-S: Consultant Performance Evaluation](#));
- Consultant contract checklists (see [Exhibit 10-C: A&E Consultant Contract Database](#));

- Accounting records documenting compliance with State and federal administrative requirements;
- Certifications and Conflict of Interest forms ([Exhibit 10-T: Conflict of Interest & Confidentiality Statement](#), all personnel involved in the procurement of the agreement should complete Exhibit 10-T [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#) and [Exhibit 10-Q: Disclosure of Lobbying Activities](#), as appropriate). Exhibit 10-Q is included in the solicitation and shall be completed if the consultant needs to disclose any lobbying activities.

Retention Clauses

At the option of the local agency, a retention clause may be included in the consultant contract. A retention clause in the consultant contract is recommended (see [Exhibit 10-R: A&E Boilerplate Agreement Language](#), Article XXXI).

Review of Local Agency Actions

Federal-aid or state reimbursement is contingent on meeting the federal or state requirements and can be withdrawn, if these procedures are not followed and documented. The local agency files are to be maintained in a manner to facilitate future FHWA or Caltrans process reviews and audits. As specified in the Review and Approval of Contracts above, the Contract Administrator must review the proposed consultant contract before execution.

[Exhibit 10-C: A&E Consultant Contract Database](#) is to be completed prior to award, *or after contract award but no later than the first invoice*. A copy of Exhibit 10-C must be retained in the local agency project files.

10.1.9 MISCELLANEOUS CONSIDERATIONS












Agreements with Other Governmental Agencies

Intergovernmental or inter-entity agreements are encouraged if appropriate. If another governmental agency is requested to do work or provide services to an agency, an interagency agreement is needed. See 2 CFR 200 and CA Government Codes 10340 and 11256.

Small Purchase Contracts

Contracts that are less than \$250,000 are considered small contracts in accordance with federal regulations. However, within the State of California, there is not a recognized small purchase procedure and all A&E contracts are procured using qualifications based selection and not cost. For federal contracts that are less than \$250,000 and are not anticipated to exceed this amount, the agency shall use Section 10.2: State-Only Funded A&E Contracts *or the federal guidance for contracts greater than \$250,000*. If the contract is anticipated to exceed \$250,000, use one of the accepted procurement procedures listed in the previous sections. Small contracts using the simplified acquisition procedure (*State-Only funded section*) shall not exceed \$250,000 or the additional costs are considered not reimbursable. The entire contract could also be considered ineligible by FHWA depending on circumstances. The scope of work, project phases, and contract requirements shall not be broken down into smaller components to permit the use of small purchase procedure. DBE requirements apply for all federally funded projects.

10.2: STATE-ONLY FUNDED A&E CONTRACTS

A&E State-Only	<i>Division of Local Assistance Minimum Requirements for State-only funded A&E Contracts</i>
	A. Written Procedures
	B. Conflict of Interest
	C. Records
	D. Full & Open Competition
	E. Selection Basis
	F. Publication
	G. Solicitation
	H. Cost Analysis
	I. Negotiations
	J. Audit and Review Process
	K. Exhibit 10-C: A&E Consultant Contracts Database

D. Full & Open competition

All A&E contracts shall be procured through a qualifications based selection utilizing open and fair competition. Evaluate at least three consultants using published evaluation criteria and rank these firms in order of preference. **If less than three consultants are evaluated, provide justification for agency file.**

References:**California Government Code §4526****California Government Code §4527****E. Selection Basis**

Selection of a firm shall be based on qualifications and the order of ranked preference.

References:**California Government Code §4526****California Government Code §4527****F. Publication**

Solicitations for A&E contracts shall be in a manner that is open and competitive.

Reference: California Government Code §4527**G. Solicitation**

The solicitations shall include published evaluation criteria to rank in order of preference. Clearly define expectations in the solicitation in order to evaluate firms.

Reference: California Government Code §4527**H. Cost Analysis**

An independent cost comparison to the consultant's cost proposal shall be done in order to ensure the contract is negotiated at a fair and reasonable price.

Reference: California Government Code §4528**I. Negotiations**

Negotiations must be documented to verify a fair and reasonable contract has been executed using public funds.

Reference: California Government Code §4528**J. Audit and Review Process**

A&E contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits. All agencies shall follow the Audit and Review Process as stated in LAPM Section 10.3: A&E Consultant Audit and Review Process.

<http://www.dot.ca.gov/hq/LocalPrograms/lam/LAPM/ch10.pdf>

<http://www.dot.ca.gov/hq/LocalPrograms/lam/forms/chapter10/10a.pdf>

Reference: California Government Code §4529.14

K. Exhibit 10tC: A&E Consultant Contract Database

Exhibit 10-C: A&E Consultant Contract Database must be completed at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> (please use Firefox or Chrome if not supported by your browser) prior to contract award, or after contract award but no later than the first invoice.

Figure 10.2 State-Only Funded Procurement Criteria

To comply with CA Government Code (GC) 4525-4529.5, 48 Code of Federal Regulations (CFR) Part 31: Contract Cost Principles and Procedures, 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (excluding sections 200.318-200.326), Caltrans Local Assistance Procedures Manual (LAPM) and other applicable STATE and FEDERAL regulations.

A&E Consultants		
Requirements for LGAs that use State funding		Use State requirements below
A.	Written Procedures	GC 4526
B.	Conflict of Interest	GC 1090, GC 4527(b), GC 4529.12
C.	Records	GC 4529.14, 4006
D.	Full & Open Competition	GC 4526, GC 4527, GC 4529.12
E.	Selection Basis	GC 4526*, 4527
F.	Publication	GC 4527
G.	Solicitation	GC 4527
H.	Cost Analysis	GC 4528
I.	Negotiations	GC 4528
J.	A&I Audit & Review Process	GC 4529.14, LAPM Ch. 10, 2 CFR 200
K.	Exhibit 10-C: A&E Consultant Contract Database	LAPM Ch. 10.2

*Mini Brooks Act - State regulation requiring the initial selection of engineering and architecture firms be based upon qualifications and experience rather than by price. Price is then later negotiated.

- E. The procurement schedule that the local agency will follow in reviewing and evaluating the proposals.

(PCC 10344)

Additional Requirements and Evaluation Criteria

Additional Requirements for Request for Proposal using Cost only

- A. Local agency must require consultants to submit their proposals and cost in a separate, sealed envelope.
- B. Local agency shall determine those that meet the format requirements and the standards specified in the request for proposal.
- C. The sealed envelopes containing the price and cost information for those proposals that meet the format requirements and standards shall then be publicly opened and read.
- D. Contract must be awarded to the lowest responsible consultant meeting the standards.

(PCC 10344(b))

Additional Requirements for Request for Proposal using Cost and Qualifications

- A. Local agency must include in the proposal the description of the evaluation and scoring method. Substantial weight in relationship to all other criteria utilized shall be given to the cost amount proposed by the consultant.
- B. Local agency shall determine those that meet the format requirements specified in the RFP.
- C. Local agency evaluation committee must evaluate and score the proposals using the methods specified in the RFP. All evaluation and scoring sheets shall be available for public inspection after the committee scoring process. Evaluation committee should comply to the prevention of conflict of interest in PCC 10410.
- D. The non-A&E contract shall be awarded to the consultant whose proposal is given the highest score by the evaluation committee.

(PCC 10344(c))

When using RFP (Cost and Qualifications), the criteria used to evaluate the consultant's proposals must have a logical foundation within the scope of work or within other technical requirements contained in the RFP. Each criterion must have a weight or level of importance, and it is recommended that total possible score for the evaluation criteria be one hundred (100) points. The proposed cost should be at least thirty percent (30%) of total points in evaluation criteria.

An example RFP for non-A&E is provided on the Local Assistance website at <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/ae/files/rfp-example-non-ae.docx> and may be modified.

Submission of Exhibit 10-C: Consultant Contract [Database](#) to Caltrans HQ is not required for non-A&E consultant contracts.

EXHIBIT 10-H1 COST PROPOSAL Page 1 of 3

COST-PLUS-FIXED FEE OR LUMP SUM OR FIRM FIXED PRICE CONTRACTS

(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Note: Mark-ups are Not Allowed

Prime Consultant Subconsultant 2nd Tier Subconsultant

Consultant _____

Project No. _____ Contract No. _____ Date _____

DIRECT LABOR

Classification/Title	Name	Hours	Actual Hourly Rate	Total
(Project Manager)*	_____	_____	\$ _____	\$ _____
(Sr. Civil Engineer)	_____	_____	\$ _____	\$ _____
(Envir. Scientist)	_____	_____	\$ _____	\$ _____
(Inspector)**	_____	_____	\$ _____	\$ _____

LABOR COSTS

a) Subtotal Direct Labor Costs \$ _____

b) Anticipated Salary Increases (see page 2 for calculation) \$ _____

c) **TOTAL DIRECT LABOR COSTS [(a) + (b)]** \$ _____

INDIRECT COSTS

d) Fringe Benefits (Rate: _____%) e) Total Fringe Benefits [(c) x (d)] \$ _____

f) Overhead (Rate: _____%) g) Overhead [(c) x (f)] \$ _____

h) General and Administrative (Rate: _____%) i) Gen & Admin [(c) x (h)] \$ _____

j) **TOTAL INDIRECT COSTS [(e) + (g) + (i)]** \$ _____

FIXED FEE

k) **TOTAL FIXED FEE [(c) + (j)] x fixed fee _____%** \$ _____

l) CONSULTANT'S OTHER DIRECT COSTS (ODC) – ITEMIZE (Add additional pages if necessary)

Description of Item	Quantity	Unit	Unit Cost	Total
Mileage Costs			\$	\$
Equipment Rental and Supplies			\$	\$
Permit Fees			\$	\$
Plan Sheets			\$	\$
Test			\$	\$

l) **TOTAL OTHER DIRECT COSTS** \$ _____

m) SUBCONSULTANTS' COSTS (Add additional pages if necessary)

Subconsultant 1: _____ \$ _____

Subconsultant 2: _____ \$ _____

Subconsultant 3: _____ \$ _____

Subconsultant 4: _____ \$ _____

m) **TOTAL SUBCONSULTANTS' COSTS** \$ _____

n) **TOTAL OTHER DIRECT COSTS INCLUDING SUBCONSULTANTS [(l)+(m)]** \$ _____

TOTAL COST [(c) + (j) + (k) + (n)] \$ _____

NOTES:

- Key personnel **must** be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
- The cost proposal format shall not be amended. Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accepted by Caltrans.
- Anticipated salary increases calculation (page 2) must accompany.

EXHIBIT 10-H1 COST PROPOSAL Page 2 of 3

COST-PLUS-FIXED FEE OR LUMP SUM OR FIRM FIXED PRICE CONTRACTS

(CALCULATIONS FOR ANTICIPATED SALARY INCREASES)

1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours)

Direct Labor Subtotal per Cost Proposal	Total Hours per Cost Proposal	=	Avg Hourly Rate	5 Year Contract Duration
\$250,000.00	5000		\$50.00	Year 1 Avg Hourly Rate

2. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	\$50.00	+	2%	=	\$51.00	Year 2 Avg Hourly Rate
Year 2	\$51.00	+	2%	=	\$52.02	Year 3 Avg Hourly Rate
Year 3	\$52.02	+	2%	=	\$53.06	Year 4 Avg Hourly Rate
Year 4	\$53.06	+	2%	=	\$54.12	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	20.0%	*	5000	=	1000	Estimated Hours Year 1
Year 2	40.0%	*	5000	=	2000	Estimated Hours Year 2
Year 3	15.0%	*	5000	=	750	Estimated Hours Year 3
Year 4	15.0%	*	5000	=	750	Estimated Hours Year 4
Year 5	10.0%	*	5000	=	500	Estimated Hours Year 5
Total	100%		Total	=	5000	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (calculated above)		Estimated hours (calculated above)		Cost per Year	
Year 1	\$50.00	*	1000	=	\$50,000.00	Estimated Hours Year 1
Year 2	\$51.00	*	2000	=	\$102,000.00	Estimated Hours Year 2
Year 3	\$52.02	*	750	=	\$39,015.00	Estimated Hours Year 3
Year 4	\$53.06	*	750	=	\$39,795.30	Estimated Hours Year 4
Year 5	\$54.12	*	500	=	\$27,060.80	Estimated Hours Year 5
	Total Direct Labor Cost with Escalation			=	\$257,871.10	
	Direct Labor Subtotal before Escalation			=	\$250,000.00	
	Estimated total of Direct Labor Salary Increase			=	\$7,871.10	Transfer to Page 1

NOTES:

1. This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.
2. An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. \$250,000 x 2% x 5 yrs = \$25,000 is not an acceptable methodology)
3. This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.
4. Calculations for anticipated salary escalation must be provided.

EXHIBIT 10-I NOTICE TO PROPOSERS DBE INFORMATION

(Federally funded projects only)

The Agency has established a DBE goal for this Contract of _____%

1. TERMS AS USED IN THIS DOCUMENT

- The term “Disadvantaged Business Enterprise” or “DBE” means a for-profit small business concern owned and controlled by a socially and economically disadvantaged person(s) as defined in Title 49, Code of Federal Regulations (CFR), Part 26.5.
- The term “Agreement” also means “Contract.”
- Agency also means the local entity entering into this contract with the Contractor or Consultant.
- The term “Small Business” or “SB” is as defined in 49 CFR 26.65.

2. AUTHORITY AND RESPONSIBILITY

- A. DBEs and other small businesses are strongly encouraged to participate in the performance of Contracts financed in whole or in part with federal funds (See 49 CFR 26, “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs”). The Consultant must ensure that DBEs and other small businesses have the opportunity to participate in the performance of the work that is the subject of this solicitation and should take all necessary and reasonable steps for this assurance. The proposer must not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.
- B. Proposers are encouraged to use services offered by financial institutions owned and controlled by DBEs.

3. SUBMISSION OF DBE INFORMATION

If there is a DBE goal on the contract, Exhibit 10-O1 *Consultant Proposal DBE Commitment* must be included in the Proposal. In order for a proposer to be considered responsible and responsive, the proposer must make good faith efforts to meet the goal established for the contract. If the goal is not met, the proposer must document adequate good faith efforts. All DBE participation will be counted towards [meeting](#) the contract goal; therefore, all DBE participation shall be collected and reported.

Exhibit 10-O2 *Consultant Contract DBE Information* must be included in [best qualified consultant’s executed consultant contract](#). Even if no DBE participation will be reported, the successful proposer must execute and return the form.

4. DBE PARTICIPATION GENERAL INFORMATION

It is the proposer’s responsibility to be fully informed regarding the requirements of 49 CFR, Part 26, and the Department’s DBE program developed pursuant to the regulations. Particular attention is directed to the following:

- A. A DBE must be a small business firm defined pursuant to 13 CFR 121 and be certified through the California Unified Certification Program (CUCP).
- B. A certified DBE may participate as a prime consultant, subconsultant, joint venture partner, as a vendor of material or supplies, or as a trucking company.
- C. A DBE proposer not proposing as a joint venture with a non-DBE, will be required to document one or a combination of the following:
 - 1. The proposer is a DBE and will meet the goal by performing work with its own forces.
 - 2. The proposer will meet the goal through work performed by DBE subconsultants, suppliers or trucking companies.
 - 3. The proposer, prior to proposing, made adequate good faith efforts to meet the goal.

- I. Documentation and Schedules
AGREEMENTs where appropriate, shall provide that CONSULTANT document the results of the work to the satisfaction of LOCAL AGENCY, and if applicable, the State and FHWA. This may include preparation of progress and final reports, plans, specifications and estimates, or similar evidence of attainment of the AGREEMENT objectives.
- J. Deliverables and Number of Copies
The number of copies or documents to be furnished, such as reports, brochures, sets of plans, specifications, or Right of Way parcel maps shall be specified. Provision may be made for payment for additional copies.

ARTICLE IV PERFORMANCE PERIOD

A time must be set for beginning and ending the work under the AGREEMENT. The time allowed for performing the work is specified; it should be reasonable for the kind and amount of services contemplated; and it is written into the AGREEMENT. If it is desirable that Critical Path Method (CPM) networks, or other types of schedules be prepared by CONSULTANT, they should be identified and incorporated into the AGREEMENT.

- A. This AGREEMENT shall go into effect on (DATE), contingent upon approval by LOCAL AGENCY, and CONSULTANT shall commence work after notification to proceed by LOCAL AGENCY'S Contract Administrator. The AGREEMENT shall end on (DATE), unless extended by AGREEMENT amendment.
- B. CONSULTANT is advised that any recommendation for AGREEMENT award is not binding on LOCAL AGENCY until the AGREEMENT is fully executed and approved by LOCAL AGENCY.

Use paragraph C below in addition to paragraphs A & B above for on-call AGREEMENTs. On-call AGREEMENTs shall be 5 years maximum.

- C. The period of performance for each specific project shall be in accordance with the Task Order for that project. If work on a Task Order is in progress on the expiration date of this AGREEMENT, the terms of the AGREEMENT shall be extended by AGREEMENT amendment prior to the expiration of the contract to cover the time needed to complete the task order in progress only. The maximum term shall not exceed five (5) years.

ARTICLE V ALLOWABLE COSTS AND PAYMENTS

(Choose either Option 1, 2, 3, or 4)

(Option 1 - Use paragraphs A through K below for Cost-Plus-Fixed Fee AGREEMENTs. Use [Exhibit 10-H1: Cost Proposal Format](#))

- A. The method of payment for this AGREEMENT will be based on actual cost plus a fixed fee. LOCAL AGENCY will reimburse CONSULTANT for actual costs (including labor costs, employee benefits, travel, equipment rental costs, overhead and other direct costs) incurred by CONSULTANT in performance of the work. CONSULTANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved CONSULTANT'S Cost Proposal, unless additional reimbursement is provided for by AGREEMENT amendment. In no event, will CONSULTANT be reimbursed for overhead costs at a rate that exceeds LOCAL AGENCY'S approved overhead rate set forth in the Cost Proposal. In the event, that LOCAL AGENCY determines that a change to the work from that specified in the Cost Proposal and AGREEMENT is required, the AGREEMENT time or actual costs reimbursable by LOCAL AGENCY shall be adjusted by AGREEMENT amendment to

accommodate the changed work. The maximum total cost as specified in Paragraph "I" of this Article shall not be exceeded, unless authorized by AGREEMENT amendment.

- B. The indirect cost rate established for this AGREEMENT is extended through the duration of this specific AGREEMENT. CONSULTANT's agreement to the extension of the 1-year applicable period shall not be a condition or qualification to be considered for the work or AGREEMENT award.
- C. In addition to the allowable incurred costs, LOCAL AGENCY will pay CONSULTANT a fixed fee of \$(AMOUNT). The fixed fee is nonadjustable for the term of the AGREEMENT, except in the event of a significant change in the scope of work and such adjustment is made by AGREEMENT amendment.
- D. Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal.
- E. When milestone cost estimates are included in the approved Cost Proposal, CONSULTANT shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such cost estimate.
- F. Progress payments will be made monthly in arrears based on services provided and allowable incurred costs. A pro rata portion of CONSULTANT's fixed fee will be included in the monthly progress payments. If CONSULTANT fails to submit the required deliverable items according to the schedule set forth in Article III Statement of Work, LOCAL AGENCY shall have the right to delay payment or terminate this AGREEMENT.
- G. No payment will be made prior to approval of any work, nor for any work performed prior to approval of this AGREEMENT.
- H. CONSULTANT will be reimbursed promptly according to California Regulations upon receipt by LOCAL AGENCY's Contract Administrator of itemized invoices in duplicate. Invoices shall be submitted no later than thirty (30) calendar days after the performance of work for which CONSULTANT is billing. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this AGREEMENT number and project title. Final invoice must contain the final cost and all credits due LOCAL AGENCY including any equipment purchased under the provisions of Article XI Equipment Purchase. The final invoice should be submitted within sixty (60) calendar days after completion of CONSULTANT's work. Invoices shall be mailed to LOCAL AGENCY's Contract Administrator at the following address:

(LOCAL AGENCY/NAME OF CONTRACT ADMINISTRATOR)
(ADDRESS)

- I. The total amount payable by LOCAL AGENCY including the fixed fee shall not exceed \$(Amount).
- J. For personnel subject to prevailing wage rates as described in the California Labor Code, all salary increases, which are the direct result of changes in the prevailing wage rates are reimbursable.

CONSULTANT's work unless a later date is approved by the LOCAL AGENCY. Invoices shall be mailed to LOCAL AGENCY's Contract Administrator at the following address:

(LOCAL AGENCY/NAME OF CONTRACT ADMINISTRATOR)
(ADDRESS)

E. The total amount payable by LOCAL AGENCY shall not exceed \$(Amount).

ARTICLE VI TERMINATION

- A. This AGREEMENT may be terminated by LOCAL AGENCY, provided that LOCAL AGENCY gives not less than thirty (30) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. Upon termination, LOCAL AGENCY shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not.
- B. LOCAL AGENCY may temporarily suspend this AGREEMENT, at no additional cost to LOCAL AGENCY, provided that CONSULTANT is given written notice (delivered by certified mail, return receipt requested) of temporary suspension. If LOCAL AGENCY gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this AGREEMENT. A temporary suspension may be issued concurrent with the notice of termination.
- C. Notwithstanding any provisions of this AGREEMENT, CONSULTANT shall not be relieved of liability to LOCAL AGENCY for damages sustained by City by virtue of any breach of this AGREEMENT by CONSULTANT, and City may withhold any payments due to CONSULTANT until such time as the exact amount of damages, if any, due City from CONSULTANT is determined.
- D. In the event of termination, CONSULTANT shall be compensated as provided for in this AGREEMENT. Upon termination, LOCAL AGENCY shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not.

ARTICLE VII COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

- A. The CONSULTANT agrees that 48 CFR Part 31, Contract Cost Principles and Procedures, shall be used to determine the allowability of individual terms of cost.
- B. The CONSULTANT also agrees to comply with Federal procedures in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- C. Any costs for which payment has been made to the CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR Part 31 or 2 CFR Part 200 are subject to repayment by the CONSULTANT to LOCAL AGENCY.
- D. When a CONSULTANT or Subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

LAPM C.12 PS&E

LAPM C.12 PS&E

Section / Exhibit	Description of Changes
<p>12.1 Introduction</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 12-C with LAPM 3-A
<p>12.8 Federal Contract Requirements</p>	<ul style="list-style-type: none"> Revised sentence for Buy America waiver; the Division Administrator cannot approve Buy America waiver requests Modified first paragraph under Form FHWA 1273 section
<p>12.11 Materials and Equipment</p>	<ul style="list-style-type: none"> Added “approved” under Proprietary Items section
<p>12.12 Estimates</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 12-A with LAPM 3-A
<p>12.13 PS&E Certification</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 12-C with LAPM 3-A
<p>Exhibit 12-D</p>	<ul style="list-style-type: none"> Added “current” for Standard Plans for Public Works Construction in Section IX Added “current” for Greenbook and Local agency approved Standard Specifications in Section XI
<p>Exhibit 12-E</p>	<ul style="list-style-type: none"> Changes made to Parts IX and XI to make more consistent with LAPM Chapter 11
<p>Exhibit 12-G</p>	<ul style="list-style-type: none"> Added Section 10262 of the California Public Contract Code in #10 Prompt Payment of Funds Withheld to Subcontractors section

Chapter 12 Plans, Specifications & Estimate

12.1 INTRODUCTION

The policies and procedures contained in this chapter reflect current federal requirements for the Plans, Specifications and Estimate (PS&E) phase of local projects off the State Highway System (SHS). These instructions are not intended to address the relevant state laws and local regulations with which a local agency must also comply.

The preparation of the PS&E for local federal-aid projects off the SHS is the responsibility of the local agency. Local agencies will certify on [LAPM 3-A: Project Authorization/Adjustment Request](#) that their project PS&E complies with all applicable federal and state regulations and procedures. [Exhibit 12-D: PS&E Checklist](#) summarizes the items required for local agency compliance. The local agency's project PS&E Certification and PS&E Checklist must be submitted to the Caltrans District Local Assistance Engineer (DLAE) along with their Request for Authorization to Proceed with Construction. Local agencies' PS&Es are reviewed on a periodic basis as part of the Caltrans process review program.

Federal-aid projects in which the total project costs are expected to be \$100 million or more, require that an annual Financial Plan be prepared when all elements of the plan are fully known, but not later than the request for authorization of federal financial assistance for construction. Financial Plans for projects of \$100 million or more must be submitted to the Caltrans DLAE. Submittal of the Financial Plan and a Project Management Plan are required for projects of \$500 million or more. Major federal-aid projects of \$500 million or more require that a draft Project Management Plan be prepared and submitted to Caltrans/Federal Highway Administration (FHWA) prior to the environmental determination. FHWA also requires that a Cost Estimate Review be performed prior to National Environmental Policy Action (NEPA) completion and prior to construction authorization. The Final Project Management Plan must be submitted within 90 days after the environmental determination. For more information see [LAPM Chapter 2: Roles and Responsibilities](#).

For locally administered projects on the SHS, the local agency must enter into a cooperative agreement with Caltrans to establish the responsibility for project PS&Es (see [Caltrans Project Development Procedures Manual \(PDPM\) Chapter 1: Introduction](#)).

Definitions

Controlling Criteria – The specific minimum criteria and controls contained in the design standards for highway projects that are considered of primary importance for safety. Deviations from these controlling criteria require design decision approval (see [LAPM Chapter 11: Design Guidance](#)).

Cost-Effectiveness/Public Interest Finding – A written document outlining the basis for a proposed deviation from a standard procedure as required in Title 23 of the Code of Federal Regulations (CFR). The finding contains supporting documentation such as cost/ benefit analysis, product compatibility, etc., and includes reasons that the proposed deviation is considered to be cost-effective or for the public's best interest. [Exhibit 12-F: Cost-Effectiveness/Public Interest Finding](#) is a preprinted blank form that should be used by local agencies to prepare a Cost-Effectiveness/Public Interest Finding. Caltrans and FHWA approval is required for local agency projects that are Projects of Division Interest (PoDI) .

Buy America provisions do not apply to:

- Minimal use of all foreign material in which the total delivery cost to the project site is less than \$2500 or 0.1 percent of the contract amount, whichever is greater.
- Raw materials, scrap temporary steel items such as sheet piling, bridges, steel scaffolding and false work.
- Materials that remain in place at the contractor's convenience such as sheet piling and forms.
- Pig iron manufactured outside the United States.

A local agency shall not list an ineligible iron or steel product as nonparticipating in order to circumvent the Buy America requirements.

A waiver of the Buy America requirement by FHWA may be granted for specific projects, specific products, specific geographical areas, or combinations if:

- Buy America is inconsistent with the public interest, or
- There is not a sufficient supply of domestic materials of satisfactory quality.

Approval authority for waiver of Buy America requirements has not been delegated from the FHWA to Caltrans and therefore is not delegated to the local agencies. The local agency should plan for a Buy America waiver request to take at least six months. Additionally, local agencies should be particularly careful not to specify, in the design process, items that are not Buy America compliant. Information on the Buy America waiver process can be found at: <http://www.fhwa.dot.gov/construction/contracts/waivers.cfm>.

Form FHWA 1273

The May 1, 2012 revision of Form FHWA 1273 (included in [Exhibit 12-G: Required Federal-Aid Contract Language](#)) is a package of federally required contract provisions that must be physically included, unmodified, in the executed contract for all federal-aid projects. The provisions apply to all work performed on the contract including work performed by subcontract. The unmodified Form FHWA 1273 is required to be physically incorporated into each executed contract, subcontract and subsequent lower-tier subcontracts. [To be directly incorporated into the contract would include:](#)

- Referencing the 1273 and wage rates in the main body of the contract and label, such as "FHWA Form 1273 – Required Contract Provisions Federal-Aid Construction Contracts, Appendix B"
- Placing headings on the FHWA Form 1273 and wage rates as referenced in the main body of the contract, such as "Appendix B"
- Continuous page numbering on all pages including Form 1273 and wage rates
- Contract number on all pages including Form 1273 and wage rates

FHWA does not consider placing the FHWA Form 1273 and wage rates in the special provisions or standards specifications to be directly incorporated into the contract. Additionally, while a link to the wage rate determination can be used in the original advertisement, it cannot be used in the final contract."

Proprietary Items

The use of proprietary products and processes on federal-aid projects is restricted. When less than three proprietary (brand name) products or processes are called out in the project plans or special provisions, a Public Interest Finding (including Certification as applicable) must be completed, [approved](#) and emailed to Proprietary.PIF@dot.ca.gov.

It is the policy of the FHWA not to participate, directly or indirectly, in payment for any premium or royalty on any patented or proprietary material, specification, or process specifically set forth in the plans and specifications for a federal-aid project unless:

- The item is purchased or obtained through competitive bidding with equally suitable unpatented items using a minimum of three bids.
- The local agency certifies in a Public Interest Finding (PIF) that the proprietary or patented item is essential for synchronization with the existing highway facilities or that no equally suitable alternative exists, or
- The item is used for research or for a special type of construction on relatively short sections of road for experimental purposes.

This FHWA policy is applicable to local agency projects both on and off the NHS.

The primary purpose of this policy is to estimate competition in the selection of materials and development of new materials and products, and to ensure FHWA participation in the costs of such proprietary items as specified in the project documents and special provisions. As such, specifications should be written to allow bidders the maximum flexibility to select materials and products to meet construction specifications and result in the lowest bid prices.

The policy further permits:

- Materials and products that are judged equal may be bid under generic specifications. If only patented or proprietary products are acceptable, they shall be bid as alternatives with all, or at least a reasonable number, of acceptable materials or products listed.
- The local agency may approve a single source if it can be found that its utilization is in the public interest. The approved PIF, including certification as applicable shall be fully documented and retained in the project files.

Trade names (3M, Corten, etc.) are generally the key to identifying patented or proprietary materials. Generally, products should not be identified by their brand or trade name unless a reasonable number of these materials or products are listed. The FHWA considers three to be a reasonable number. The licensing of several suppliers to produce a product does not change the fact that it is a single product and should not be specified to the exclusion of other equally suitable products. Proprietary items must be clearly identified on [Exhibit 12-D: PS&E Checklist](#). Failure to do so may render the purchasing, furnishing, and installation of such items as non-participating.

Public Interest Finding

For any instance when less than three proprietary (brand name) products or processes are called out in the project plans or special provisions, the local agency must prepare a PIF to adequately document and justify the specification of such products. PIFs are specific to each federal-aid project in order to properly assess changes in market conditions and re-examine the

Other Proprietary Item Considerations

- The existence of a proprietary product/process on an FHWA or Caltrans qualified or approved product list does not grant sole source approval.
- This policy is also applicable to non-physical products (software, mobile apps, etc.).
- The PIF Certification must specify a sunset date whereby the continued use of the proprietary product is based on appropriate testing and evaluation of the current and ongoing marketplace of available products.
- The use of the terms “or equal” and “or approved equal” clause in the project plans and specifications is discouraged, as it can often result in misunderstandings and subsequent contractor claims in construction, and does not meet FHWA requirements. If product substitution requests are considered, the specifications must be very clear regarding the specific functional, operational, and maintenance characteristics of the product.
- In the absence of specifying a particular product or brand name, a product should not be so narrowly specified that the effective result is to essentially limit the use to that particular product or brand name.
- This FHWA policy is applicable to local agency projects both on and off the NHS.
- Regulations on the use of patented or proprietary products on federal-aid projects are included in the Code of Federal Regulations ([23 CFR 635.411 Material or Product Selection](#)) and FHWA policy found at: www.fhwa.dot.gov/programadmin/contracts/011106ga.cfm#_Hlk307506586 and <https://www.fhwa.dot.gov/construction/cqit/propriet.cfm>.

Equipment Rental Rates

Federal policy requires that actual costs be used to determine extra work payments; however, actual equipment costs are not readily available. Therefore, the FHWA permits the local agencies to specify in their construction contract specifications the use of predetermined rate guides as well as equipment rate schedules developed by the local agency which are in conformance with the federal cost principles and the FHWA’s policy contained in the Contract Administration Core Curriculum, published by the FHWA. Caltrans’ Equipment Rental Rates are in conformance with these requirements.

12.12 ESTIMATES

The estimate used to authorize the construction phase of a federal-aid project shall reflect the anticipated cost of the project in sufficient detail to provide an initial prediction of the financial obligations to be incurred by the local agency and FHWA and to permit an effective review and comparison of the bids received. Initially, a preliminary estimate is prepared by the local agency, which includes the basic items that a contractor will be asked to bid. This is a confidential document, which represents the local agency’s best estimate of a fair and reasonable price for the items or work to be performed. As such, the Engineer’s Estimate should not be made available to contractors and the general public prior to opening bids. This estimate must be prepared in a format, which describes the item of work, unit amount, quantity, unit price, amount, a subtotal, contingencies and a total ([LAPM 3-A: Project Authorization/Adjustment Request](#)). Other estimates must also be prepared, if appropriate, for local agency furnished materials, supplemental work, construction engineering, the Federal Trainee program, and force

12.13 PS&E CERTIFICATION

[LAPM 3-A: Project Authorization/Adjustment Request](#) must be signed by the engineer responsible for the project (who must be either a local agency employee or a consultant retained by the local agency and a professional civil engineer registered to practice in California).

In the certification, the local agency certifies that the PS&E has been prepared in accordance with the Local Assistance Procedures Manual and that any necessary design decisions have been approved by the Public Works Director or his/her designee. The certification must also acknowledge that review of PS&E will not be performed by Caltrans. By this certification, the local agency accepts responsibility for compliance with applicable design standards, Title 23 of the United States Code, and other applicable federal requirements (DBE, EEO, federal and state wage rates, license requirements, etc.). Failure to comply with any of these requirements may cause withdrawal of funds.

PS&E Checklist

Local agencies will complete [Exhibit 12-D: PS&E Checklist](#) and attach it to all PS&E Certification Letters submitted to the DLAE. The checklist has been developed to address the flexibility allowed under federal regulations and still ensure that the minimum required provisions are included in each set of contract documents. However, if any of the required provisions are left out of a construction contract, the project will not be eligible for federal reimbursement. [Exhibit 12-E: PS&E Checklist Instructions](#) are included in order to lead the local agency through the checklist and determine which of the various federal contract provisions are required. Samples of required federal contract provisions and certifications are provided in [Exhibit 12-G: Required Federal Contract Language](#) and [Exhibit 12-H: Sample Bid](#). These samples are based on Caltrans Standard Specifications; however, the local agency may use equivalent provisions based on other standard specifications as long as the intent of the federal requirement is met.

Checklist Review by Caltrans

The DLAEs will review each checklist to ensure that the local agency has completed the form in accordance with the instructions in this manual. Except as discussed below, this review will be limited to the actual checklist and will not involve a review of the PS&E package.

Special Provisions Review by Caltrans

The DLAE has the responsibility to confirm that the correct Special and Federal Contract Provisions are included in the contract provisions as indicated on the checklist. The DLAE should ensure that at least one set of Special and Federal Contract Provisions is reviewed per year for each local agency that submits a PS&E. Also, the DLAE will decide if additional documents will be reviewed based on past experience with the agency, the number of federal-aid projects the agency has done, and the amount of resources the district can direct to this effort. Local agencies requesting reviews will be accommodated to the extent that resources are available.

The checklist has been designed to facilitate this review by providing space for the local agency to indicate the page number of the appropriate federal provisions. This review will help the local agencies become familiar with the use of the checklist and the corresponding federal contract provisions. It will not, however, relieve the local agency of responsibility for compliance with all federal requirements.

- The project is "Projects of Division Interest (PoDI)" (subject to a higher degree of FHWA oversight). A Public Interest Finding justifying the method has been submitted and approved by Caltrans and FHWA.

B. Force Account (Day Labor) (Check appropriate box)

- The entire work will be constructed by contract as indicated above.
- Some work (incidental to the main purpose of the project) will be constructed by Force Account.
- A Public Interest Finding approved by the DLAE is on file in the contract records justifying the work.
- The entire project will be constructed by Force Account (Day Labor). (If the entire project will be constructed by Force Account check the appropriate box below).
- The project is "Delegated" (subject to minimal FHWA oversight). A Public Interest Finding has been submitted to the DLAE for approval and filed in the contract records justifying the method.
- The project is "Projects of Division Interest (PoDI)" (subject to a higher degree of FHWA oversight). A Public Interest Finding justifying the method has been submitted and approved by Caltrans and FHWA.

V. ENVIRONMENTAL ANALYSIS (Check box if requirement is met)

- The PS&E is fully responsive to the necessary actions called for by the environmental document, permit conditions, and other agreements.

VI. VALUE ENGINEERING ANALYSIS (VA) (NHS projects only) (Check appropriate box)

- VA has been performed on this project and a copy of the analysis has been submitted to the DLAE for forwarding to the Caltrans District Value Analysis Coordinator.
- The project is not a bridge project. VA has not been performed as the estimated total project cost is <\$50 million.
- The project is a bridge project. VA has not been performed as the total project cost is <\$40 million.

VII. GEOMETRIC DESIGN STANDARDS (Complete this section only if project changes existing geometrics)

- Current Caltrans Design Standards (on State Highway System)
- FHWA-adopted AASHTO Standards (Green Book)
- 3R Projects – Caltrans DIB 79-03 (on SHS)
- 3R Projects – Exhibit 11-A Geometric Design Standards for Local 3R Projects (off SHS)
- Local Agency approved Design Standards (non-NHS only) Date:

VIII. BRIDGE DESIGN PROCEDURES

- All bridges have been designed in accordance with the current AASHTO LRFD Bridge Design Specifications with California Amendments.
- Not applicable (Bridge construction not included in the project).

IX. STANDARD PLANS

- Current Caltrans *Standard Plans*
- Current** *Standard Plans for Public Works Construction*

Current Local Approved Standard Plans:

_____ Date signed (on behalf of the local agency) by a person in responsible charge and who is a registered professional engineer licensed to practice in the State of California.

X. PROJECT PLANS AND SPECIFICATIONS

- Cover sheet of plans and specifications signed and stamped on behalf of the local agency by the person in responsible charge, and who is a registered professional engineer licensed to practice in the State of California.
- Temporary Traffic Control (TTC) Plans or reference to Standard Plan and Signs/Striping Plans in Standard Plan included. (Note: Additionally, Traffic Management Plans are required to be on file for all reconstruction, rehabilitation, and other projects [including projects on the SHS not funded by the State], if significant traffic delays are anticipated, and as a result from project activities).
- Erosion Control Plan, if required.
- Americans with Disabilities Act (ADA) Compliance Plan, whenever applicable, is being fully complied with including *Federal ADA Standards for Accessible Guidelines for Buildings and Facilities (ADAAG)* Title 24 of the California Code of Regulations and local codes.

XI. STANDARD SPECIFICATIONS

- Current Caltrans *Standard Specifications and Standard Special Provisions*
- Current** *Standard Specifications for Public Works Construction (Green Book)*
- Current** Local agency approved Standard Specifications

XII. FEDERAL REQUIREMENTS

PAGE NO.*

A. Required Federal Contract Provisions (refer to Exhibit 12-G *Required Federal-aid Contract Language*).
**Note –Embedding unmodified Exhibit 12-G with appropriate information filled into the project’s contract is strongly recommended. Otherwise, indicate page numbers of each federal requirement in space provided.*

- 1. Disadvantaged Business Enterprise** or equivalent provisions are included _____
- 2. Bid Opening** or equivalent provisions are included _____
- 3. Bid Rigging** or equivalent procedures are included _____
- 4. Contract Award** or equivalent procedures are included _____
- 5. Contract License** or equivalent provisions are included _____
- 6. Changed Conditions** or equivalent provisions are included _____
- 7. Beginning of Work, Time of Completion and Liquidated Damages** or equivalent provisions are included _____
- 8. Buy America**

“Buy America” or equivalent provisions are included...t..... _____

A Buy America Waiver was approved by FHWA on _____, 20 _____

VI. VALUE ENGINEERING ANALYSIS (VA)

A value engineering analysis is required for: (1) all Federal-aid highway projects on the NHS with a total estimated project cost of \$50 million or more, and (2) all bridge projects on the NHS with a total estimated project cost of \$40 million or more. (See Section 12.5 *Value Engineering Analysis* of the LAPM for additional guidance).

VII. GEOMETRIC DESIGN STANDARDS

If the project does not change existing geometrics, Section A and B do not apply and the local agency is not required to check any boxes in these sections. See Chapter 11, "Design Guidance" of the LAPM for additional guidance on geometric design standards.

Geometric Design Guidance Used

New and reconstruction projects on the NHS shall be designed in accordance with Standards as defined in the current edition of *A Policy on Geometric Design of Highways and Streets*, published by the American Association of State Highway and Transportation Officials (AASHTO). The minimum standards for geometric design of local Federal-aid resurfacing, restoration and rehabilitation (3R) projects on the NHS are shown in Exhibit 11-A *Geometric Design Standards for Local 3R Projects*. Local geometric design guidance that have been developed for use on locally funded new and reconstruction, or 3R projects off the NHS, may be a used subject to the conditions listed in Chapter 11, "Design Guidance." Check appropriate box only if this section applies.

VIII. BRIDGE DESIGN PROCEDURES

All bridges shall be designed in accordance with the current edition of the *Caltrans Bridge Design Specifications Manual* and the latest California amendments to the AASHTO *LRFD Bridge Design Specifications*. Check if requirements met, or if the project does not include any bridge construction indicate requirements does not apply.

IX. STANDARD PLANS

For projects off the State Highway System, the local agency may use [current Caltrans Standard Plans](#), [current Standard Plans for Public Works Construction](#), or [current Local Approved Standard Plans subject to the conditions described](#) in Chapter 11 "Design Guidance" and Section 12.6 *Plans* of the LAPM.

X. PROJECT PLANS AND SPECIFICATIONS

Project plans and specifications shall be signed and stamped on behalf of the local agency by the person in responsible charge and who is a registered professional engineer licensed to practice in the State of California. (See Section 12.6 *Plans* of the LAPM).

A temporary traffic control (TTC) plan shall be included in the PS&E for all Federal-aid highway construction projects. If the TTC plan is not included, reference to Signs/Striping Plans pertaining to the project in Standard Plan shall be indicated in the specification.

Check the first two boxes to indicate requirements are met. **Failure to check both boxes will result in denial of the Request for Authorization.**

Erosion control plans may be required, see Section 12.6 *Plans*, in the LAPM. If required, check box.

Whenever applicable, project plans and specifications will need to comply with the Federal Americans with Disabilities Act (ADA) requirements 28 CFR, Part 35 or Part 36, and the California and Local Building Codes within the project limits. In accordance with 28 CFR Sec. 35.151, curbs ramps must meet current ADA standards if the project includes streets that are to be newly constructed or altered (includes repaving). For ADA requirements, see Chapter 11, "Design Guidance," and Section 12.6 *Plans* of the LAPM. If ADA requirements apply and will be complied with, check box.

XI. STANDARD SPECIFICATIONS

For projects off the State Highway System, the local agency may use current Caltrans Standard Specifications and Standard Special Provision, the [current](#) Standard Specifications for Public Works Construction, or [current Local Approved Standard Plans subject to the conditions described](#) in Chapter 11 “Design Guidance”.

XII. FEDERAL REQUIREMENTS

A. Required Federal Contract Provisions - Ensure Exhibit 12-G *Required Federal-aid Contract Language* or equivalent provisions are in the contract. Inserting unmodified Exhibit 12-G with appropriate information filled, into the project’s contract is strongly recommended. Provide page numbers if using equivalent provisions.

The Form FHWA-1273 must be physically inserted unmodified into the executed contract.

Provisions for liquidated damages shall be included in all Federal-aid contracts on the NHS (see Chapter 12 *Plans, Specifications & Estimate* of the LAPM for requirements).

Current Buy America regulations are discussed in Section 12.8 *Federal Contract Requirements* of the LAPM. Buy America requirements do not apply to minimal use of the material such that the cost, delivered to the project site, is less than \$2,500 or one-tenth-of-one-percent of the contract amount, whichever is greater. Buy America applies if federal dollars are used on any phase of the project.

Section 12.8 *Federal Contract Requirements* of the LAPM includes information for On-the-Job Training.

Please note that among all the federal requirements, the most frequent deficiencies (or missing requirements) are observed from ‘6. Changed Conditions’, ‘12. Female and Minority Goals’, and ‘13. Federal Trainee Program’. Inserting unmodified Exhibit 12-G into the contract is suggested as the best way to mitigate such deficiencies.

B. DBE Goal

Individual DBE contract goals will be established. Complete evaluation documentation is required and shall be retained for each contract (see Chapter 9, “Civil Rights and Disadvantage Enterprise” in the LAPM).

In some cases, the contract DBE goal may be zero due to the extremely limited subcontracting opportunities for DBEs, the lack of certified DBEs willing to work in the geographic area in which work is to be performed, or other reasons. Documentation is required verifying that the local agency has determined that a zero percent DBE goal is appropriate. Documentation must be based on the DBE contract goal methodology with the specific project-related work codes and DBEs highlighted. In some cases there may be no contract goal (which is different than zero percent goal) if, for example, the contract is sole-source or non-profit.

C. Certification/Disclosures

The certification and disclosure forms listed in Exhibit 12-H *Sample Bid* shall be included in all Federal-aid projects. Except for the Disclosure of Lobbying form and instructions, equivalent provisions may be used. See Section 12.8 *Federal Contract Requirements* of the LAPM for more information.

D. Other Required Forms

Two forms, or their equivalents, relating to subcontractors must be included as part of the bid package. Exhibits 15-G *Local Agency Bidder DBE Commitment (Construction Contracts)*, and 12-B *Bidder’s List of Subcontractors (DBE and Non-DBE)*. Exhibit 15-H *DBE Information - Good Faith Efforts* must also be part of the bid package if the DBE goal was not met.

E. Federal Wage Rates

If payment of federal predetermined wages are required per instructions in Subparagraph B.2.a “Section IV. Payment of Predetermined Wages,” they shall be physically incorporated into the final contract documents and in all related subcontracts signed by the local agency and the contractor.

7. BEGINNING OF WORK, TIME OF COMPLETION AND LIQUIDATED DAMAGES

The Contractor shall begin work within 15 calendar days after the issuance of the Notice to Proceed.

This work shall be diligently prosecuted to completion before the expiration of _____ WORKING DAYS beginning on the fifteenth calendar day after the date shown on the Notice to Proceed.

The Contractor shall pay to the City/County _____ the sum of \$ _____ per day, for each and every calendar days' delay in finishing the work in excess of the number of working days prescribed above.

8. BUY AMERICA

Furnish steel and iron materials to be incorporated into the work with certificates of compliance and certified mill test reports. Mill test reports must indicate where the steel and iron were melted and manufactured. Steel and iron materials must be produced in the U.S. except:

1. Foreign pig iron and processed, pelletized, and reduced iron ore may be used in the domestic production of the steel and iron materials [60 Fed Reg 15478 (03/24/1995)];
2. If the total combined cost of the materials does not exceed the greater of 0.1 percent of the total bid or \$2,500, materials produced outside the U.S. may be used.

Production includes:

1. Processing steel and iron materials, including smelting or other processes that alter the physical form or shape (such as rolling, extruding, machining, bending, grinding, and drilling) or chemical composition;
2. Coating application, including epoxy coating, galvanizing, and painting, that protects or enhances the value of steel and iron materials.

9. QUALITY ASSURANCE

The Agency uses a Quality Assurance Program (QAP) to ensure a material is produced to comply with the Contract. You may examine the records and reports of tests the Agency performs if they are available at the job site.

Schedule work to allow time for QAP.

10. PROMPT PAYMENT OF FUNDS WITHHELD TO SUBCONTRACTORS

The agency may hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the agency, of the contract work, and pay retainage to the prime contractor based on these acceptances. The prime contractor, or subcontractor, shall return all monies withheld in retention from a subcontractor within seven (7) days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the agency, unless as agreed to in writing by the prime contractor and subcontractor, pursuant to Section 7108.5 of the Business and Professions Code and [Section 10262 of the California Public Contract Code](#). Any violation of [these provisions](#) shall subject the violating prime contractor or subcontractor to the penalties, sanctions and other remedies specified [therein](#). These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor.

11. FORM FHWA-1273 REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONTRACTS

(Excluding ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS)

[The following 10 pages must be physically inserted into the contract without modification.]

LAPM C.13 RIGHT OF WAY

LAPM C.13 Right of Way

Section / Exhibit	Description of Changes
<p>13.1 General</p>	<ul style="list-style-type: none"> Moved Cooperative Agreement Section from 13.11 to 13.1 under General Discussion as it is confusing for off-system projects
<p>13.4 Right of Way Authorization</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibits 3-A, 3-B, 3-C & 3-D with LAPM 3-A
<p>13.9 Right of Way Acquisition</p>	<ul style="list-style-type: none"> Clarified that 90 day notice is applicable to relocation assistance programs (RAP) New sections “Permit to Enter and Construct (PTE&C) or Equivalent Document” and “Permit to Enter and Construct (PTE) for Environmental or Geological Studies” added
<p>13.10 Right of Way Certification</p>	<ul style="list-style-type: none"> Replacement language added for Time Requirements for RW Certifications
<p>13.11 Emergency Relief Project Certification</p>	<ul style="list-style-type: none"> Revised language for Emergency Opening Phase added
<p>13.12 Reimbursement/Fiscal Policy</p>	<ul style="list-style-type: none"> Removed “Caltrans will notify the local agency of the beginning date for record retention.”
<p>Exhibit 13-B</p>	<ul style="list-style-type: none"> Reference to “no acquisition of right of way required” included in Section 1 Removed language pertaining to number of parcels with value in excess of \$500,000 and Dual Appraisal

Chapter 13 Right of Way

13.1 GENERAL

The intent of this chapter is to provide local agencies with the basic understanding of Right of Way (R/W) procedures for locally sponsored federal-aid transportation projects. Local agencies, which will be actively involved in R/W acquisition and relocation, must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended in 1987 (the Uniform Act). This law can be found in Chapter 10 of the [Caltrans Right of Way Manual](#), the FHWA Project Development Guide (see Appendices A and B) and 49 of the Code of Federal Regulations (CFR), Part 24.

Note: The Uniform Act must be followed on all local agency projects even if no federal funds are used for the acquisition of R/W for the project. Although substantial responsibility for the administration of local agency projects has been delegated to Caltrans (see Caltrans Role below), FHWA has retained the overall responsibility for compliance with the Uniform Act. Towards this end, FHWA periodically performs Process Reviews of local agency projects to ensure that the Uniform Act requirements are being met.

In addition, local agencies must also comply with all requirements of Title VI of the 1964 Civil Rights Act on federal-aid projects. This is to ensure that all services and/or benefits derived from any R/W activity will be administered without regard to race, color, gender, or national origin (see FHWA Project Development Guide, Appendix C-12). Right of Way refers to the real property rights, which local agencies must possess to construct local assistance transportation projects utilizing federal funds. The provisions of this chapter apply to all local assistance projects involving federal funds off the State Highway System (SHS), whether or not these funds are expended for purchase of real property rights. When local agency projects are performed on the SHS or any portion thereof, the local public agency must follow the Caltrans manuals that apply to the work being done, among them, is the Caltrans Right of Way Manual and Cooperative Agreement Manual. **Note:** Cooperative Agreements are defined as any formal agreement between Caltrans and a local agency for a project on the SHS wherein the parties share in the development activities. If there are Cooperative Agreements covering responsibilities or obligations for the respective portions of the project, these agreements must be listed on the R/W Certification form.

The [Caltrans Right of Way Manual](#) is used for projects on the SHS, either conventional highways or expressways and freeways. The manual has approximately 575 forms and exhibits that are extremely useful and necessary to perform all of the various R/W functions. These forms and exhibits, as well as 17 chapters of R/W processes and procedures are available to all local public agencies for use in performing their R/W work. Caltrans projects may generally be larger than many local agency projects, but the R/W processes and procedures are the same as those performed by local agencies for their projects.

Local public agencies are encouraged to access the [Caltrans Right of Way Manual](#) at: <https://dot.ca.gov/programs/right-of-way/right-of-way-manual>.

The US Constitution and the Bill of Rights provide authority to acquire property by eminent domain for a public project. The Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.), provides the rules and processes to exercise this authority whenever a project benefits from federal funds. Affected property owners

13.4 RIGHT OF WAY AUTHORIZATION

When federal funds are to be used for R/W costs, [Exhibit 7-B: Field Review Form](#) and the R/W estimate must be completed, and National Environmental Policy Act (NEPA) approval obtained before requesting authorization. If federal-aid is sought for any phase of the project, all R/W activities must conform to federal requirements. Failure to conform to these requirements will jeopardize federal funding.

Note: If any R/W activities are performed prior to authorization, those activities are normally ineligible for reimbursement later. Requests for authorization should be submitted to the DLAE. If the request is complete, the DLAE will initiate the authorization process.

Project Programming

The initial step in obtaining federal-aid on a local assistance project involves selecting and programming the project into a federally approved Transportation Improvement Program. This will require careful estimates of the costs involved for all phases of the project including preliminary and construction engineering, utility relocation, R/W (if additional property interests are required), and construction. Real property rights that are acquired for a local agency project must be sufficient for all activities necessary for the construction of the project and for the ongoing operation and maintenance of the facility when completed. It is the responsibility of the local agency to determine the property rights that will be necessary for each project and that these rights are sufficient for the project. Procedures to program projects can be found in the [Local Assistance Program Guidelines \(LAPG\) Chapter 1: Introduction/Overview](#), and [LAPG Chapter 2: Financing the Federal-Aid Highway Program](#). Questions concerning project programming should be referred to the DLAE.

Request for Authorization to Proceed with Right of Way

After a project is selected and programmed in a Federal Approved State Transportation Improvement Program (FSTIP), the local agency should then contact the DLAE to obtain authorization to receive federal funds. The authorization must precede any activities for which reimbursement will be requested. When the project requires the relocation of utility facilities, the request must include a listing of each affected utility company together with an estimate of the cost of relocation for each company and a request for approval of the use of the Alternate Procedure. The local agency is responsible for initiating [LAPM 3-A: Project Authorization/Adjustment Request](#) through Caltrans to FHWA.

For additional details, please refer to [LAPM Chapter 3: Project Authorization](#).

The project authorization obligates FHWA to reimburse allowable project costs and confirms that federal funds are available in the amount requested for that project. However, this is subject to the condition that acquisition of R/W may only commence after the necessary requirements have been met, including NEPA compliance. The local agency must prepare a Request for Authorization package (see [Chapter 3, LAPM 3-A Project Authorization/Adjustment Request](#)) and certify to the accuracy of all the data on the forms. Separate work authorizations and fund obligations are normally made for preliminary engineering, R/W, and construction, if federal funds are to be used for these phases of the project. The authorization to proceed must be obtained prior to starting an item of work for which the agency will seek reimbursement.

Prior to initiating negotiations for the acquisition of real property, the agency must establish an amount it believes to be just compensation and must make a written offer to the owner(s) to acquire the property for the full amount so established. All local agencies are encouraged to establish a Nominal (minimal) dollar amount of Just Compensation for any private property right needed to complete a project. Thus, estimated or appraised property rights acquired, rented or used for a project would be consistent from project to project. In no event, shall such amount be less than the agency's approved appraisal of the fair market value of the property. The agency should make every effort to acquire the property by negotiation. Any increase or decrease in the value of the property to be acquired prior to the date of valuation caused by the transportation project shall be disregarded in determining the compensation for the property. The agency shall provide the owner(s) with a written statement explaining the basis for the amount it established as just compensation or a copy of the completed appraisal.

The acquisition agent is responsible for securing all property rights necessary to certify the project (See Right of Way Certifications in this chapter).

Note: If a private sector consultant is used in the acquisition phase, the consultant must have a valid California Real Estate Broker's license, or Salesperson's license if supervised by a licensed Real Estate Broker. All R/W Contracts must be approved for content and signed or initialed by the Real Estate Broker or Principal of the Company.

By signing the R/W Contract, the Broker or Principal of the Company acknowledges responsibility for a complete file. See [Exhibit 13-C: Consultant Selection Criteria and Guide](#), in this chapter.

The general Uniform Act requirements are as follows:

- A written appraisal establishing just compensation must be approved prior to the initiation of negotiations.
- The written offer must be made promptly in the full amount of the appraisal and contain a summary for its basis.
- At least a 90-day written notice must be given to all lawful occupants. [\[This is a Relocation Assistance Program \(RAP\) requirement per 49 CFR 24.203\(c\)\].](#)
- The owner's incidental escrow cost must be paid.
- A written (parcel) diary must be maintained.

Permit to Enter and Construct (PTE & C) or Equivalent Document

The only appropriate scenario for use of a Permit to Enter and Construct (PTE & C) or local agency equivalent document, for access/use of a grantor's property to accommodate construction work/activity is one for which all of the following conditions must exist: 1) the subject property is located within the project area; however, the work identified is not within the construction project scope, 2) Access to subject property is not required in order to construct the project, 3) The access is to the grantor's benefit and not the benefit of the project, 4) Construction of the project can be completed without the need to condemn for subject access. Consult with your District Right of Way Coordinator(s) if you have any questions regarding use of a PTE & C, or its equivalent, versus a Temporary Construction Easement (TCE) for access/use of a grantor's property to accommodate construction work/activity.

Permit to Enter and Construct (PTE) for Environmental or Geological Studies

Written permission from a grantor via a Permit to Enter or equivalent document to must be obtained to allow access for the purpose of Environmental Studies or Geological Studies. Subject permit may be non-compensable or compensable, depending on resulting property impacts, if any. Please contact your District Right of Way Local Programs Liaison for any additional guidance, if needed.

Condemnation/Eminent Domain

Eminent Domain is the inherent power of government to acquire property for public use. The Fifth and Fourteenth Amendments to the U.S. Constitution and Article I of the California Constitution provide that such private property shall not be taken without just compensation. Condemnation is the legal proceeding by which the power of eminent domain is exercised. Public agencies may condemn private property provided that the governing body of the condemning agency (e.g., the Board of Supervisors or City Council) adopts a Resolution of Necessity at a public hearing. The owner(s) must be provided advance notice of the hearing. If the owner(s) believe that their property should not be required, they have the right to appear at the hearing and contest the adoption of the Resolution of Necessity. Great care must be taken in the exercise of the power of eminent domain. The process is discussed in detail in Chapter 9 of the [Caltrans Right of Way Manual](#).

Relocation Assistance

The Uniform Act also contains basic requirements when displacement occurs as a result of the transportation project. These requirements are found at 49 CFR 24 Subparts C, D and E. The relocation procedures are also discussed in detail in the [Caltrans Right of Way Manual](#), Chapter 10: Relocation Assistance. The purpose of the Uniform Act is to assure fair and equitable treatment of displaced persons, so that such persons do not suffer disproportionate injury from projects designed to benefit the public as a whole. It is important to understand that successful relocation is essential not only to those displaced but also to the progress of the entire highway project. While the local agency needs information about any displacement, which will occur because of the project, the displaced persons have an equal or greater need for information about the benefits, the eligibility requirements to obtain these benefits, and the appeal process in the events these benefits are denied. FHWA has prepared a broadly written brochure entitled Your Rights and Benefits as a Displaced Person. The brochure explains these matters and is intended to be used by relocation agents and at public hearings. Copies are available from the District R/W Local Programs Coordinator. In addition, FHWA has also prepared a more specific explanation of these benefits and the requirements to obtain them. This summary should minimize any disruption caused by the move and maximize the likelihood of a successful relocation. A copy of this summary is provided as [Exhibit 13-D: Uniform Relocation Act Benefits Summary](#).

General Requirements

The relocation agents and any private sector consultants should meet the selection criteria found in [Exhibit 13-C: Consultant Selection Criteria and Guide](#).

The relocation activities should be coordinated with both the appraisal and acquisition functions.

It is crucial to ensure that:

- Bids cannot be opened until the Certification 3 is upgraded to a Certification 2.

Special Certification No. 3 with a Work-Around (3W)

This special R/W Certification 3W may be used only in the most extraordinary circumstances. The local agency must show that there is a critical need to advertise and award the project and describe in detail the extraordinary circumstances. If federal funds are involved in any portion of the project, including construction, and if required by the current Stewardship and Oversight Agreement (SOA) or specific Project Oversight Agreement, approval of the work-around must be obtained from FHWA in advance of certifying the project for advertising. This certification will allow physical construction of a project to commence while occupants of businesses, farms, or nonprofit organizations remain within the R/W. All occupants of residences must have had replacement housing made available to them in accordance with the Uniform Act. The certification must be completed in a timely manner, with proper and complete documentation and justification. Should the local agency anticipate a need to certify the R/W for a project under this type of certification, the District R/W Coordinator should be contacted as soon as the circumstances are confirmed during the PS&E stage.

Time Requirements for Right of Way Certifications

Under ideal conditions, a Certification No.1 would be completed for each project at the PS&E stage. Because this is not always possible, the lower levels of certification allow projects to proceed within limitations while the remaining necessary rights are acquired. The local agency must transmit all certifications to the DLAE for all federal-aid projects along with the Request for Authorization. Certification No's. 1 and 2 are approved at the district level. Certification No's. 3 and 3W require headquarters acceptance and may require FHWA approval pursuant to the current Stewardship and Oversight Agreement or specific Project Oversight Agreement.

In those cases when a project advances to advertising with a Conditional Certification No. 3, an upgraded Certification No. 1 or No. 2 must be received by the DLAE a minimum of 15 working days prior to bid opening date. In rare cases where a Special Certification No. 3W is used, an Updated Special Certification No. 3W must be provided to the DLAE no later than 15 working days prior to bid opening. The certification 3W does not need to be raised to a Certification No. 1 or No. 2, but must be updated to provide any progress pertaining to the work-around parcel(s).

For a full discussion on R/W Certification and their usage, see Chapter 14: Project Certification and 17.08.06.00 of the [Caltrans Right of Way Manual](#).

13.11 EMERGENCY RELIEF PROJECT CERTIFICATION

Emergency Opening Phase

Emergencies require rapid response. An R/W Certification for Emergency Opening (EO) work is not required until after the roadway is opened. Upon FHWA approval of the Damage Assessment Form (DAF), actions to advertise, award and administer Emergency Relief (ER) projects may proceed without going through the usual R/W steps. [EO work performed outside existing local agency right of way is extremely rare. If right of way acquisition is required for EO work, immediately contact your District Right of Way Local Programs Liaison for guidance. See LAPG Chapter 11: Emergency Relief](#) for further discussion.

- Negotiations for utility relocation
- Relocation advisory assistance activities

The total participating costs should equal the Participating Costs to Date as shown on the Final Progress Payment Request (Form FM 1592A).

Final Vouchering

The last phase of a federal-aid participating project is the final vouchering and closing of the project. This step is very important. After the project has been completed, a final voucher must be prepared and submitted to the FHWA as an E-76 by the Division of Accounting. The final voucher is a segregated summary of the project's total costs and a determination of the final federal share. Caltrans Division of Accounting uses the local agency's Final Report as the basis for the final voucher. The Final Report of R/W Expenditures must follow the Detail Estimate submitted to the FHWA.

Record Retention

Local Agency-State Agreements provide for retention of records. Ordinarily, this is a three-year period after FHWA payment of the final voucher or a four-year period from the date of the final payment under the contract, whichever is longer.

Note: All documents and papers related to the project must carry the federal-aid project number for identification.

Federal Policies Specifically Related to the Reimbursement of Right of Way Costs

The R/W lines determine the eligibility of R/W acquisition costs. Generally, costs for parcels inside the R/W lines are eligible; those outside are ineligible. However, there are some exceptions to the general rule that must be dealt with on an individual basis (e.g., an improvement which needs to be removed would be eligible for reimbursement). The following are current federal policies that are to be used for claiming R/W costs for federal reimbursement.

Acquisitions

Federal participation in R/W costs requires prior authorization from FHWA. In order to obtain this authorization, it is necessary to identify the acquisition costs, and the phase for which authorization is being requested. Costs to be reimbursed with federal funds for eligible parcel acquisition reimbursement, initiation of acquisition (first written offer) cannot begin until the E-76 has been approved by FHWA. 23 CFR 710.203(a)(3) provides specific preliminary acquisition activities that can occur under the preliminary engineering phase.

The following describes the three basic parcel types as related to the proposed R/W line:

- A Core Parcel is one which is acquired in its entirety (full acquisition) whether or not the parcel lies entirely within the proposed R/W lines.
- An Excess Parcel is that portion of a property not within the R/W lines that is acquired, even though it is not needed for construction or maintenance of the highway facility. In some cases the acquisition costs for excess parcels may be eligible for reimbursement [see 23 CFR 710.203(b)7)].

Exhibit 13-B Right of Way Certification
LOCAL ASSISTANCE PROJECT (Off State Highway System)

Local Agency _____

NOTE: This form is intended for use on local assistance projects, off the State Highway System (SHS), where federal funds are used **and utility relocations, railroad involvement and/or** where Right of Way (R/W) or rights in real property **may be** required. This form could also be used when work required for local agency projects *is located primarily off the SHS but may also encroach onto the SHS. (Eliminate this paragraph before submitting document to your DLAE)*

Right of Way Certification No.t _____ Project ID: _____
(Insert 1, 2, or 3 for the type of Certification being made)

Project Location.t _____

General Project Description: _____

1. STATUS OF REQUIRED RIGHT OF WAY:

No acquisition of right of way is required. All proposed work is within existing right of way OR Right of Way (has been) (will be) acquired in accordance with applicable policy and procedure covering the acquisition of real property. Local Agency (has) (will have) legal and physical possession and right to enter on all lands as follows:

A. Total number of parcels required¹: _____

For items A 1-8 below and B on page 2, if total at time of completing certification is 0, enter 0 on the number line (or B line) and eliminate corresponding table/s.

1. Parcels acquired (escrow closed or Final Order of Condemnation recorded): _____

(To add table rows below, set cursor to right of last column in empty table set, then press enter, additional table rows will populate.)

Parcel Number	Owner	Project R/W Required ²	Excess (Yes or No)	Close of Escrow/Final Order of Condemnation Date

2. Parcels covered by Order for Possession: _____

Parcel Number	Owner	Project R/W Required ²	Effective Date of OP

3. Parcels covered by executed Right of Way Contract with Possession Clause: _____

Parcel Number	Owner	Project R/W Required ²	Effective Date	Date Funds Made Available to Owner/Deposited into Escrow ³

¹ Parcels listed in items A1-A7 on pages 1 and 2 should total the number shown on line 1A above.
² Items A1-A7: List as full acquisition, partial acquisition, fee, permanent easement (including type), temporary construction easement, etc. Detail should be added showing expiration dates of documents with fixed termination dates, i.e., temporary easements.
³ Funds must be deposited into an escrow account and be made available (able to withdraw), as legally permissible, to the grantor/s, as a condition of use of a possession clause in a Right of Way contact.

LAPM C.14 UTILITY RELOCATION

LAPM C.14 Utility Relocation

Section / Exhibit	Description of Changes
TOC	<ul style="list-style-type: none">• Replaced Exhibits 14-D and 14-J with LAPM 14-D and 14-D-REV respectively
Executive Summary	<ul style="list-style-type: none">• Edits incorporated into Chapter body rather than a separate document/link
14.3 Federal Reimbursement	<ul style="list-style-type: none">• OB 18-03 edits; replaced Exhibits 3-C & 3-E with LAPM 3-A
Exhibit 14-G	<ul style="list-style-type: none">• Changed “State” to “Local Agency” represents and warrants UA is not subject to BA provisions

Chapter 14 Utility Relocation

Contents

14.1 Introduction	1
14.2 Terms and Definitions.....	1
Utility Relocation Procedures	2
14.3 Federal Reimbursement.....	5
Anticipated Utility Relocation.....	5
Unanticipated Utility Relocation.....	8
Special Authorizations.....	8
14.4 Utility Facilities	9
14.5 Audit Requirements.....	10
14.6 References.....	10

Exhibits

Exhibits applicable to this chapter can be found at:

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

[Exhibit 14-A: Local Agency Submittal Requirements for Federal Participation in Utility Relocations](#)

[Exhibit 14-B: Local Agency Utility Agreement Provisions for Federal Participation](#)

[Exhibit 14-C: FHWA Specific Authorization/Approval of Utility Agreement](#)

[Exhibit 14-E: Report of Investigation](#)

[Exhibit 14-F: Utility Agreements](#)

[Exhibit 14-G: Utility Agreement Clauses](#)

[Exhibit 14-H: Stages of R/W Utilities through Stages of Project Development](#)

[Exhibit 14-I: Local Agency/Utility Owner Special Agreement](#)

[LAPM 14-D: Notice to Owner](#)

[LAPM 14-D-REV: Revised Notice to Owner](#)

EXECUTIVE SUMMARY

A. Introduction

After the environmental document (NEPA) has been approved by Caltrans or FHWA, the administering agency may request an RFA for R/W and/or Utility Relocations. Utility relocations are required on most transportation projects. A conflict exists when a utility must be relocated, adjusted, protected-in-place or abandoned as a direct result of the project. The draft (unsigned) utility package must be reviewed and approved by the District Utility Coordinator before it is furnished to the utility owner for execution.

Utility relocation work can happen before, concurrent with, or in rare circumstances after construction. The scope of work can be authorized in either the R/W phase (required if a third party utility owner is paid) or when the work is performed exclusively by the project contractor, as part of the construction phase. In some cases, the reimbursable expenditure must match the project's FTIP programming. If this work is to be authorized at the construction phase, certain guidelines and conditions must be met, please contact your DLAE for details.

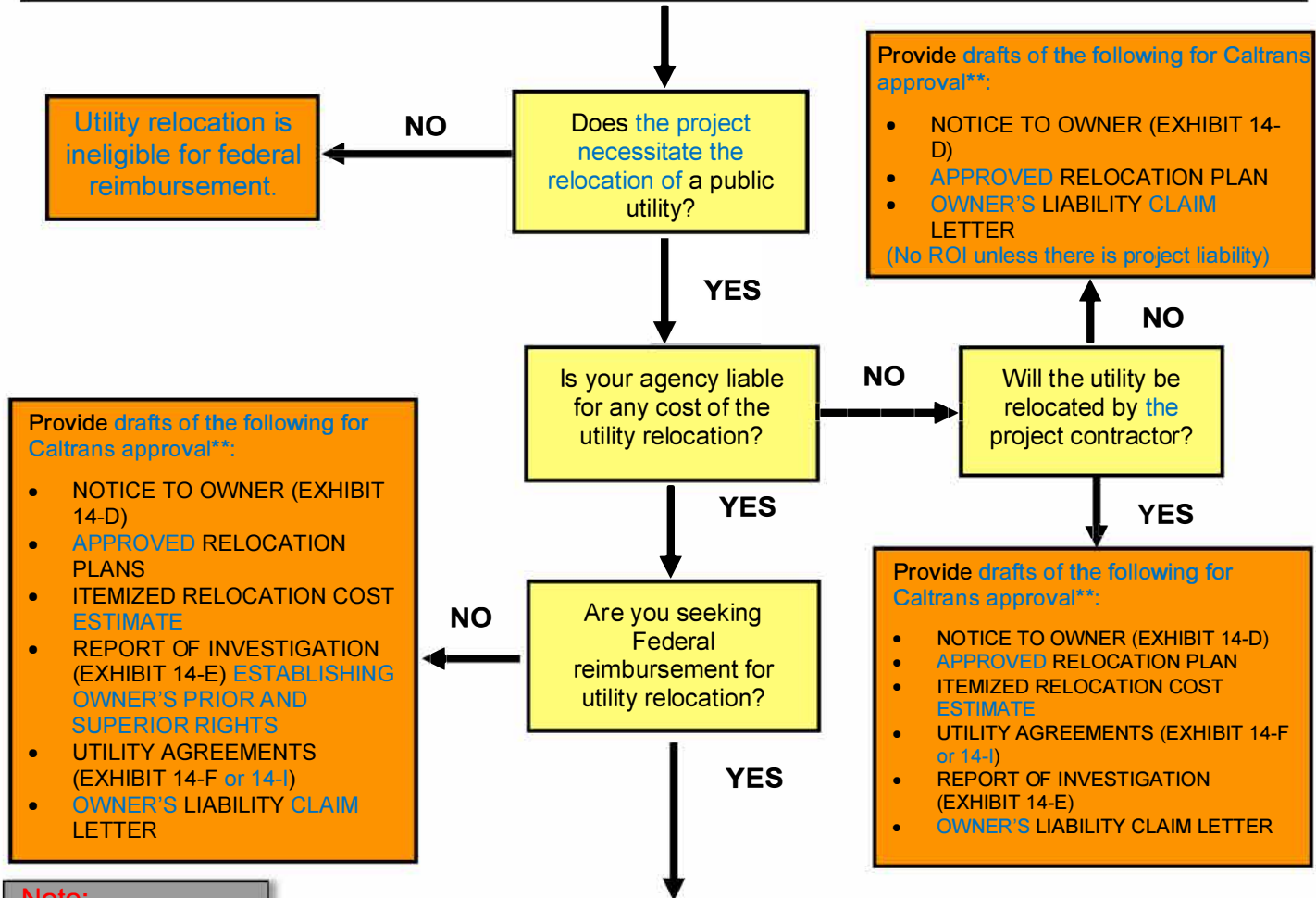
B. Purpose and Objective

A flowchart has been developed to assist Local Agencies successfully navigate the utility relocation process. This process must be used on all utility relocations that are performed at project expense or by the project contractor. This is the case even when no federal reimbursement is being sought for the relocation. Waiving federal reimbursement does not eliminate the need for compliance.

Although Caltrans is always available to provide guidance and support, it is the sole responsibility of the administering agency to understand and comply with federally mandated utility relocation requirements. More in-depth utility relocation guidance is outlined in the remainder of this Chapter.

Supporting documents to be furnished to Caltrans' District Utility Coordinator; required to secure a Right of Way Certification (Federal Aid Local Streets and Roads projects) *

* The District Utility Coordinator may require additional supporting documents if needed



Note:

- Exhibit 14-C is a dual form that contains both FHWA Specific Authorization and FHWA Approval of Utility Agreement.
- Exhibit 14-G Clauses cannot be changed without prior Caltrans approval.

Provide drafts of the following for Caltrans approval**:

- FHWA SPECIFIC AUTHORIZATION/APPROVAL OF UTILITY AGREEMENT (EXHIBIT 14-C)
- NOTICE TO OWNER (EXHIBIT 14-D)
- APPROVED RELOCATION PLANS
- ITEMIZED RELOCATION COST ESTIMATE
- REPORT OF INVESTIGATION (EXHIBIT 14-E) ESTABLISHING OWNER'S PRIOR AND SUPERIOR RIGHTS
- UTILITY AGREEMENTS (EXHIBIT 14-F or 14-I)
- OWNER'S LIABILITY CLAIM LETTER

** All submitted documents are in draft format except for the approved relocation plans

Figure 14-1: Utility Relocation Document Submission Process

14.3 FEDERAL REIMBURSEMENT

Federal regulations governing utility relocation are described extensively in 23 CFR, Part 645. Local agencies should be familiar with these regulations. The following procedures are based on the above-mentioned and other federal regulations, which must be followed when the local agency requests federal participation in a utility relocation:

Under the current federal transportation funding act and the FHWA Alternate Procedure process (23 CFR 645.119), E-76 utility relocation work has been delegated to Caltrans on Delegated projects for full review oversight requirements by FHWA (See [LAPM Chapter 2: Roles and Responsibilities](#)). Caltrans also has approval authority for Specific Authorization and Approval of the Utility Agreement.

The Utility Coordinator will send all submissions to the District Right of Way Utility Coordinator for review and approval.

The following items must be included in the request for review and approval by Caltrans:

1. Copy of draft and final Notice to Owner
2. Draft and final fully executed Utility Agreement
3. Draft and final approved owner's conflict resolution plan showing the necessary relocations
4. The completed Report of Investigation and any supporting documents
5. An itemized estimate of the local agency's relocation costs

Such review typically takes three weeks. Submission must be sent in advance of the proposed Right of Way Certification date. The DLAE is not responsible for delays due to an incomplete or erroneous relocation package. All documents must be approved by Caltrans.

Note: If federal funds are not participating in utility relocation then items 1 through 5 above **still apply**. However, neither [Exhibit 14-C: FHWA Specific Authorization/Approval of Utility Agreement](#) nor an E-76 is needed for said utility relocation, since the local agency is not seeking federal reimbursement.

Anticipated Utility Relocation

To apply and qualify for federal reimbursement, the following steps must be followed:

Authorization to Proceed (E-76)

Prior to the start of any physical utility relocation work, the local agency must complete [LAPM 3-A: Project Authorization/Adjustment Request](#) where all anticipated utility facilities requiring relocation will be listed with an estimated cost to relocate each facility.

The E-76 request must be submitted to the DLAE, who will forward the request to the District Right of Way Utility Coordinator for review and comment. The E-76 request form will then be processed by the DLAE.

Specific Authorization to Relocate Utilities

In addition to [LAPM 3-A: Project Authorization/Adjustment Request](#), and prior to commencement of any physical relocation, the local agency must also request and receive [Exhibit 14-C: FHWA Specific Authorization/Approval of Utility Agreement](#) form (for each utility

relocation). Form 14-C must also be attached to the R/W certification whether the utility relocation happens before or during construction or if done by the utility owner/utility owner's contractor or the local agency's highway contractor. Either the utility owner or the construction contractor may perform all or portions of the utility facility relocation for which Specific Authorization approval is requested.

Note: [Exhibit 14-C](#) is a dual form, containing both the FHWA Specific Authorization to Relocate Utilities and FHWA Approval of Utility Agreement.

1. Work by Utility Owner or Owner's Contractor

If the relocations are to be performed by the utility owner and federal participation is requested, [Exhibit 7-B: Field Review Form](#) should include the item with sufficient detail to allow programming of the work in the R/W phase for approval by FHWA under a Utility Agreement.

Note: Prevailing Wages are required for any work performed by Owner's contractor (Labor Code Section 1720).

2. Work by Local Agency's Highway Contractor

If the relocations are to be performed during the construction phase by the local agency's highway contractor, the work should be included in the Plans, Specifications and Estimate. The local agency must also add the following statement to the Remarks section of [Exhibit 14-C](#):

"The proposed adjustment of utility facilities to be performed by the local agency's highway contractor is approved. Payment for the utility adjustment will be vouchered through the construction phase. Therefore, the authorization date for this work will be the date that the FHWA approves the construction project."

The local agency must attach a copy of the approved Specific Authorization to the R/W Certification submittal. Utility relocation costs may be included in the highway contract as a bid item, as supplemental work, or as a contract change order, and financed from funds in the construction work authorization.

In the event a major change in scope of work and/or relocation cost is found to be necessary, a revised Specific Authorization to Relocate Utilities must be immediately submitted for authorization prior to the new work being commenced.

Any minor change that does not include changes in scope of the work, addition or deletion of the proposed conflict resolution plan, may be submitted in a letter to Caltrans describing the change including revised maps and estimate, and requesting that the change be included under the original authorization.

Approval of Utility Agreement

The local agency must submit each executed Utility Agreement and a request for FHWA approval of the Utility Agreement to the DLAE for processing. This approval authority has been delegated to the Caltrans Division of Right of Way and Land Surveys by FHWA. Such review and approval typically takes three weeks if the local agency used the pre-approved utility clause from [Exhibit 14-G: Utility Agreement Clause](#). For local agency owned utilities, the appropriate agreement and clauses for the local agency to use are found in [Exhibit 14-I: Local Agency/Utility Owner Special Agreement](#).

V-11b. Vendor/Manufacturer Certification Method:

“Owner understands and acknowledges that this project is subject to the requirements of the BA law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance and will demonstrate BA compliance by collecting written certification(s) from the vendor(s) or by collecting written certification(s) from the manufacturer(s) (the mill test report (MTR)).”

“All documents obtained to demonstrate BA compliance will be held by the OWNER for a period of three (3) years from the date the final payment was received by the OWNER and will be made available to STATE or FHWA upon request.”

“One set of copies of all documents obtained to demonstrate BA compliance will be attached to, and submitted with, the final invoice.”

“This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department’s guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.”

V-12. Utility Agreement not subject to BA:

“LOCAL AGENCY represents and warrants that this Utility Agreement is not subject to 23 CFR 635.410, the BA provisions.”

V-13. De Minimis:

“It is understood that said right of way is a Federal aid highway and, accordingly, 23 CFR 645 and 23 U.S.C. 313, as applicable, is hereby incorporated into this Agreement by reference. However, OWNER represents and warrants that the non-domestic iron and steel materials used on this relocation do not exceed one-tenth of one percent (<0.1%) of this Utility Agreement amount, or \$2,500, whichever is greater.”

NOTE:

- i. **The De Minimis equation is calculated according to the following formula:**

Combined Cost of Only those Materials that are Subject to Buy America and are Non-Compliant (limited to the individual UA)

Total Utility Relocation Cost (cited in the individual UA)

- ii. **Applies only to non-domestic iron and steel materials used in this relocation.**

V-14a. Acknowledgments:

“If, in connection with OWNER’s performance of the Work hereunder, LOCAL AGENCY provides to OWNER any materials that are subject to the Buy America Rule, LOCAL AGENCY acknowledges and agrees that LOCAL AGENCY shall be solely responsible for satisfying any and all requirements relative to the Buy America Rule concerning the materials thus provided (including, but not limited to, ensuring and certifying that said materials comply with the requirements of the Buy America Rule).”

LAPM C.15 ADVERTISE & AWARD PROJECT

LAPM C.15 Advertise & Award Project

Section / Exhibit	Description of Changes
<p>15t1 Introduction</p>	<ul style="list-style-type: none"> Added clarification statement about when this step can start
<p>15t2 Definition of Terms/ Acronyms</p>	<ul style="list-style-type: none"> Clarifications added to definitions for CE, Contingencies, Local Agency-State Agreement, NHS, Prequalification, Report of Expenditures, Responsible Charge OB 18-03: replaced Exhibit 3-O with LAPM 3-A
<p>15t4 Project Advertisement</p>	<ul style="list-style-type: none"> Clarification added to prequalification of contractors OB 18-03: removed Exhibit 12-C reference
<p>15t5 Contract Bid Opening</p>	<ul style="list-style-type: none"> Clarifications added for Requirements
<p>15t6 Contract Award</p>	<ul style="list-style-type: none"> CFR references added for Termination of Contracts
<p>15t7 Award Package</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 3-O with LAPM 3-A
<p>Exhibit 15tA</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 3-O with LAPM 3-A
<p>Exhibit 15tH</p>	<ul style="list-style-type: none"> OB 19-03: added Cost Proposal Due Date
<p>Exhibit 15tM</p>	<ul style="list-style-type: none"> Reformatted Cost table to better reflect subtotals vs totals Reduced number of copies from 4 to 1

This chapter covers the activities beginning with advertising of a construction contract and continuing through the bid opening, award, and detail estimate procedures. It has been prepared mainly as a guide for administration of federal-aid contracts by local agencies. Each local agency Resident Engineer (RE) should be familiar with the contents of this chapter, [LAPM Chapter 16: Administer Construction Contract](#), and [LAPM Chapter 17: Project Completion](#) before administering such contracts.

This step can only start once the Environmental, Design, and Right of Way work for the Federal-aid project is complete and the local agency is ready to hire a contractor.

15.2 DEFINITIONS OF TERMS/ACRONYMS

Bid Rigging – A conspiracy to disrupt or circumvent the competitive environment by establishing a competitive advantage for certain bidders.

CE – Construction Engineering. This phase includes the work of project advertising¹ through construction, preparation of as-built plans, final estimates, and payments. It includes all of the post-award activities necessary for the contracting agency to inspect, manage, and oversee the construction of a federal-aid construction project. This phase must be authorized prior to advertising, and CE must be separately identified in this authorization.

Contingencies – An amount of funds usually a small percentage of the detail estimate, set aside for unforeseen items or quantities of work not specified in the contract documents, but required to complete the project. The percentage used for contingencies varies depending on the type and scope of work. Usually ten percent but may be exceeded (with justification) if there is a large amount of supplemental, but contingencies should always be at least five percent.

Contract Administration – Includes advertising, opening bids, award, and execution of the contract; control of work and material; and making payments to the contractor.

Contractor – The person or persons, firm, partnership, corporation, or combination thereof, who have entered into a contract with the administering agency, as party or parties of the second part of his/her or their legal representatives.

DBE – Disadvantaged Business Enterprise. A for-profit small business concern that is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals. One or more such individuals must also control the management and daily business operations. These individuals must be citizens (or lawfully admitted permanent residents) of the United States and (1) any individual who a federal-aid recipient finds to be a socially and economically disadvantaged individual per 49 CFR 26 on a case-by-case basis, or (2) who are either Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans (persons whose origin are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal or Sri Lanka), Women, or any other group found to be socially and economically disadvantaged as determined by the Small Business Administration (see 49 CFR, Part 26).

E-76 – Federal-aid Program Document titled: Authorization to Proceed Form

EA – Expenditure Authorization number

¹ CE can include the cost of advertising and award preparation, but only after the phase has been authorized.

Finance Letter – A document required by Local Program Accounting (see [LAPM 3-A: Project Authorization/Adjustment Request](#)) and submitted by the administering agency to Caltrans with information required as backup for the federal-aid/state project agreement.

Invoice – A detailed list of expenditures that an administering agency requests reimbursement for with federal funds, pursuant to the Local Agency-State Agreement (see [LAPM Chapter 5: Invoicing, Exhibit 5-B: Sample Federal-Aid Invoice with Two Appropriations & Different Reimbursement Rates \(Except for STIP and ATP Projects\)](#)).

Local Agency+State Agreement – Agreement between the State and local agency (see [LAPM Chapter 4: Agreements for more detail](#)). Generally refers to the Master Agreement and all supplemental agreements (Program Supplements) to the Master Agreements. These agreements are required for the State to provide reimbursement to the local agency for all federal-aid projects.

Locode – Numeric identifier for each local agency or administering agency (assigned by the Division of Local Assistance).

NHS – National Highway System, a specially Designated Highway System established by the Intermodal Surface Transportation and Efficiency Act of 1991 and adopted by the United States Congress. “Enhanced NHS” refers to the roads expanded or enhanced by MAP21; Section 1104 of MAP21 added to the NHS those roads that were at the time functionally classified as principal arterials, but not yet part of the NHS.

Office Engineer – Chief of the Headquarters or District Office of Office Engineer. The office engineering unit is responsible for insuring that the PS&E is complete, biddable and buildable.

PE – Preliminary Engineering, this phase includes all project initiation and development activities undertaken after its inclusion in the approved FSTIP through the completion of PS&E. It may include preliminary Right of Way engineering and investigations necessary to complete the NEPA document.

Prequalification – The AASHTO defines prequalification as a means of predetermining job experience and work capacity and to identify individuals and organizations from which the agency may accept a bid. The AASHTO also has encouraged the use of prequalification procedures in its 1981 Suggested Guidelines for Strengthening Bidding and Contract Procedures. [Prequalification should not be used to restrict or discourage other responsible bidders from submitting bid. Ref: Federal-aid essentials: <https://www.fhwa.dot.gov/federal-aidessentials/>](#).

R/W – Right of Way, this phase includes the work necessary to appraise and acquire project right of way, relocate individuals or businesses, and revise or relocate utilities.

Report of Expenditures – Collectively refers to the following report documents but not limited to: [Final Inspection of Federal-Aid Project \(FHWA Form 1446C\)](#), [Federal-Aid Final Invoice](#), [Change Order Summary](#), [Final-Report Utilization Disadvantage Business Enterprise \(DBE\) and First-Tier Subcontractors](#), [Materials Certificate](#). See [LAPM Chapter 17: Project Completion](#).

Resident Engineer – A qualified engineer who is empowered to administer the construction contract. Pursuant to California professional engineering licensing requirements, the resident engineer may be unlicensed provided their work is performed under the review of a licensed engineer.

Responsible Charge – A full time, public employee of the [local agency](#) qualified to ensure that the work delivered under contract is complete, accurate, and consistent with the terms,

conditions, and specifications of the contract shall be in responsible charge of each contract or project. [The regulation is silent about engineering credentials. Thus, the person in "responsible charge" of local agency administered projects need not be an engineer. This requirement applies even when consultants are providing construction engineering services. Ref: 8-4-2011 FHWA Memo Responsible Charge.](#)

Supplemental Work – Work that is anticipated but because of its uncertainty, cannot be included as a contract item e.g., additional staking, utility work, etc. If supplemental work is determined to be needed, a change order is required to include it in the contract. This work should normally be part of the contingencies.

Surety – A security against loss or damage or for the fulfillment of contract obligation, bond.

15.3 APPROVAL FOR LOCAL AGENCY TO ADMINISTER PROJECTS

Significant NHS Projects

Caltrans must approve the local agency's construction administration procedures before a local agency can advertise the construction of a federally financed significant NHS project (see [LAPM Chapter 7: Field Review](#) for the determination by the DLAE of which NHS projects will be considered significant). The procedures should be discussed in general at the field review and detailed written procedures shall be approved by the DLAE before the local agency will be allowed to administer any construction contracts for the project. Additionally, a local agency shall not advertise the project until it has received in writing an Authorization to Proceed with construction from Caltrans (see [LAPM Chapter 3: Project Authorization](#)).

The written construction administration procedures should cover the following items:

- Construction Management personnel and procedures
- Consultant use and selection
- Employee in Responsible Charge
- Project advertisement, bid opening and award procedures
- Pre-Construction Procedures
- Subcontracting
- Traffic Safety procedures
- Materials Testing
- Change order review and approval procedures
- Oversight procedures if a State highway is involved
- Maintenance of records and Access
- Estimates and Progress Payment

The DLAE will consult with Headquarters DLA for assistance with the review and approval of the local agency procedures.

All Other Projects

Approval by Caltrans of the local agency's construction administration procedures will not be required for all other projects. However, each agency that administers a federal-aid construction

project will be required to complete [Exhibit 15-A: Local Agency Construction Contract Administration Checklist](#) before their Request for Authorization to Proceed with Construction will be approved. A local agency shall not advertise a project until it has received in writing an Authorization to Proceed with construction from Caltrans (see [LAPM Chapter 3: Project Authorization](#)).

15.4 PROJECT ADVERTISEMENT

Introduction

One of the most basic tenets of Federal aid contracting is that construction contracts are to be awarded competitively to the contractor which submits the lowest responsive bid. Project advertisement is the process used in soliciting such competitive bids from contractors.

This federal mandate is set forth in 23 U.S.C. 112 and reinforced by 23 CFR 635.114(a) which requires:

Federal-aid contracts shall be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting the criteria of responsibility as may have been established by the SHA.

These principles are the basis for Federal assistance to the state highway construction programs.

On locally administered projects, the construction engineering is performed by local agency personnel, unless arrangements are made to hire a consultant. If a consultant is used, the local agency must still designate an employee of the agency as the person in responsible charge of the project.

Construction engineering for locally administered projects shall be performed in accordance with the requirements found in [LAPM Chapter 16: Administer Construction Contract](#) of this manual.

Each local agency and all of its contractors, subcontractors, and vendors shall take all reasonable steps to assure that DBEs have equitable opportunity to compete for and perform contracts (see [LAPM Chapter 9: Civil Rights and Disadvantaged Business Enterprises](#)).

Warning: No project shall be advertised for bids, nor shall any project work (by contract or other than contract) be undertaken, and no materials shall be purchased on any federal-aid project, prior to issuance of Authorization to Proceed by FHWA. Violation of this requirement shall result in the project being ineligible for federal funding.

Only one exception to this requirement can be made. It is for emergency relief projects involving emergency repair/opening of a facility. For more information on emergency relief projects see the [Local Assistance Program Guidelines \(LAPG\) Chapter 11: Emergency Relief](#).

Advertising costs shall be charged to the preliminary engineering work authorization if such authorization has been requested and has been established for the purpose of federal reimbursement.

Prequalification of Contractors

The Federal Highway Administration (FHWA) permits the use of a prequalified list of Prime Contractors developed by the local agency, in accordance with 23 CFR, Section 635.110(a), Licensing and Qualifications of Contractors. The use of a prequalification list and process is

optional and not required. [Prequalification should not be used to restrict competition or discourage otherwise responsible bidders from submitting a bid.](#)

If a local agency wishes to utilize such a prequalification process on Federal-Aid projects, advance approval must be granted by the FHWA Division Administrator (California Division) for use on Federal-Aid projects. As such, the local agency would submit a package to their District Local Assistance Engineer that would include an overview of their proposed process with timelines, the typical Responsibility Statement and Questionnaire that prospective Contractors would be submitting, and the criteria by which prospective Contractors would be evaluated for inclusion on the prequalified list.

Per 23 CFR 635.110(b), no procedure or requirement for bonding, insurance, prequalification, qualification, or licensing of contractors shall be approved which, in the judgment of the Division Administrator, may operate to restrict competition, to prevent submission of a bid by, or to prohibit the consideration of a bid submitted by any responsible contractor, whether resident or nonresident of the State or locally designated area wherein the work is to be performed.

It is particularly important that if a prequalification process is used on a given project, enough time is allowed between the initial advertising and the bid opening to allow a prospective bidder a reasonable opportunity to attain their prequalification (if not already prequalified).

Nationwide, the use of a contractor prequalification process typically consists of one of two basic methods:

- Contractors are prequalified on a project by project basis. In such a case, local agencies may set their own threshold for when (which projects) the prequalification process is used – for example a project over a certain dollar amount, or for a project that is particularly time sensitive, etc.
- Contractors are prequalified on a programmatic basis, in which a prospective Contractor may apply to become prequalified for a finite time period – usually one or two years – with provisions for renewal (of that prequalification) before or after that time period has elapsed. Once prequalified, such Contractors would be eligible to bid on any project for that local agency during that active period in which they are deemed prequalified.

The administration of a project specific (Item 1 above) Contractor prequalification process is eligible for Federal participation, as long as it can be directly attributed to a specific federal project or projects for which the prequalification process will be utilized. This work would be invoiced against either the Preliminary Engineering (PE) phase, or if occurring on a specific project after the Federal authorization (E-76) is received for Construction/Construction Engineering, the Construction Engineering (CE) phase of work. Local agencies should consult with their District Local Assistance Engineer staff regarding federal participation for contractor pre-qualification.

For further information and discussion on prequalification of bidders, see the AASHTO publication on Suggested Guidelines for Strengthening Bidding and Contract Procedures (which is also available in the FHWA Contract Administration Core Curriculum).

Procedures

Prior to project advertisement, the administering agency shall certify that their final PS&E package complies with all applicable federal and state regulations and procedures. Local agencies should also complete and retain the [Exhibit 15-C: Local Agency Project Advertising](#)

[Checklist](#) in the project files prior to requesting an Authorization to Proceed. All administering agencies must submit a completed Request for Authorization with the PS&E Certification before they can receive verification that construction has been authorized by Caltrans.

Upon receipt of Authorization to Proceed for construction [from](#) Caltrans, the local agency can proceed to advertise the project.

During the advertising period, the administering agency shall notify all prospective bidders of PS&E addenda in the same manner as all other nonfederal-aid projects. For award of federal-aid contracts, the local agency is required to certify that all bidders certify receipt of all addenda. The administering agency shall ensure free and open competition. The advertisement period is determined by the administering agency. A minimum advertisement period of three weeks is required for all federal-aid projects. Caltrans District Local Assistance Engineer may approve shorter periods in special cases where justified with a local agency's [Exhibit 12-F: Cost – Effectiveness/Public Interest Finding](#). The advertising period begins with publication of a Notice to Contractors in a newspaper receiving wide local circulation. The Notice shall identify the DBE goal. The administering agency is responsible to approve and issue all addenda to the PS&E during the advertising period.

The local agency shall assure that all updated estimates are fundable from available local or federal resources.

As soon as the project is advertised, the local agency shall furnish the DLAE with one copy of the as advertised plans and special provisions or two copies if structures (bridges) are involved.

15.5 CONTRACT BID OPENING

Introduction

The contract bid opening is a public forum for the announcement of all bids, and is that point in time where the bids are opened and read aloud. It is also the last moment that bids can be accepted. No bids can be accepted during or after bids are opened. Normally the advertisement/bid documents will state a final time in which bids can be accepted. For the bidder, the reading of the bids confirms whether his bid is successful. For the local agency and the general public, this forum establishes the cost to build the project. The bid opening requirements as outlined below apply to all federal-aid highway construction projects.

Requirements

FHWA policy requires all bids to be opened publicly and read aloud either item-by-item or by total amount. If a bid is not read, the bidder is to be identified and the reason for not reading the bid announced.

Reasons for not reading a bid include the bid itself being nonresponsive, often called irregular or the bidder is determined to be unreliable. Responsive bid and responsible bidder are defined as:

A Responsive bid is one that meets all the requirements of the advertisement and proposal [meaning all bid-related paperwork or electronic forms are completed and signed](#). A Responsible bidder is one who is physically organized and equipped with the financial ability to undertake and complete the contract. [A responsible bidder is also one that is not suspended or debarred, or whose business ethics have not been otherwise determined to be inadequate](#).

Among the reasons a bid may be considered non-responsive and be precluded from reading are:

- Failure to sign the bid, **not signing the bid in ink or not supplying a valid electronic signature where electronic bidding is used.**
- Failure to furnish the required bid bond
- Failure to include a unit bid price for each item
- Failure to include a total amount for the bid
- Failure to prepare the bid in ink
- Failure to submit a completed addenda certification statement
- Failure to submit a non-collusion affidavit
- Failure to commit to the achievement of the DBE contract goals or demonstrate good faith efforts to do so
- Inclusion of conditions or qualifications not provided for in the specifications
- Submission of a **materially and mathematically** unbalanced bid
- **Not meeting specified prequalification, or bonding and insurance requirements**

The above examples do not include all possible bidding irregularities. The local agency's standard specifications govern regarding what constitutes a bidding irregularity. Accordingly, the local agency's bidding documents should clearly identify those requirements with which the bidder must comply to make the bid responsive.

Just as the bid may be rejected for being irregular or unresponsive, a bid may also be rejected on the grounds that the bidder is not a responsible bidder. A bidder may be deemed not responsible because of past unsatisfactory performance, as evidenced by failure to meet the local agency's qualification requirements, or because of State or federal suspension/debarment action. The administering agency should check to see if a contractor is suspended or debarred from federal contracts. A publication titled, A Listing of Parties Excluded from Federal Procurement and Nonprocurement Programs is available electronically in the internet at: www.sam.gov.

Note: Contractor's Debarment and Suspension Certification is part of [Exhibit 12-H: Sample Bid](#).

In summary, a successful bid opening should identify the responsible bidder submitting the lowest responsive bid.

Procedures

The administering agency shall follow its own procedures for bid opening, provided such procedures include:

- As bids are received, they shall be logged in and stamped with the time and date.
- The bids shall be retained in a secure place until the designated time and place for public opening.
- All bids received in accordance with the terms of the advertisement shall be publicly opened and announced either item by item or by total amount.
- If any bid received is not read aloud, the name of the bidder and the reason for not reading the bid aloud shall be publicly announced at the bid opening.

Award Procedures

Unless it is a Project of Division Interest, the administering agency shall follow its normal procedures for award of the project and is delegated the authority to determine the lowest responsive/responsible bidder without concurrence to award by Caltrans or the FHWA. Written justification shall be included in the project file for all projects that are not awarded to the lowest bidder. The administering agency shall follow its normal procedures for award of the contract and assure that all federal requirements are followed. A bid analysis is not a requirement but is recommended. The administering agency shall retain the executed contract, document the award date, and the Preconstruction conference minutes. The State shall not participate in resolving disputes between the administering agency and its bidders.

It is the responsibility of the administering agency to verify with the DLAE and RTPA/ MPO that the appropriate amount of federal funds is authorized before the project is awarded. Once awarded, notify the DLAE the 'Notice to Proceed' has been given.

Post-Award Reviews

The administering agency should conduct post-award bid evaluations to assure against bid rigging. An adequate number of projects awarded over a sufficient time period should be evaluated. A period of approximately 5 years should be selected for an initial evaluation to determine if any abnormal competitive bid patterns exist. The following information should be considered in a post-award review for abnormal bid patterns:

- Number of contract awards to a specific firm
- Project bid tabulations
- Firms that submitted a bid and later become a subcontractor on the same project
- Rotation of firms being the successful bidder
- Consistent percentage differential in the bids
- Consistent percentage of the available work in a geographic area to one firm or to several firms over a period of time
- Consistent percentage differential between the successful bid and the engineer's estimate
- Location of the successful bidder's plant versus location of the other bidders' plants
- Variations in unit bid prices submitted by a bidder on different projects in the same bid opening
- Type of work involved
- Number of plans and proposal taken out versus the number of bids submitted
- Any other items that indicate noncompetitive bidding
- On re-advertised projects, if the eventual successful bidder was also low bidder on the first letting

Termination of Contracts

- a. All NHS contracts exceeding \$10,000 shall contain suitable provisions for termination by the administering agency, including the manner by which the termination will be affected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the

- contract may be terminated because of circumstances beyond the control of the contractor. [References: 2 CFR 200 Subpart D and Appendix II; 23 CFR 635.125; 49 CFR 18](#)
- b. Prior to termination of a federal-aid contract that is subject to FHWA Full Oversight, the administering agency shall consult with and receive the concurrence of the Caltrans DLAE. In addition, for all other federal-aid contracts the administering agency shall notify the DLAE of the termination. The extent of federal-aid participation in contract termination costs, including final settlement, depends on the merits of the individual case. However, under no circumstances shall federal funds participate in anticipated profit for work not performed.
 - c. Except as provided for in paragraph (e) of this section, normal local agency federal-aid plans, specifications, estimates, advertising, and award procedures are to be followed when an administering agency awards the contract for completion of a terminated federal-aid contract.
 - d. When an administering agency awards the contract for completion of a federal-aid contract previously terminated for default, the construction amount eligible for federal participation on the project should not exceed whichever amount is the lesser, either:
 1. The amount representing the payments made under the original contract plus payments made under the new contract, or
 2. The amount representing what the cost would have been if the construction had been completed as contemplated by the plans and specifications under the original contract.
 - e. If the surety awards a contract for completion of a defaulted federal-aid contract, or completes it by some other acceptable means, the FHWA considers the terms of the original contract in effect and that the work be completed in accordance with the approved plans and specifications included therein. No further FHWA approval or concurrence action is therefore needed in connection with any defaulted federal-aid contract awarded by a surety. Under this procedure, the construction amount eligible for federal participation on the project should not exceed the amount representing what the cost would have been, if the construction had been completed as contemplated by the plans and specifications under the original contract.

15.7 AWARD PACKAGE

Prior to submitting the first invoice for the construction phase, and within sixty (60) days of contract award, the administering agency must forward the following information as one package to the DLAE:

- [Exhibit 15-B: Resident Engineer's Construction Contract Administration Checklist](#)
- [Exhibit 15-G: Construction Contract DBE Commitment](#)
- [Exhibit 15-L: Local Agency Contract Award Checklist](#)
- [Exhibit 15-M: Detail Estimate](#) (based on award) or [LAPM 3-A: Project Authorization/Adjustment Request](#)

The DLAE will review the documents for completeness and accuracy. In addition, the DLAE will provide the project's construction contract award date and [Exhibit 15-B](#) to the Construction Oversight Engineer (COE).

The administering agency's Resident Engineer assigned to the project must complete and sign the [Exhibit 15-B](#). The purpose of this checklist is to assure that the Resident Engineer is familiar

with the federal requirements before the construction begins. Deficiencies in contract administration procedures that cannot be corrected may result in withdrawal of federal and/or state funds from the project. If the Resident Engineer is a consultant, the Local Agency Employee in Responsible Charge shall sign the [Exhibit 15-B](#), [Exhibit 15-M](#) or [LAPM 3-A](#) must be prepared outlining all project costs by Improvement Type Code. If the award amount is more, or significantly less than the amount estimated at the time of construction authorization, the Award Package submitted to the DLAE will be used to update the project agreements. The Authorization to Proceed (E-76) and state-issued Finance Letter will be revised to reflect updated project costs. If additional federal funds for the project's construction phase is needed, the administering agency must submit written approval from the MPO/RTPA (for STBG, CMAQ, etc.) or pertinent DLA Office (for HSIP, HBP, ATP etc.) as part of the Award Package.

Note: Per 23 CFR 630.106 (f)(2), the Federal pro rata or lump sum share may be adjusted before or shortly after contract award to reflect any substantive change in the bids received as compared to the administering agency's estimated cost of the project (Preliminary Cost Estimate) at the time of construction authorization, provided that federal funds are available. FHWA has interpreted the term 'shortly after contract award' to be no more than 90 calendar days after the contract award date.

For future invoices involving the construction phase, the administering agency must maintain the Federal pro rata share as originally authorized for the construction phase, if not adjusted at award.

15.8 REFERENCES

23 CFR 630 Subpart C

<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr;sid=034a96d52b105f9eb4cbb41d07e23792;rgn=div5;view=text;node=23%3A1.0.1.7.21;idno=23;cc=ecfr>

23 CFR 635

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title23/23cfr635_main_02.tpl

23 CFR Part 40

https://www.transportation.gov/sites/dot.dev/files/docs/PART40_2012.pdf

23 USC 112

<https://www.govinfo.gov/app/details/USCODE-2011-title23/USCODE-2011-title23-chap1-sec112>

23 USC 114(a)

<https://www.fhwa.dot.gov/map21/docs/title23usc.pdf>

49 CFR 26

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl

California Public Contract Code, Chapter 6, Section 6100

<http://www.search-california-law.com/research/ca/PCC/6100./Cal-Pub-Cont-Code-Section-6100/text.html>

California Public Contract Code Section 7106

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=7106

EXHIBIT 15-A LOCAL AGENCY CONSTRUCTION CONTRACT ADMINISTRATION CHECKLIST

Local Agency _____

I ADVERTISE AND AWARD PROJECT**A. Project Advertisement**

- Projects are not advertised until the Authorization to Proceed (E-76) for the construction phase has been approved by Caltrans and FHWA.
- For all Federal-aid projects, a minimum of three weeks for project advertisement is required (15.4 "Project Advertisement").

B. Contract Bid Opening

- All bids are opened publicly and read aloud either item-by-item, or by total amount. If a bid is not read, the bidder is to be identified and the reason for not reading the bid announced (15.5 "Contract Bid Opening")

The following documents will be completed and retained in the project files.

- For federal-aid projects, a list of bidders and total amount bid with an item-by-item breakdown (Exhibit 15-D, "Sample Bid Tabulation Summary Sheet") of the three lowest bidders.
- Bidders' list to be compiled from prime and subcontractors bidding or quoting on contract.
- If a DBE goal is specified, the original of the Local Agency Bidder DBE Commitment (Construction Contracts) (Exhibit 15-G).
- EEO Certification, The Non-Collusion Affidavit (LAPM), Non-Lobbying Certification , Disclosure of Lobbying Activities (see LAPM Exhibit 12-H- Sample Bid)
- Local Agency Bid Opening Checklist (Exhibit 15-I)

C. Contract Award

- Contracts are awarded on the basis of the lowest responsive bid from a responsible bidder (15.6 "Contract Award").
- For all NHS projects, a bid analysis will be performed (15.6 "Contract Award").
- No negotiations with contractor occurred prior to award (not allowed).

The following documents will be forwarded to the Caltrans District Local Assistance Engineer immediately after award of the contract

- Contract Award Checklist (Exhibit 15-L)
- Detail Estimate (Exhibit 15-M)
- One copy of the Local Agency Bidder DBE Commitment (Construction Contracts) (Exhibit 15-G)
- [LAPM 3-A: Project Authorization/Adjustment Request](#)
- Resident Engineer Construction Administration Checklist (Exhibit 15-B)

D. Subcontracting

- For all federal-aid transportation projects, at least 30% of the contract work is to be performed by the prime contractor (see Chapter 16, Section 16.6 "Subcontractors")

Local agency's person in "Responsible Charge"

Date

Distribution: (1) Original Local Agency Project File
(2) One copy - DLAE

EXHIBIT 15H: PROPOSER/CONTRACTOR GOOD FAITH EFFORTS

Cost Proposal Due Date _____ PE/CE

Federal-aid Project No(s). _____ Bid Opening Date _____ CON

The _____ (Agency Name) _____ established a Disadvantaged Business Enterprise (DBE) goal of _____% for this contract. The information provided herein shows the required good faith efforts to meet or exceed the DBE contract goal.

Proposers or bidders submit the following information to document their good faith efforts within five (5) business days from cost proposal due date or bid opening. Proposers and bidders are recommended to submit the following information even if the Exhibit 10-O1: Consultant Proposal DBE Commitments or Exhibit 15-G: Construction Contract DBE Commitment indicate that the proposer or bidder has met the DBE goal. This form protects the proposer’s or bidder’s eligibility for award of the contract if the administering agency determines that the bidder failed to meet the goal for various reasons, e.g., a DBE firm was not certified at bid opening, or the bidder made a mathematical error.

The following items are listed in the Section entitled “Submission of DBE Commitment” of the Special Provisions, **please attach additional sheets as needed:**

- A. The names and dates of each publication in which a request for DBE participation for this project was placed by the bidder (please attach copies of advertisements or proofs of publication):

Publications	Dates of Advertisement

- B. The names and dates of written notices sent to certified DBEs soliciting bids for this project and the dates and methods used for following up initial solicitations to determine with certainty whether the DBEs were interested (please attach copies of solicitations, telephone records, fax confirmations, etc.):

Names of DBEs Solicited	Date of Initial Solicitation	Follow Up Methods and Dates

C. The items of work made available to DBE firms including those unbundled contract work items into economically feasible units to facilitate DBE participation. It is the bidder's responsibility to demonstrate that sufficient work to facilitate DBE participation in order to meet or exceed the DBE contract goal.

Items of Work	Proposer or Bidder Normally Performs Item (Y/N)	Breakdown of Items	Amount (\$)	Percentage Of Contract
				0.00%
				0.00%
				0.00%
				0.00%

D. The names, addresses and phone numbers of rejected DBE firms, the reasons for the bidder's rejection of the DBEs, the firms selected for that work (please attach copies of quotes from the firms involved), and the price difference for each DBE if the selected firm is not a DBE:

Names, addresses and phone numbers of rejected DBEs and the reasons for the bidder's rejection of the DBEs:

Names, addresses and phone numbers of firms selected for the work above:

E. Efforts (e.g. in advertisements and solicitations) made to assist interested DBEs in obtaining information related to the plans, specifications and requirements for the work which was provided to DBEs:

EXHIBIT 15-M DETAIL ESTIMATE

File: _____
 Federal Project No.: _____
 Project Location: _____
 Date: _____

To be used as a basis of agreement for Federal-aid Project No. (1): _____
 In the City/County of (2): _____
 Construction Authorization Date (3): _____
 Type (4): _____
 Preliminary Engineering (Authorization Date) (5): _____
 Right of Way (Acquisition Authorization Date) (6): _____

Acquisition (No. of Parcels)		\$
RAP (No. of Homes)		\$
RAP (No. of Businesses)		\$
LRH (Parcel No. & Name)		\$
TOTAL COST (7)		\$

Utilities Authorization Date (8): _____
 Total Cost: \$ _____
 Improvement Type Code (9): _____
 Length (miles) (10): _____

ITEM ESTIMATE (11)

Item No.	Item Description	Unit	Quantity	Unit Price	Amount
				\$	\$
				\$	\$
				\$	\$
				\$	\$

Subtotal Contract Items	\$
Agency/State Furnished Materials (12)	\$
Force Account (Day Labor) – striping, etc.	\$
<i>Subtotal</i>	\$
Contingencies (including supplemental work) (13)	\$
<i>Subtotal + Contingencies = Contract Total</i>	\$
Construction Engineering (14)	\$
<i>Contract Total + Construction Engineering = TOTAL COST</i>	\$

DETAIL ESTIMATE SUMMARY (15)

	Improvement Type Code	Total Cost	Participating Cost	Federal Funds	Other Funds
Preliminary Engineering		\$	\$	\$	\$
Right of Way		\$	\$	\$	\$
Construction		\$	\$	\$	\$
Force Account		\$	\$	\$	\$
Construction Engineering		\$	\$	\$	\$
TOTAL COST		\$	\$	\$	\$

Contract Items Participating (16)	\$	%
Contract Items Nonparticipating	\$	%
TOTAL	\$	100%

*Reimbursement Ratio (17): _____ %

Program Code(s) (18): _____

Name/Date Prepared: _____

*Reimbursement ratios may vary within each phase of work such as Emergency Relief PE for Emergency Repair (100%) and Preliminary Engineering for restoration (88.53%). In these cases, the detailed estimate shall include two separate lines of Preliminary Engineering.

Distribution: All Projects (1) Original & 1 copy to Caltrans DLAE
(2) Copy to Local Agency Project File

LAPM C.16 ADMINISTER CONSTRUCTION CONTRACTS

LAPM C.16 Administer Construction Contracts

Section / Exhibit	Description of Changes
<p>16.3 Maintaining Project Records</p>	<ul style="list-style-type: none"> OB 18-03: replaced Exhibit 3-O with LAPM 3-A
<p>16.6 Tracking Contract Time</p>	<ul style="list-style-type: none"> Revised sections to be relevant to both CTSS and Greenbook users
<p>16.7 Subcontractors</p>	<ul style="list-style-type: none"> Made clarification edits Corrected Greenbook section
<p>16.9 Resident Engineer's Role</p>	<ul style="list-style-type: none"> Reformatted to convert last section into Task 10: Take Action for Payroll Delinquencies, Discrepancies and Inadequacies
<p>16.10 Change Order</p>	<ul style="list-style-type: none"> Removed sentence: "If any portion of your project, from inception to ribbon cutting, receives federal-aid, all work on your project must meet the federal-aid requirements."
<p>16.11 Quality Assurance Program</p>	<ul style="list-style-type: none"> Revised the typical QAP Structure Removed reference to Exhibit 16-X Changed language to incorporate Exhibits 16-T1 and 16-T2 reflecting the CTSS and the Greenbook respectively Updated language to include the Joint Training and Certification Program and included information about the State Independent Assurance Database
<p>16.12 Environmental Stewardship</p>	<ul style="list-style-type: none"> Removed requirement for ECR on all federal-aid projects
<p>16.13 Progress Payments, Accounting Procedures and Payment Records</p>	<ul style="list-style-type: none"> Retitled Progress Pay Estimates and Reimbursement section and other edits
<p>16.15 Traffic Safety in Highway and Street Work Zones</p>	<ul style="list-style-type: none"> Removed unnecessary bullets in the Training section

LAPM C.16 ADMINISTER CONSTRUCTION CONTRACTS

Exhibit 16-T1	<ul style="list-style-type: none">Renamed & renumbered Exhibit 16-T to 16-T1: Materials Requiring Submittal of Certificate of Compliance per Caltrans Standard Specifications
Exhibit 16-T2	<ul style="list-style-type: none">Added new Exhibit 16-T2: Materials Requiring a Certificate of Compliance per the Greenbook

surveyors, however, the local agency must provide a full-time public employee to be the person who is in responsible charge.

Document the Project Staff

List the names, titles and contact number of all staff (Agency and consultants hired by the agency) assigned to the project performing contract administration duties, including engineers, inspectors, lab testers, office help or others. This list should not include any contractors' staff or consultants hired by the prime contractor. Place a copy in the project files. This documentation is essential for auditors to determine the adequacy of the local agency's staffing.

Obtain the Designation of the Contractor's Authorized Representative

Prime contractors, including those operating in joint venture, must be required by the project specifications to designate in writing a person authorized to supervise the work and to act for the contractor on the project. The representative must be present at the jobsite while work is in progress. Both the Caltrans Standard Specifications, as well as the Greenbook, includes this requirement. Place a copy of the authorization in the project file, providing the address and after hours contact information of the person authorized to supervise.

16.3 MAINTAINING PROJECT RECORDS

A local agency must establish a separate record file for each federal-aid highway project. The project file must contain all data pertinent to the work and to the requirements of the specifications.

In general, project records must support the adequacy of the field supervision, inspection and testing; conformance to contract specifications; and payments to the contractor. Generally, whenever the local agency is unable to produce requested records, it shall be assumed by reviewing personnel the required actions were never performed. Organized project files can minimize these negative assumptions.

During the construction phase, Caltrans Construction Oversight Engineers periodically perform reviews and inspection of the local agency project files for compliance with federal and state requirements. Organization and content of the project file is one indicator of the effective and efficient management of the project by the RE. It also minimizes resources necessary for conducting process reviews.

Organization of Project Records

Each agency must develop or adopt a filing index to be used on all federal-aid projects administered by the agency off the SHS. An agency is only required to use the CT filing index for projects on the SHS. The files must be complete and well organized and should include, at a minimum, even on relatively simple projects, the topics indicated below.

Project Record Filing System - Locally Administered Federal-Aid Projects

1. Award Package
 - a. [Exhibit 15-A: Local Agency Construction Contract Administration Checklist](#)
 - b. [Exhibit 15-B: Resident Engineer's Construction Contract Administration Checklist](#)
 - c. [Exhibit 15-M: Detail Estimate](#)
 - d. [LAPM 3-A: Project Authorization/Adjustment Request](#)

Recommended Topics:

- Progress Schedule
- Work Plans
- Quality Control/Quality Assurance
- Materials Requiring Certificates of Compliance
- Materials Requiring Buy America Certificates
- Contract Training (Apprentice) Goals
- Change Order Process
- Dispute Process
- Potential Utility Conflicts

Additional meetings may be advisable where considerable effort and time is required to cover specific areas. A written record of attendance and items discussed should be made by the administering local agency and should be kept in the project files.

16.5 PARTNERING

Partnering is a relationship between the local agency and the contractor, formed in order to effectively complete the contract to the benefit of both parties. Through trust, cooperation and teamwork, the goal is to resolve conflicts at the lowest possible level. More information about the partnering process can be found at the [Partnering with Caltrans](#) website.

Partnering is not a requirement of the federal-aid program, but it is eligible for participation as part of the construction engineering cost. Generally, the costs are shared between the contractor and the local agency. When formal partnering is desired, the [Partnering with Caltrans](#) website is available to assist in providing specifications for the process. Informal partnering may also be beneficial and does not require contract provisions to be implemented. Keep in mind, partnering is not a substitute for a contract dispute resolution process.

16.6 TRACKING CONTRACT TIME

Introduction

Contract time is the maximum time allowed in the contract for completion of all work contained in the contract documents. The local agency must maintain a written record of contract time, often called the Weekly Statement of Working Days (WSWD) or Weekly Project Progress Record. The local agency is responsible for reviewing the contract time requirements, determining the controlling operation, determining if each day is a working day or non-working day, and supporting time extensions.

Documentation similar to [Exhibit 16-A: Weekly Statement of Working Days](#), is an acceptable record of project progress. However, a local agency may use their own form, as long as the required information is recorded. Whichever form is used, as soon as possible and no later than the end of the following week, forward the original statement to the contractor and retain a copy in the project file. Most contracts give the contractor 15 days in which to protest the determinations shown on the form.

“Calendar” Days vs. Working Days

Contract time is specified in days or working days. In both the Greenbook and the Caltrans Specifications, a day is generally defined as every day on the calendar, regardless of weekends, holidays or weather. Because of this, days are frequently called “*calendar days*.” Calendar days are somewhat rare, and usually reserved for emergency projects or those projects for which weekend and holiday work is desired, for example, repairing damage from a natural disaster. For calendar day projects, the RE must still record the controlling operation and record each day as a working day. Non-working days, unless defined elsewhere in the contract, do not exist on calendar day projects and any change in the completion date requires a CO.

The definition of a *working* day may vary from one project to another. For example, the 2010 Caltrans Standard Specifications, the 2018 Caltrans Standard Specifications, and the Greenbook each offer slightly different definitions of working day. In addition, project special provisions may modify any of these definitions. Therefore, before determining a day to be a working day or non-working day, it is important to understand and apply the specifications for your project, and not just assume they are the same as those from a previous project.

Determining the Controlling Activity

The Greenbook and the Caltrans Standard Specifications both define a working day as any day except Saturday, Sunday and holidays, but their definitions differ when the contractor is prevented from working due to events such as weather, labor strikes, material shortages, traffic control restrictions, etc. The most significant difference is the Caltrans Standard Specifications grant a non-working day only if the *controlling activity* was affected.

For contracts using the Caltrans Standard Specifications, before one can determine if a day was a working day or non-working day one must know what is the controlling *activity*. The controlling *activity* is the *construction* activity that will extend the scheduled completion date if delayed. It is determined from the project schedule critical path. The critical path is the longest continuous chain of activities for the project that has the least amount of total float of all chains. If the progress schedule does not accurately represent current conditions, request the contractor update the progress schedule.

Note, when completing a WSWD, it is important to record the controlling *activity* (determined by the current schedule), not what work was performed that week (determined by the contractor), as they are not *always* the same.

Working Day vs. Non-Working Day

For contracts using the Caltrans Standard Specifications, once the controlling *activity* is known, the RE can make the determination if a given day should be recorded as a working day or non-working day. The WSWD must indicate *the* factors that affected the work, such as weather conditions, lane closure restrictions, or strikes. Based on these factors and the contract specifications, each day must be recorded as a working day or a non-working day.

It can be helpful to have a column, Working Day No Work Done on Controlling Operation, to record any working day on which no work is done on the project or on the controlling activities. If the reasons are known, note them in the Remarks. This information is useful in disputes regarding inadequate time. Further discussion of tracking contract progress and the use of [Exhibit 16-A: Weekly Statement of Working Days](#) is contained in Section 3-804, Time of the Caltrans Construction Manual.

The Effects of Inclement Weather

Do not just assume that rain equals a non-working day and sun equals a working day. For projects using the Caltrans Standard Specifications, if the controlling activity is not dependent upon weather, such as concrete curing or an embankment settlement period, a working day must be charged during inclement weather.

When determining non-working days, loss of time because of inclement weather may extend beyond the period of actual inclement weather. Situations occur where no progress on the controlling activity is possible though the full crew might have worked the entire day. This may be due to the grade being too wet to work, access to the work needing to be reestablished, or saturated material needing to be removed from the tops of slopes.

Inclement weather can be other than wet or cold weather. For instance, it may be too hot to produce concrete that meets specified temperatures. If all specified precautions have been complied and the concrete work is the controlling activity, a weather nonworking day should be granted.

Contract Time Extensions

Contract time extensions must have written approval by the administering agency. Generally, the approval is made by a change order for a specified number of working days. Be sure to provide justification of any time extensions in the project files, such as a Time Impact Analysis, or a detailed narrative. Failure to do so can result in loss of federal funds. Record time adjustments on the WSWD upon approval of the change order (see [Section 16.10: Change Orders](#) for more information regarding Adjustment to Time of Contract Completion).

Events which do not warrant a time extension since they are generally considered to be under the contractor's control are:

- Maintenance shutdowns
- Breakdowns
- Suspensions or stop work orders due to safety, permit or pollution violations
- Shutdowns due to construction accidents
- Material delays

Liquidated Damages

If the contractor exceeds the number of construction days (working days or calendar days) specified in the contract (plus those added by CO), liquidated damages in the dollar amount specified in the contract must be deducted from monies owed to the Contractor. Failure to do so may result in loss of federal funds.

16.7 SUBCONTRACTORS

Introduction

Contractors can use subcontractors on their projects, provided the subcontractor and the prime contractor complies with contract requirements, state and federal laws, and regulations. All subcontracts should be in the form of a written agreement and contain all pertinent provisions and requirements of the prime contract, including all the required federal-aid contract language. Refer to [LAPM Chapter 12: Plans Specifications & Estimate](#) for specific details of these requirements.

When projects use subcontractors, the RE must focus on:

- Knowing which subcontractors are working on the project and on which specific items they are working.
- Ensuring that the prime is using the subcontractors listed in the bid documents.
- Ensuring that the prime is performing at least 30% of the total contract work, [or the % specified in the Special Provisions, whichever is greater](#).
- Ensuring the subcontractors [listed in the bid documents](#) are used for the work [specified in the bid documents](#), and are not removed or replaced [without prior written authorization from the RE](#).
- Ensuring the prime contractor does not subcontract work they are required to perform using their own forces that exceeds the threshold (more than half a percent of the total bid or \$10,000 whichever is greater).

Approval of Subcontractors Prior to Starting Subcontracted Work

The RE has the responsibility of approving subcontractors on federal-aid projects. In general, approval is necessary for only first-tier subcontractors. Before subcontracted work starts, the contractor must submit [Exhibit 16-B: Subcontracting Request](#) for approval. This form is the first step to ensure all rules and regulations related to subcontracting on federal-aid projects are met.

Section 5-1.13, Subcontracting of the [Caltrans Standard Specifications](#) requires the contractor to submit this form, and Section 3.3, Status of Subcontractor of the Greenbook requires this form or a facsimile. When the contract is awarded, provide the contractor blank Subcontracting Request forms. The contractor may submit them for approval any time prior to the start of a particular subcontracted item of work; there is no need to submit all [subcontractors](#) at one time. The last page of the form contains instructions for completing the form.

Upon receipt of the form, and before approving the contractor's request, complete the following:

1. Compare the [Subcontracting Request](#) to [Exhibit 12-B: Subcontractor List/Bidders List](#).
2. Compare the Subcontracting Request to [Exhibit 15-G: Construction Contract DBE Commitment](#).
3. Confirm the prime contractor has not subcontracted work they are required to do with their own forces.
4. Verify the subcontractors are not on the Department of Industrial Relation's (DIR) debarred contractors list available at: <http://www.dir.ca.gov/dlse/debar.html>.

More information regarding steps one through four can be found below. Upon completing steps one to four, if the Subcontracting Request meets all the requirements, sign and date the form and provide a copy to the contractor.

Place a copy in the project file. If the request does not meet all the requirements, request corrections or explanations and ask the contractor to resubmit.

STEP 1: Compare the Subcontracting Request to the Bidder's List of Subcontractors

Requirements of the Fair Practices Act in the Bidding Process

Sections 4100 through 4114 of the Public Contract Code are called the Subletting and Subcontracting Fair Practices Act (Act) and applies to California's construction projects. The Act is designed to prevent prime contractors from bid shopping for subcontractors after bids are opened and the low bidder is known.

If you find payroll discrepancies through review, random confirmation or worker complaints, see the CT Labor Compliance Policy Bulletin 11-01 for required follow up steps.

Task 8: Document that the Required Posters and Wage Rates are Displayed at the Job Site

Document that the posters and wage rates are legible and posted in plain view where employees are not intimidated to read them. If the project has multiple locations without a single gathering place, the contractor may need to be creative, mounting them to the portapotty or a sandwich board that can be easily moved.

A photograph of the display is a good way to document that the contractor was in compliance. If you are unable to take a photo, the engineer performing the verification must note compliance in the daily report. Place a copy of the photo or daily report in the project labor compliance file.

A checklist helpful for performing verification is available at:

<https://dot.ca.gov/programs/construction/labor-compliance/labor-compliance-posters>.

Note that the laminated all-in-one posters many contractors purchase do not contain all the required information.

Task 9: Compare all Force Account (time and material) Billings to Certified Payrolls

Confirm the names of employees, wage rates, and hours listed on change order bills match information listed on the contractor's certified payrolls. If the documents do not show identical information, do not approve payment of the change order bill until the discrepancy is corrected.

Task 10: Take Action for Payroll Delinquencies, Discrepancies and Inadequacies**If the Contractor Fails to Submit all Certified Payrolls, or Submits Incomplete Certified Payrolls**

The RE must notify the contractor in writing which certified payroll documents are missing or inadequate, as well as withheld pay due to the contractor on the monthly progress payment. A withholding up to 10% of the payment is recommended a minimum of \$1,000 and a maximum of \$10,000. However, *Part IV-3c, Payrolls and Basic Records* of Form FHWA 1273 states contracting local agencies may cause the suspension of any further payments.

Make withholds separately for each payment period in which a new delinquency or inadequacy appears. When all delinquencies or inadequacies for a period have been corrected, release the withholdings covering that period on the next progress payment. Withholdings can only be taken once for each missing document and do not compound on each monthly estimate. See [Labor Compliance Policy Bulletin 11-01](#) for required follow up steps.

A sample letter titled, "Notice of Delinquent or Inadequate Certified Payroll Records," can be found at the [Caltrans Labor Compliance](#) website and used to notify the Contractor of certified payroll issues. Be sure to use your local agency letterhead and modify the language as appropriate.

If the Contractor Refuses to Provide Payrolls

When contractor does not comply with your request to submit missing or corrected payrolls, the issues become violations and are compiled into a wage case.

- Work not on a properly designated route
- R/W obligation not programmed
- R/W obligation already compensated
- Work chargeable to other programs
- Maintenance work (except Demonstration Programs)
- Work not in accordance with approved specifications unless quality is not reduced
- Non-highway related work
- Work outside of local agency rules or limits
- Work done for COs which exceeds the authorized amount of federal funds
- Work over and above amount programmed
- Deviations from design standards
- Nonconforming materials
- Equipment rental rates in excess of those in the Equipment Rental Rate book
- Proprietary items specified without a Public Interest Finding
- Excessively expensive treatments that do not appear to be in the public interest

Local agencies are strongly advised to contact their District Local Assistance Office to discuss the issue of participating vs. non-participating on proposed change orders.

You cannot circumvent federal requirements by classifying work as non-participating.

For example, you cannot avoid the requirements of the Buy America regulations by declaring the steel in your project non-participating.

All questions regarding work eligibility for federal-aid reimbursement can be directed to the DLAE for guidance.

Other Issues

Quantity Balancing Change Orders

Several local agencies, at or toward the end of a project, like to write a balancing change order, whereby all items for which the actual quantity placed differed from the original bid estimate quantity are captured and tabulated in a change order document. This is more of an accounting mechanism that enables a local agency to accurately update their contingency balance on the project. As such, a balancing change order is not required, but is permissible.

Materials Delays

The contractor is responsible for the timely order and delivery of materials for the project. A delay in delivery of materials does not in itself generally support an extension of contract time. However, if an unusual market condition (i.e., an industry-wide strike, natural disaster, or area-wide shortage) occurs, a time extension may be in order.

Right of Way Delays

The FHWA policy generally does not permit participation in time extensions for delays due to the Right of Way Certification required from the local agencies prior to the FHWA project authorization. Whenever the railroad or utility is permitted to adjust its facilities coincidentally

with contract operations, such activities must be clearly addressed in the contract provisions. All parties should understand that any interference by the railroad or utility to the contractor's operations generally will not constitute an allowable delay. In general, an extension of contract time due to R/W delays is very unusual and is the exception rather than the rule. For federal-aid eligibility of an extension, it must be shown that:

- The construction work was actually delayed by the ROW, railroad, or utility difficulty.
- The contractor did everything required by the contract to minimize the delay.
- The local agency was unable to exercise effective control of the situation despite its best efforts.

Process reviews should be conducted by the COE's and the DLAE periodically to monitor approved change orders. If change orders are found to be ineligible during a process review, federal funds paid for the change order should be withdrawn from the project.

Equipment Rental Rates

Federal policy requires that actual costs be used to determine extra work payments; however, actual equipment costs are not always readily available. A state subject to the FHWA's concurrence, may adopt an industry equipment rate guide or it may develop its own guide. In California, the guide is the Caltrans Labor Surcharge and Equipment Rental Rates book. Overtime, multiple shift and delay factors apply to these rates as detailed in the guide.

Equipment rental rates paid in excess of those shown in the guide are not eligible for federal-aid reimbursement.

For major change orders and/or Change Orders on Projects of FHWA Division Interest, FHWA may retain approval authority for such specific change orders.

16.11 QUALITY ASSURANCE PROGRAM

Introduction

A [Quality Assurance Program \(QAP\)](#) is a program that will ensure the materials and workmanship incorporated into each construction project conform to the requirements of the contract plans and specifications including approved changes. The main elements of a QAP are an acceptance program and an independent assurance program.

For federal construction projects, each local agency is required to adopt a QAP. Caltrans will not process a Request for Authorization for Construction without verification of an adopted QAP. The QAP must be signed by the local agency public works director or, if the director is not registered, it must be delegated to the next highest registered Engineer. The QAP must be updated at least every five years. Copies of the approved QAP shall be kept on file and available for state review.

The local agency is required to adhere to their QAP during the construction of the project, but a QAP is not part of the contract. [A QAP can be thought of as a commitment by the local agency to FHWA.](#)

[A typical QAP is structured as shown below:](#)

- 1) [General Discussion](#)
- 2) [Variations for Projects on or off the SHS](#)

- 3) Materials Acceptance Program
 - a) Minimum Sampling and Testing Frequency Requirements
 - b) Sample Testing Results Summary Log
 - c) Materials Accepted by a Certificate of Compliance per the Contract Specifications
 - d) Source Inspection Process
- 4) Independent Assurance (IA) Program
 - a) Tester Certification Process
 - b) Laboratory Qualification Process
 - c) Equipment Calibration Process
- 5) Materials Certification Process for completed project

Variations for Projects On or Off the SHS

The requirements of a QAP depend on whether the project is on or off the SHS.

For projects on the SHS, the local agency must adopt the Caltrans QAP detailed in the following manuals and guides:

- [Caltrans Construction Manual](#)
- [Construction Manual Supplement for Local Agency REs](#)
- [Local Assistance Structure Representative Guidelines](#)
- [Independent Assurance Manual](#)

In addition, the **current** Caltrans Standard Specifications (CTSS) and **Plans** must be part of the Plans, Specifications and Estimate (PS&E). Test methods used must be as specified in the CTSS and special provisions.

For projects off the SHS, local agencies may adopt the Caltrans QAP described above or may develop their own QAP **conforming with** the requirements of the **QAP** Manual and FHWA regulations. The local agency must use the **current** Caltrans or Greenbook Standard **Plans and Specifications**. Tests methods used may be either CTM, ASTM, AASHTO, or other nationally recognized test methods, but must be specified in the contract documents.

[Consult the Quality Assurance Program Manual for complete information on developing and maintaining a QAP. A template for local agencies developing their own QAP can be found in Appendix Y of the QAP manual, or an alternative can be provided by your district Local Assistance Office.](#)

Materials Acceptance Program

The QAP for all local agency projects shall include a materials acceptance program. A materials acceptance program must be used to determine the quality and acceptability of materials and workmanship incorporated into the project. The program must address soils and aggregates, and manufactured and fabricated materials.

Acceptance of Unprocessed and Processed Soils and Aggregates

The acceptance of processed and unprocessed soils and aggregates includes verification sampling, testing, and inspection, and, in special cases, may include the results of quality

control sampling and testing. Examples of unprocessed materials include sand, rip rap, subgrade, and embankment and backfill materials. Examples of processed materials include aggregates, bases, PCC and HMA. The contract and the QAP combine to ensure the quality of the soils and aggregates entering the project.

Generally, the contract will specify what criteria the material must meet, and what test method will be used to determine if the material met or failed the criteria; the QAP will specify the minimum number of samples to be taken and tests to be performed to ensure the material has met the criteria, and where the material will be sampled. Sometimes, the contract documents will specify the frequency and location of the sampling and testing, overriding the QAP.

Responsibilities of the RE

It is important that the RE read each contract and not assume a new contract has the same specifications as the last contract. The RE must ensure the correct criteria is used to determine if the material passed or failed. The passing criteria is found in the contract specifications, but in some cases, the specifications allow the contractor to submit mix designs which establish the criteria. For example, the contractor is allowed to submit gradation target values (TV) for HMA mix designs and chose X factors for concrete mix designs. Be sure mix designs are approved prior to work and that the lab and inspectors have been provided a copy of the approved mix design.

The RE must ensure the correct test method is used as specified in the contract. Verification and quality control testing must be performed in accordance with a recognized testing standard. While California Test Methods, the American Society for Testing and Materials (ASTM), and the American Association of State Highway and Transportation Officials (AASHTO) test methods are all acceptable test methods on local agency projects, the test method to be used must be specified in the contract documents at bid time. The RE or lab cannot change the test method [during the project](#) without first writing a CO and providing justification. The RE must ensure the correct version of the test method is used. When the specifications reference a test method by number, it indicates the test in effect on the date of the Notice to Bidders. This means the test methods for each project are fixed and are not necessarily the latest revisions.

The California Test Methods are published on the Internet at:

<http://www.dot.ca.gov/hq/esc/ctms/index.html>

ASTM Test Methods are available at the following Internet address:

<http://www.astm.org>

AASHTO Test Methods are available at the following Internet address:

<http://www.transportation.org>

The RE must ensure that field personnel who perform tests for compliance with the specifications are certified to conduct the test method indicated by the contract. This is discussed further under Independent Assurance Program.

Testing and Sampling Frequency Tables

The RE must also ensure the minimum number of samples are taken and tests are performed as required by the adopted QAP's Testing and Sampling Frequency Table. Often a QAP will call for taking more samples than are used to perform tests. This is beneficial in the case of failing results. The RE can then go back and test additional samples to determine the exact limits of the failing material.

Test Data and Summary Logs

The RE must obtain test data and results from the lab in a timely manner and keep records of all samples and tests in the project files. The RE must keep a test results summary log for each test method performed more than once. Use [Exhibit 16-Z2: Acceptance Testing Results Summary Log](#) or a similar form. On larger projects, it may be necessary to keep multiple logs for the same test method, broken out by salient features such as compaction tests performed on the roadway structural section on one log, and those performed on structural backfill on a separate log. The use of a summary log facilitates the review of material sampling and testing by Caltrans and FHWA reviewing personnel, and assists the RE in tracking the frequency of testing.

Failing Test

Whenever failing tests occur, sufficient additional acceptance tests must be taken to isolate the affected work. Documentation of the results of such additional tests must be included in the records, including a description of the corrective measures taken. Corrective action or retesting of failing tests must be noted in the remarks column of the test summary log. Documentation of the reason that materials represented by failing tests were incorporated into the project must be in the project files.

Mix Design Approval and Checking

Mix designs must be submitted by the Contractor and include the name of the material plant, the product name, a mix design ID number, and item of work in which it is to be used. The RE must review and approve the mix design in writing. A copy of the approved mix design must be placed in the files. Field inspectors must verify that the mix delivered to the job site matches the approved mix design. The inspector must place a check mark adjacent to the mix ID shown on the weigh tag and initial the tag. Tags are to be collected at the point of delivery to the jobsite.

Acceptance of Minor Quantities of Materials without Testing

If stated in the local agency's QAP, relatively minor quantities of construction materials may be accepted without testing provided the following 3 conditions are met:

1. Visual examination of the material is performed.
2. The manufacturer or supplier has recently furnished similar materials found to be satisfactory using normal sampling and testing requirements.
3. The manufacturer (or supplier in the case of HMA or concrete) provides certification that the material furnished complies with the contract specifications.

The following list suggests approximate maximum quantities of materials that may be accepted under the conditions indicated above:

- Aggregates other than for use in Portland Cement Concrete; not to exceed 100 tons per day nor more than 500 tons per project
- Bituminous mixtures (includes HMA); not to exceed 50 tons per day (sample at Engineer's discretion if project total is less than 500 tons)
- Bituminous material (includes Asphalt); not to exceed 100 gallons per project

Acceptance of Manufactured or Fabricated Materials

The acceptance of manufactured and fabricated materials is most frequently based on one of the following 3 methods:

Source Inspection

Source inspection is the inspection, sampling and testing of manufactured and prefabricated materials at locations other than the job site. It is most commonly performed on materials involving structural integrity or safety to the public, such as precast pre-stressed concrete members, structural steel, and poles for electrical systems. The purpose is to ensure that structural materials comply with contract requirements in regard to raw materials, fabrication processes, personnel certification, and in-process quality control testing.

The local agency determines which materials will be source inspected. For a list of manufactured or prefabricated materials that are commonly source inspected for Caltrans projects, see *Table 6-2.1, Inspection of Fabricated and Manufactured Materials* of the [Caltrans Construction Manual](#). Resources to assist in the development of a Source Inspection Program can be found on the internet at the following address: <https://dot.ca.gov/-/media/dot-media/programs/engineering/documents/mets/sigla-manual.pdf>.

Source inspection is performed by the local agency or a qualified consultant. Caltrans no longer provides source inspection services for projects off the SHS. Caltrans may provide source inspection for projects on the SHS if terms are detailed in a cooperative agreement or encroachment permit. For more details on the inspection procedures, refer to Section 6-3, Field Tests, of the [Caltrans Construction Manual](#) and the Office of Structural Materials Practices and Procedures (OSMPP) manual.

Due to the costs incurred when traveling to inspect materials sourced far from the job site, *Section 6-3.05B, Source Inspection Expense Deductions* of the CTSS provides the details for deductions to be taken when applicable.

Verification at the source of fabrication does not guarantee acceptance at the job site. *Table 6-2.1* referenced above also includes items that must be checked or rechecked at the job site to ensure that the materials are acceptable. The RE must inspect the material upon arrival to be sure it meets the requirements of the specifications and is undamaged by shipping and handling. The RE must obtain and file the source inspectors report.

Materials Accepted on the Basis of Authorized Materials List

The CTSS identifies **some** materials that must be on an authorized materials list. The list is available at: <https://dot.ca.gov/programs/engineering-services/authorized-materials-lists>. For contracts using the CTSS, the RE must **verify the materials furnished are** shown on the appropriate authorized materials list before the material is used on the project. Materials shown on the authorized materials list may also require a certificate of compliance or sampling and testing for acceptance.

Materials Accepted by Certificate of Compliance

A local agency may permit the use of certain manufactured products, materials or assemblies accompanied by a Certificate of Compliance (COC) prior to sampling and testing, provided these products, materials or assemblies do not involve structural integrity or safety to the public. Additionally, these items must have a history of having met specifications based upon previous sampling and testing. The manufacturer of the products, materials or assemblies shall sign the Certificate of Compliance and state that the included materials and workmanship conform in all respects to the project specifications. The contract documents must specify which materials require **the Contractor to submit** a Certificate of Compliance. The RE is responsible for insuring that a Certificate of Compliance is furnished with each lot of these materials delivered to the work site. [Exhibit 16-T1: Materials Requiring a Certificate of Compliance Per the Caltrans](#)

[Standards Specifications and Exhibit 16-T2: Materials Requiring a Certificate of Compliance Per the Greenbook](#) are lists of materials for which the contractor must submit a COC per the [respective project specifications](#). The COC must be furnished before the material is incorporated into the work and include:

- Project number
- Certified material lot number matching lot tags affixed or stenciled to the released materials
- Manufacturer's signature
- A statement that the material complies with the specifications of the contract

All materials accepted on the basis of a signed Certificate of Compliance shall be documented in the inspector's daily reports. Inspect the material upon arrival to be sure it meets the requirements of the specifications and is undamaged by shipping and handling before accepting. Manufactured products, materials or assemblies used on the basis of a Certificate of Compliance may be sampled again at the job site and tested at any time during the life of the contract. Items found not in conformance with contract requirements must be rejected whether in place or not.

A Certificate of Compliance for each item shall be kept in the RE's file.

Materials Requiring a Buy America Certification

Steel and iron products incorporated into the project must comply with Buy America requirements of the CFRs. All steel and iron products must be delivered with a COC stating [all manufacturing processes involved in the production of the products occurred within the United States](#). These processes include:

- Rolling
- Extruding
- Machining
- Bending
- Grinding
- Drilling
- Coating
- Welding
- Smelting

In addition to the COC requirements mentioned earlier in this section, a Buy America COC must also include the mill markings or heat numbers.

The Buy America requirements apply to the entire construction contract if any federal-aid money has been authorized for any phase of the project, not just the construction phase. A local agency cannot circumvent the Buy America requirement by declaring that the material is being paid for with the non-federal portion of the funding.

Buy America does not apply to temporary steel such as that used in falsework, sheet piling or shoring. A minimal use of foreign iron and steel is allowed provided that the total delivered cost to the project site is less than \$2,500.00 or 0.1 percent of the contract amount, whichever is greater. Supporting invoices, including the cost of transportation, must be on file in the project records.

An local agency's failure to comply with Buy America provisions will result in the loss of federal funding for not only the applicable contract items, but likely will result in the loss of all federal funding authorized for the construction phase of the project.

Material QA Costs

Material inspection, testing and sampling costs are eligible to be charged to the construction engineering phase of the project.

Agencies using the Greenbook can, as outlined in Section 4-1.3.3, select a consultant laboratory to sample and test materials at distant locations. This specification allows for the agency to have the contractor pay for the costs of this service, however, the contractor shall not select or exercise authority over the consultant laboratory.

Independent Assurance (IA) Program

The other main element of a QAP program is the IA program. The following information regarding IA programs is directed to REs and construction management staff implementing the QAP during project construction. QAP developers and laboratory managers are directed to the QAP Manual and the Independent Assurance Manual for more detailed information on developing and maintaining an Independent Assurance Program.

The IA program consists of activities that are unbiased and are an independent evaluation of all the sampling and testing procedures used in the acceptance program. The requirements are defined in Title 23, Code of Federal Regulations, Chapter 1, Part 637 (23 CFR 637).

In the CFR, FHWA requires that:

- Testing equipment be evaluated by using calibration checks and proficiency samples
- Testing personnel be evaluated by observation and proficiency samples

It is often said that an acceptance program tests the material, while an IA program tests the testers.

Responsibilities of the RE

During project construction, the RE must verify that the IA program is being executed by performing the following tasks:

- Obtaining Certifications of all Sampling and Testing Personnel
- Obtaining Qualifications of all laboratories
- Verifying equipment is calibrated

Certification of Sampling and Testing Personnel

All samplers and testers, including project, laboratory and consultant personnel, must possess a current certificate of proficiency for the tests performed. A copy of the certificate must be in the project files. [It is important that samplers as well as testers are certified to ensure the integrity of the sample and that the sample was taken at the right time, from the right location, using the correct method, and is properly labeled.](#)

[The Joint Training and Certification Program \(JTCP\) was established by Caltrans, local agencies, and industry to make the certification process more efficient and to obtain consistent, reliable quality testing. The JTCP offers training and certification in hot mix asphalt, soils and aggregates, and Portland cement concrete.](#)

[For CTMs not covered by the JTCP, Caltrans will still provide certification. When test methods not covered by the JTCP or Caltrans are used, certifications must be obtained from other acceptable organizations such as ACI, or the agency/testing consultant may need to hire a](#)

second lab to perform IA. The process for qualifying sampling and testing personnel should be detailed in the local agency's Independent Assurance Program of the QAP.

IA sampling and testing is not to be used for determining quality and acceptability of material incorporated into the job. Such tests are used only for the purpose of determining the reliability of testing personnel.

Qualification of Laboratory

All laboratories providing testing services for projects located in California must:

- Possess a current certificate of qualification.
- Be under the responsible engineering management of a California registered Professional Engineer with experience in inspection and testing of construction materials. The Engineer shall certify the results of all tests performed by laboratory personnel under his or her supervision.
- Maintain their laboratory testing equipment in accordance with recognized national calibration standards.
- Participate in one or all of the following:
 - The AASHTO Materials Reference Laboratory (AMRL)
 - The Cement and Concrete Reference Laboratory (CCRL) inspection programs
 - The Caltrans Reference Sample Program

These proficiency sample testing programs conform to the FHWA requirement that each State Transportation Agency must participate in an approved laboratory inspection and comparative sample testing program.

All laboratories which use Caltrans' test methods must participate in the Caltrans Reference Sample Program. Upon request, if CTMs are being used, Caltrans Materials Engineers will qualify local agency's (or consultant's) laboratories. Caltrans IA staff will issue Form TL-0113, Caltrans Accredited Laboratory Inspection Report, valid for one year. Those laboratories which do not use Caltrans' test methods must participate in the AMRL and CCRL programs to fulfill proficiency sample testing program requirements.

Equipment Calibration General

The local agency laboratory shall calibrate field construction laboratory equipment and portable field test equipment (sand cones, scales, moisture test equipment, slump cones, air meters, etc.) prior to use on construction projects, and re-calibrate as frequently as required. The maximum interval between calibrations is one year. The local agency is responsible for calibration of laboratory testing equipment used for testing on local agency projects, whether or not the equipment is owned by the local agency, a consultant contractor, or sub-contractor. Consultant laboratory-supplied equipment shall be calibrated by the consultant or local agency.

Calibration of test equipment must conform to *Section 8-03, Field Tests* of the [Caltrans Construction Manual](#). Two sections in the QAP manual describe the procedures that the IA personnel are to use when calibrating materials testing equipment. Upon proper calibration, a decal shall be firmly affixed to each piece of calibrated equipment. Decal type and required information are specified on *page 63 of Appendix B* of the Quality Assurance Program Manual. A manufacturer's or service contractor's decal is acceptable as long as the above-required information is readily available. Should such decal become unreadable or lost, then the

commitments are properly executed during construction, and third, the RE must ensure that the execution was adequately documented.

At the start of each project, to ensure no mitigation commitments were omitted from the PS&E, the RE must obtain and read the key documents related to environmental mitigation for the project, including:

1. The approved project environmental document. This document will have been signed by Caltrans and will be one of the following three types:
 - Categorical Exclusion (CE)
 - Finding of No Significant Impact (FONSI)
 - Record of Decision (ROD)
2. The Environmental Commitment Record (ECR). The ECR is a tool for tracking and documenting the completion of all mitigation commitments. It is developed during the PS&E phase and compiles all terms, conditions, and mitigation measures required by all the environmental permits, approvals and agreements from resource and regulatory agencies.

The ECR usually comes in a spreadsheet format and includes the following:

- A brief description of the commitment
- The name and page number of the document requiring the commitment (for example, Fish and Wildlife Permit, page 24)
- The phase in which the commitment will be executed (R/W, PS&E or Construction)
- The name of the local agency person certifying that the commitment was completed and the date

If the project has no mitigation commitments, it is helpful if the project development team note this on a blank ECR in the project file.

3. All environmental permits, approvals and agreements from resource and regulatory agencies. Not all projects will have these documents.

Before construction begins, check if any mitigation commitments were inadvertently omitted from the PS&E. **If yes**, write a change order to include them. Check the permit dates and obtain extensions if necessary. Consult the agency person in responsible charge, the agency environmental liaison, and the design team, as needed. **Bring** the environmental commitments to the attention of the contractor and agency staff at the pre-construction meeting.

Environmental commitments might include using biological or archeological monitors, **temporary** fencing, relocating plants or animals, or enforcing dust and noise control, among other things. Be sure the contractor includes mitigation commitments in the project schedule, if appropriate.

During construction, ensure the contractor is complying with all requirements and document compliance using the assistant RE daily reports and photographs. Other documentation might include letters approving the monitors, sign-in sheets from required crew trainings, and copies of required reports or surveys. Sign and fill in the dates on the ECR (**or equivalent**) as mitigation commitments are completed. If the contractor is not complying with the mitigation commitments,

document and take action. Actions might range from letter writing to payment withholdings to project suspension. Consult your contract and permits.

After project acceptance, confirm all monitoring reports and post-construction mitigation reports were submitted to permitting agencies, if applicable. Certify on the ECR (or equivalent) that all mitigation commitments have been completed and documented.

16.13 PROGRESS PAYMENTS, ACCOUNTING PROCEDURES AND PAYMENT RECORDS

Introduction

Progress payments are compensation to the prime contractor for the value of work completed during a covered period. Contract language generally calls for progress payments to be made at least once each month as the work progresses.

The local agency may request reimbursement for project costs incurred from Caltrans, who in turn requests reimbursement from FHWA. The reimbursement request is typically based on the progress payment made to the contractor. The progress payment is based on an estimate prepared by the engineer. Each estimate reflects the total contract item work completed during the pay period, change order bills submitted, materials on hand, deductions, and withholds.

Since FHWA may only participate in the actual, allowable and allocable costs of a project, it is essential the estimate supporting the reimbursement request be based on accurate quantities. *CFR 635.123, Determination and Documentation of Pay Quantities* requires that each state Department of Transportation have procedures in place which provide adequate assurance that the quantities of completed work are determined accurately and on a uniform basis throughout the state for all federal-aid projects, including those administered by local agencies. This section outlines those procedures.

Procedures

State administered projects and projects on the SHS must follow the procedures outlined in the [Caltrans Construction Manual](#). Local agency administered projects must use a similar accounting system. The essential elements of the system are: 1) source documents, 2) contingency balance tracking, and 3) estimate of the final cost of work.

1. Source Documents
2. Contingency Balance Tracking
3. Estimate of the Final Cost of Work

Source Documents

Source documents are the original documents, data, and records containing the details to substantiate a transaction entered in an accounting system. Source documents are the permanent record sheets that create a clear and easily followed accounting trail from the total pay quantities in the proposed final estimate, back to the first measurement or calculation for each bid item; and for extra work at force account payments back to records and costs substantiating performance of the work.

The most common source documents are:

Contract Item Quantity Calculation Sheets

Contract Item Quantity Calculation sheets, also known as Q sheets, support and document item payments made to the contractor each month. A separate quantity calculation sheet must be prepared for each contract item being paid for each progress payment. For example, if in the month of May, payments were made on 12 contract items, there should be 12 separate item calculation sheets.

Each Q sheet must clearly record the following:

- The appropriate bid item number
- The location of the work or installation (sta., depth, offset, etc.)
- The measurements and calculations performed to determine the quantity actually performed by the contractor to be paid (this requirement applies equally to lump sum items)
- The source of any figure, calculation, or quantity shown on the source document (field count or measurement, scale weight, planned dimension)
- The name, date and signature of the person preparing the document
- The name, date and signature of the person who independently checked the document and calculations

Additional Q sheet requirements and considerations:

- Q sheets must be produced by the local agency not by the contractor.
- Quantities should be measured in accordance with the method directed in the measurement or measurement and payment clauses in the contract specifications for each bid item. For more information about measuring quantities for specific bid items, refer to *Chapter 4, Construction Details* of the [Caltrans Construction Manual](#).
- Calculation sheets should be checked as soon as practicable, but in any event, prior to payment of a final estimate.
- The quantity paid-to-date shown on the estimate for a bid item must agree with the sum of the quantities on all the source documents for that item.

[Exhibit 16-Y: Monthly Progress Payment Item Quantity Calculations](#) is an example of a quantity calculation sheet.

Weight Tickets

Weight tickets, sometimes referred to as load slips are used to support both item quantity payments made by weight and extra work paid at force account. Weight tickets must be collected at the point of delivery and validated by a representative of the administering local agency. This is accomplished by a local agency employee signing or initialing the load slip upon delivery to indicate the represented material was used in the work (this is also the time to check the proper mix design or specified material has been delivered). If applicable, on the load slip, indicate any quantity of material not included for payment, such as unused or wasted material. When a determination is made to reduce the quantity, advise the contractor's foreman or superintendent of the amount and reason for the reduction. In the daily report, document the reduction and the name of the contractor's employee who you advised of the reduction.

Consider organizing Q sheets and weight tickets by bid item so an easily followed audit trail exists. Total and bundle the tickets by each day worked, and place in the project files.

Daily Reports

Daily reports are required to support quantity calculation sheets and force account payments. See [Section 16.8: Engineer's Daily Report](#) of this manual for information on producing adequate daily reports.

Material Invoices

Payment for material purchased for extra work paid at force account must be supported by a copy of the vendor's invoice whenever possible. If no individual invoice is available, as in the case of materials taken from contractor's stock, a copy of the mass purchase invoice may be used as support. If no invoice is available to support unit purchase prices, submit a statement with the change order bill. In the statement, explain how the unit prices were verified.

Any invoices the contractor submits must represent the material actually used. Invoices must also be supplied to support Material on Hand payments.

Force Account Cost Calculations

These calculations consist of adding specified markups to the actual cost of labor, equipment, and material used to perform the extra work. The contractor must submit bills covering each change order for each day that force account extra work is performed. Compare the force account bills submitted to:

- Labor and equipment hours shown on the daily reports (Tentative Agreements from the Contractor, i.e. with Contractor's letterhead, are not valid for approving payment for Extra Work Bills)
- Material quantities shown on the daily reports
- Prevailing wage rates and payrolls
- Equipment rental rates in the official rental rate book
- Material invoices supplied

Keep a copy of the approved force account bill and the supporting documents in the project files.

Contingency Balance Tracking

The contingency balance must be updated each month to reflect item overruns and approved change order work.

Estimate of the Final Cost of the Work

An anticipated changes sheet must be kept in the project files where the current estimated probable final cost of the work is recorded.

Approval of Progress Pay Estimates and Reimbursement

The RE is responsible for the accuracy of a progress pay estimate. By approval, the RE verifies the quantities are correct, and the data submitted conforms to these policies.

The progress pay estimate, all invoices and supporting documentation are submitted to the DLAE as part of the Invoice Package. See [LAPM Chapter 5: Invoicing](#) for more information. Chapter III, Section 3-9, Payment of the [Caltrans Construction Manual](#) is a good reference

3. Training

All individuals responsible for the development, design, implementation and inspection of traffic control should be adequately trained. [Flaggers must be trained as per the Construction Safety Orders in the California Code of Regulations \(Title 8, Division 1, Chapter 4, Subchapter 4, Article 11, Section 1599, Flaggers\).](#)

4. Accident Analysis

The local agency should analyze construction and maintenance work site accidents for the purpose of correcting deficiencies which are found to exist on individual projects and to improve the content of future traffic control plans.

5. Pay Items

The method of payment for traffic control items should be described in the project specifications.

16.16 FINAL INSPECTION AND CONSTRUCTION ENGINEERING REVIEW BY THE STATE

A final inspection of the work should be made by the local agency. This inspection should occur prior to final completion and before project verification by Caltrans DLAE. Any punch list items resulting from this inspection must be completed by the contractor prior to the expiration of contract time. For details on final inspection, see [LAPM Chapter 17: Project Completion](#), Section 17.3: Final Inspection Procedures for Federal-Aid Projects. The RE must also take this time to do one last review of the project Environmental Commitment Record, confirming all mitigations were performed and finalizing necessary documentation. Local agency construction engineering records may be reviewed during the life of the project or up to three years after final voucher, as outlined in [LAPM Chapter 19: Oversight and Process Reviews](#).

16.17 CONTRACT DISPUTES AND CLAIMS

Introduction

All federal-aid projects must include contract provisions containing administrative procedures for dealing with contractor claims. Claim procedures must be included in a local agency's contract special provisions or standard specifications. These procedures must allow for the proper treatment of the following two conditions:

1. Protests or potential claims that have not been resolved during the progress of the work and which have been restated as claims with the return of the proposed final estimate.
2. Situations wherein the first notification of any problem is a claim submitted with the return of the proposed final estimate.

The procedures in the contract claims provisions must not be bypassed or modified through the use of change orders.

This section provides guidance to timely address and resolve contract disputes and claims. This section applies to all federal-aid projects.

Background

A contract dispute is a disagreement between the contractor and the local agency, often over the need to revise the contract, which is generally for additional time or compensation. Among other things, disputes stem from disagreements in the interpretation of plans, specifications, bid

Exhibit 16-T1 Materials [Requiring a Certificate of Compliance per Caltrans Standard Specifications](#)

Table 6-2.3 Materials Accepted by Certificate of Compliance (1 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Asphalt	
Asphaltic emulsion	Certificate of compliance must include the following: <ol style="list-style-type: none"> 1. Shipment number and shipment date. 2. Source refinery, consignee, and destination. 3. Type and description of material with specific gravity and quantity. 4. Contract or purchase order number. 5. Signature by the manufacturer of the material and a statement that the material complies with the contract.
Asbestos cement pipe	
Asbestos sheet packing	
Asphalt modifier	Test results required with each truck load.
Asphalt rubber joint sealant	A certified test report of the results for the required tests performed within 12 months before the proposed use.
Backer rods	Must include manufacturer's statement of compatibility with the joint sealant to be used.
Barbed Wire	
Blast cleaning material	
Bonding Material	
Brick	
Cable-type restrainers Lock nuts	Certificate of compliance must be submitted with a copy of each required test report.
Cast iron pipe	
Cast iron manhole rings and covers	
Chemical adhesive for bonding tie bars and dowel bars in concrete pavement	
Chemical adhesive for structures	Certificate of compliance must state compliance with ICBO AC 58 and Caltrans. Augmentation/Revisions to ICBO AC 58.
Concrete Admixture	Certificate of compliance from the manufacturer must certify that the admixture furnished is the same as that previously authorized or the authorized materials list.
Concrete Cementitious material	Certificate of compliance must include the source name and location. If the cementitious material is delivered directly to the job site, the certificate of compliance must be signed by the cementitious material supplier. If the cementitious material is used in ready-mixed concrete, the certificate of compliance must be signed by the concrete manufacturer. If blended cement is used, the certificate of compliance must include a statement signed by the blended cement supplier that shows the actual percentage of SCM, by weight, in the blend.
Concrete Curing compound	Certificate of compliance must include: <ol style="list-style-type: none"> 1. Test results for the tests specified in Section 90-1d1d(6) [90-7.01B] of the <i>Standard Specifications</i>. 2. Certification that the material was tested within 12 months before use.
Concrete Minor concrete	Before placing minor concrete from a source not previously used on the contract, a certificate of compliance stating that the minor concrete to be furnished complies with the contract requirements, including the specified minimum cementitious material content.
Ceramic tile	
Chain link fencing and railing	Certificate required for protective coating system.
Concrete anchorage devices	

Table 6-2.3 Materials Accepted by Certificate of Compliance (2 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Concrete pipe Circular reinforced direct design method	Certificate of compliance must: 1. Be signed by the manufacturer's quality control representative. 2. State that all materials and workmanship comply with the specifications and authorized shop drawings.
Copper pipe	
Corrugated metal pipe	
Crack sealant	Certificate of compliance must include: 1. Manufacturer's name 2. Production location 3. Product brand or trade name 4. Product designation 5. Batch or lot number 6. Crack treatment material type 7. Contractor or subcontractor name 8. Contract number 9. Lot size 10. Shipment date 11. Manufacturer's signature
Crash cushions	
Crumb rubber modifier	Test results required with each truck load.
Culvert markers	
Delineators	Certificate of compliance required for: 1. Metal target plates 2. Enamel coating 3. Retroreflective sheeting
Dowel bar baskets	
Drop inlet grates and frames	
Drain tile	
Drip irrigation line	
Elastomeric Bearing Pads Plain	Certified test results for the elastomer.
Elastomeric Bearing Pads Steel-reinforced	Certified test results.
Electrical Battery back-up system	Certificates of compliance is required for: <ul style="list-style-type: none"> • External cabinet • Batteries
Electrical Conductor	
Electrical Conduit (galvanized and plastic)	
Electrical Equipment	
Electrical Pull boxes (concrete and plastic)	
Electrical Service cabinets	

Table 6-2.3 Materials Accepted by Certificate of Compliance (3 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Erosion control	Certificate of compliance is required for: <ul style="list-style-type: none"> • Straw • Fiber • RECP • Fasteners Certificate of compliance with attachments are required for: <ul style="list-style-type: none"> • Tackifier • Bonded fiber matrix • Polymer-stabilized fiber matrix Certificates of compliance attachments include: <ol style="list-style-type: none"> 1. Material Safety Data Sheet. 2. Product label. 3. List of applicable nonvisible pollutant indicators for soil amendment and stabilization products as shown in the table titled "Pollutant Testing Guidance Table" in the Caltrans Construction Site Monitoring Program Guidance Manual. 4. Report of acute and chronic toxicity tests on aquatic organisms conforming to EPA methods. 5. List of ingredients, including chemical formulation. 6. Properties of polyacrylamide in tackifier including (1) percent purity by weight, (2) percent active content, (3) average molecular weight, and (4) charge density.
Epoxy	
Epoxy powder coating for dowel bars and tie bars	
Expansion joint filler	
Fiberglass pipe	Certificate of compliance must be submitted with laboratory test results.
Gabions	If PVC coating is shown, a suitable UV resistance additive must be blended with the PVC and the additive must be shown on the certificate of compliance.
Geocomposite drain	Certificate of compliance must certify that the drain produces the specified flow rate. The certificate must be accompanied by a flow capability graph for the geocomposite drain showing flow rates and the externally applied pressures and hydraulic gradients. Verification must be by an authorized laboratory for the flow capability graph.
Geosynthetics	Test sample representing each lot and minimum average roll value.
Glass beads	
Glue laminated timbers and decking	
Guide markers	
Irrigation hose	
Irrigation pipe	Certificate of compliance required for: <ul style="list-style-type: none"> • Polyethylene pipe. • Plastic pipe supply line for pipe with wall thickness of the bell less than the specified minimum wall thickness of the pipe.
Joint filler material	
Joint seals (Type A and AL)	Certified test report for each batch of sealant.

Table 6-2.3 Materials Accepted by Certificate of Compliance (4 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Joint seal (Type B)	Certificate of compliance required for: <ul style="list-style-type: none"> • Elastomeric joint seal • Lubricant-adhesive Certificate of compliance must be submitted with certified test report for each lot of elastomeric joint seal and lubricant-adhesive. Test reports must include the seal movement rating, the manufacturer's minimum uncompressed width, and test results.
Joint seal assemblies with a movement rating of 4 inches or less	For alternative joint seal assemblies, a certificate of compliance must be submitted for each shipment of joint seal materials. The certificate must state that the materials and fabrication involved comply with the specifications and the data submitted in obtaining the authorization for the alternative joint seal assembly.
Joint seal assemblies with a movement rating over 4 inches	
Lime	Certificate of compliance must include a statement certifying the lime furnished is the same as on the authorized material source list.
Machine spiral wound PVC pipeliners	Certificate of compliance for each reel of PVC strip must include: <ol style="list-style-type: none"> 1. Name of manufacturer 2. Plant location 3. Date of manufacture and shift 4. Cell classification 5. Unit mass 6. Average pipeliner stiffness and profile type
Markers	Certificate of compliance required for: <ol style="list-style-type: none"> 1. Metal target plates 2. Enamel coating 3. Retroreflective sheeting
Masonry block	Certificate of compliance required for: <ol style="list-style-type: none"> 1. Concrete masonry units 2. Aggregate for grout 3. Grout
Micro surfacing emulsion	
Mulch	
Open steel flooring and grating	
Overside drains	Certificate of compliance based on steel materials, aluminum materials or plastic materials.
Parking area seal material	
Pavement markers	
Pavement marking Paint or thermoplastic	
Plastic lumber	Laboratory test report.
Plastic traffic drums	
Plastic pipe for drainage	Certificate of compliance must include average pipe stiffness, resin material cell classification, and date of manufacture. For corrugated polyethylene pipe, manufacturer's copy of plant audits and test results from the National Transportation Products Evaluation Program for the current cycle of testing for each pipe diameter furnished.
Portable changeable message sign	
Precast concrete Cementitious material used in precast concrete products	Certificate of compliance must be signed by the precast concrete product manufacturer.

Table 6-2.3 Materials Accepted by Certificate of Compliance (5 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Precast concrete Box culverts	Certificate of compliance must be signed by the manufacturer's QC representative for each shipment.
Precast raised traffic bars	
Preformed compression seal for concrete pavement	
Preformed membrane sheet	Must include type of sheet and the conditioner or primer application rates.
Rapid strength concrete	Certificate of compliance is required for each delivery of aggregate, cementitious material, and admixtures used for calibration tests. The certificate of compliance must state that the source of the materials used for the calibration tests is the same source as to be used for the planned work.
Reinforcement	You may request that the contractor submits with certificate of compliance: 1. Copy of the certified mill test report for each heat and size of reinforcing steel showing physical and chemical analysis. 2. Two copies of a list of all reinforcement before starting reinforcement placement.
Reinforcement Epoxy-coated	Certificate of compliance for each shipment of epoxy-coated reinforcement must be submitted with: 1. Certification that the coated reinforcement complies with ASTM A 775/A 775M for bar reinforcement or ASTM A 884/A 884M, Class A, Type 1, for wire reinforcement 2. All certifications specified in ASTM A 775/A 775M for bar reinforcement or ASTM A 884/A 884M for wire reinforcement.
Reinforcement Epoxy-coated prefabricated reinforcement	Certificate of compliance for each shipment of epoxy-coated prefabricated reinforcement must be submitted with: 1. Certification that the coated reinforcement complies with ASTM A 934/A 934M for bar reinforcement or ASTM A 884/A 884M Class A, Type 2 for wire reinforcement. 2. All certifications specified in ASTM A 934/A 934M for bar reinforcement or ASTM A 884/A 884M for wire reinforcement.
Reinforcement Epoxy-coating patching materials	Certificate of compliance for the patching material must include certification that the patching material is compatible with the epoxy powder to be used.
Reinforcement Headed bar	Certificate of compliance for each shipment of headed bar reinforcement must be submitted with: 1. Mill test reports for the: 1.1. Bar reinforcement 1.2. Head material 2. Production test reports 3. Daily production logs
Reinforcement Splicing	Certificate of compliance for each shipment of splice material must be submitted with: 1. Type or series identification of the splice material, including tracking information for traceability. 2. Grade and size number of reinforcement to be spliced. 3. Statement that the splice material complies with the type of mechanical splice on the authorized material list. 4. For resistance-butt-welded material: 4.1. Heat number 4.2. Lot number 4.3. Mill certificates

Table 6-2.3 Materials Accepted by Certificate of Compliance (6 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Sheet metal	
Sign panels	Certificates of compliance required for: <ol style="list-style-type: none"> 1. Aluminum sheeting 2. Retroreflective sheeting 3. Screened-process colors 4. Nonreflective, opaque, black film 5. Protective-overlay film
Silicone joint sealant	A certified test report of the results for the required tests performed within 12 months before the proposed use.
Slotted edge drain	
Snow poles	
Snow plow deflectors polyethylene material	
Soil amendment	
Steel crib wall	
Sheet metal	
Sign panels	Certificates of compliance required for: <ol style="list-style-type: none"> 1. Aluminum sheeting 2. Retroreflective sheeting 3. Screened-process colors 4. Nonreflective, opaque, black film 5. Protective-overlay film
Silicone joint sealant	A certified test report of the results for the required tests performed within 12 months before the proposed use.
Slotted edge drain	
Snow poles	
Snow plow deflectors polyethylene material	
Soil amendment	
Steel crib wall	
Steel pipe piles	The certificate of compliance must be signed by the plant's QC representative. The QC representative must be on record with the Department's Office of Structural Materials. certificate of compliance must include: <ol style="list-style-type: none"> 1. Statement that all materials and workmanship incorporated in the work and all required tests and inspections of this work have been performed as described. 2. Certified mill test reports for each heat number of steel pipe piles being furnished. 3. Test reports for tensile, chemical, and any specified non-destructive test (NDT). 4. Test reports must be based on test samples taken from the base metal, steel, coil or from the manufactured or fabricated piles. 5. Calculated carbon equivalent. The carbon equivalent may be shown on the mill test report.
Steel sheet piling	
Structural plate culverts	Certificate of compliance required for: <ol style="list-style-type: none"> 1. Structural metal plate pipe 2. Arches 3. Pipe arches 4. Metal liner plate pipe

Table 6-2.3 Materials Accepted by Certificate of Compliance (7 of 7)

Material/Product	Remarks (Including Requirements for Additional Back-Up Information Required with Certificate of Compliance)
Structural shape steel piles	Certificate of compliance must include: <ol style="list-style-type: none"> 1. Test reports for tensile, chemical, and any specified NDT. Test samples must be taken from the base metal, steel, or from the manufactured or fabricated pile. 2. A statement that all materials and workmanship incorporated in the work and all required tests and inspections of this work have been performed as described.
Structural composite lumber used in falsework	
Structural steel thermal spray coat	
Wire feedstock	
Styrofoam filler	
Subsurface drain	
Temporary concrete washout	Certificate of compliance required for: <ul style="list-style-type: none"> • Gravel-filled bag • Plastic liner
Temporary fence (Type ESA)	Certificate of compliance required for: <ul style="list-style-type: none"> • High visibility fabric • Safety caps for metal posts
Temporary linear sediment barrier	Certificate of compliance required for: <ul style="list-style-type: none"> • Fiber roll • Safety cap for metal posts • Silt fence fabric • Sediment filter bag • Foam barrier • Gravel-filled bag fabric
Temporary railing (Type K)	
Thermoplastic	
Tie bars	
Tie bar baskets	
Timber products (treated and untreated)	Certificate of compliance for timber and lumber must state the species of the material to be shipped and include a certified grading report. If treated, certified treating report.
Threaded tie bar splice couplers	
Traffic stripe	
Paint or thermoplastic	
Turf sod	
Underdrains	Certificate of compliance required for: <ul style="list-style-type: none"> • Type of pipe • Tubing • Fitting
Waterproofing fabric	
Waterstop	Certificate of compliance for waterstop material must state compliance with paragraph 6 of Army Corps of Engineers CRD-C 572.
Welded wire fabric	
Wire mesh fencing	

Greenbook 2018
Materials Requiring a Certificate of Compliance or Certified Test Reports

	Material	Section#	Section Title	Additional Comments
1		4-5	Certificate of Compliance	General Requirements
2	Weighing and Metering Equip.	4-7	Weighing and Metering Equipment	Engineer to "approve" prior to operation.
3	Cement	201-1 e 21	Cement	
4	Fly Ash	201-1 e 2.5.3	Fly Ash	Specific language/info required on the COC. Must also submit test data upon request.
5	Pozzolans	201-1 e 2.5.4	Class N Pozzolans	Specific language/info required on the COC. Must also submit test data upon request.
6	Joint Sealant , Type E	201-3.9	Test Report and Certification	Specific language/info required on certified test reports.
7	Curing Compound	201--4.3	Test Report and Certification	Must submit certified test report upon request.
8	Paving Asphalt	203-1 e 3	Test Report and Certification	Specific language/info required on certified test reports.
9	Liquid Asphalt	203-2.2	Test Report and Certification	Specific language/info required on certified test reports.
10	Microsurfacing Emulsion (MSE)	203-3.5	Certificate of Compliance	With each load. Must also submit test data upon request.
11	Latex	203-10.2.2	Latex	Specific language/info required on the COC.
12	Asphalt Rubber Hot Mix (ARHM)	203-1 e 4.2	Materials	Must also submit test reports with the COC.
13	Crumb Rubber Modifier (CRM)	203-1 e 2.3.1	General (Crumb Rubber Modifier)	Specific language/info required on the COC.
14	Treated Wood	204-2.4	Quality Control	Specific language/info required on the COC.
15	Structural Steel , Rivets, Bolts, Pins	206-1 e 1 e 2	Certification	Specific language/info required on certified test reports.
16	Gray Iron and Ductile Iron Castings	206-3.4.2.1	General (Tensile Testing)	Must also submit test reports with the COC.
17	Gray Cast Iron Castings	206-3.4.2.2	Gray Cast Iron Castings	Specific language/info required on the COC and must submit certified test results.
18	Ductile Iron Castings	206-3.4.2.3	Ductile Iron Castings	Specific language/info required on the COC and must submit certified test results.
19	Corrugated Steel Pipe, pipe arches.	207-1 e 4.2.1	General (Materials)	

20	Structural Steel Products	207-12.2.1	General (Materials)	Specific language/info required on the COC.
21	Structural Aluminum Products	207-14.2.1	General (Materials)	Specific language/info required on the COC.
22	PVC Pipe	207- 17 .4.1	General (Test Requirements)	
23	PolyPropylene Pipe	207-25.6.1	General (Man. Facility Testing)	
24	Materials used in Sewers	21 4 -2	Chemical Resistance (Pickle Jar) Test	Specific language/info required on the COC.
25	Viscometer Calibration	21 4 -4.2	Calibration	
26	Engineering Geosynthetics	213-1	General (Engineering Geosynthetics)	Specific language/info required on the COC.
27	Traffic Paint, Thermo and Markers	214-2	Test Reports And Cert. of Compliance	Specific language/info required on certified test reports OR COC
28	Precast Reinforced Concrete Box	216-8	Basis of Acceptance	
29	Fiberglass Standards	700-3.3.4	Fiberglass Standards	Specific language/info required on the COC and test reports.
30	Conductors for Series Circuits, 5000V	700-4.2.2	Conductors for Series Circuits	
31	Conductors and Cable	700-5.3.1	General (Conductors and Cable)	
32	Lamp Receptable Conductors	700-5.5.7	Electrical Components	COC Required if required information is not marked on the insulation.
33	LED Signal Modules	700-5.5.11.8	Certificate of Compliance	
34	LED Pedestrian Signal Module	700-5.6.6.7	Certificate of Compliance	

LAPM C.17 PROJECT COMPLETION

LAPM C.17 Project Completion

Section / Exhibit	Description of Changes
17.2 Definition of Terms	<ul style="list-style-type: none">• Consolidated and simplified definitions of Form 1446C and FIF-6/05 under “Final Inspection Form”
17.3 Final Inspection Procedures for Federal-Aid Projects	<ul style="list-style-type: none">• Clarified language for environmental mitigation commitments• Replaced FIF-6/05 with Exhibit 17-C
17.5 Final Report of Expenditures	<ul style="list-style-type: none">• Added reference to Exhibit 17 F-1
Exhibit 17-A	<ul style="list-style-type: none">• Added Exhibit 17-K (Report of Completion of Right of Way) to the checklist• Deleted specific reference to “County Supervisor” and replaced with more generic “Implementing Agency’s Governing Board”
Exhibit 17-H	<ul style="list-style-type: none">• OB 18-03: replaced Exhibit 3-O with LAPM 3-A
Exhibit 17-K	<ul style="list-style-type: none">• Revised reference to Expenditure Authorization

This chapter, [LAPM Chapter 15: Advertise and Award Project](#), and [LAPM Chapter 16: Administer Construction Contracts](#) of the Local Assistance Procedures Manual (LAPM) are for the use of local agencies, which administer federal-aid projects under a Local Agency-State Agreement. These three chapters cover general contract administration procedures.

When a locally sponsored project funded with federal-aid is within the state R/W and the State (Caltrans) is the administering agency, the Caltrans Construction Manual is used in lieu of these procedures.

17.2 DEFINITIONS OF TERMS

Delegated Project – A lower risk project not selected as Project of Division Interest project, for which Caltrans has authority for all aspects of a federal-aid project except those activities which may not be delegated by federal law (requiring Federal Highway Administration [FHWA] approval). Prior to September 2007 these projects were referred to as State-Authorized projects defined by set criteria (rather than risk) such as non-Interstate 3R projects, Interstate construction projects under \$1 million, non-NHS projects, and so forth. Over 99% of local assistance projects are delegated in which Caltrans or the local agency has approval authority for most project level activities.

EEO – Equal Employment Opportunity.

Final Inspection Form –

[Exhibit 17-C: Final Inspection Form](#) is used by the local agency to complete the final inspection of all projects and is utilized for the vast majority of projects.

[Exhibit 17-B: Final Inspection of Federal-Aid Project](#) is used by Caltrans to complete the final inspection of NHS Projects subject to FHWA Full Oversight (i.e., PoDI projects requiring FHWA signature).

Final Invoice – Invoice listing final cost incurred for a particular phase of the project, i.e., Preliminary Engineering, Construction Engineering, Right of Way, or Construction. The District Local Assistance Engineer (DLAE) is required to verify project completion and approve payment before forwarding the final invoice to Local Programs Accounting (LPA). For example see [Exhibit 17-C: Final Inspection Form](#), and refer to [LAPM Chapter 5: Invoicing](#) for instructions.

Projects of Division Interest (PoDI) – Projects where the CADO has retained one or more 23 U.S.C. 106 (c) responsibilities. These are projects that have an elevated risk, contain elements of higher risk, or present a meaningful opportunity for FHWA involvement to enhance meeting project objectives or advancing key initiatives. Major Projects are always designated as PoDIs.

Progress Invoice – Periodic billing invoice by local/regional agencies for reimbursement of costs on on-going contracts.

Report of Expenditures – Collectively refers to various final report documents.

17.3 FINAL INSPECTION PROCEDURES FOR FEDERAL-AID PROJECTS

Local agencies shall document fulfillment of environmental mitigation commitments for final inspection Report of Expenditures and ultimate accountability as follows:

- **Categorical Exclusion (CE)** – Local agency shall provide the DLAE with a list of environmental mitigation commitments when requesting CE determination.

- **Environmental Assessment (EA)** – Local agency shall summarize when environmental mitigation commitments in the draft [Environmental Assessment and provides an Environmental Commitments Record \(ECR\)](#) to the DLAE in order to document fulfillment of environmental mitigation commitments.
- **Environmental Impact Statement (EIS)** – Local agency shall summarize environmental commitments in the draft Record of Decision (ROD). [In addition, the local agency provides an Environmental Commitments Record \(ECR\)](#) to the DLAE in order to document fulfillment of environmental mitigation commitments.

In addition, they shall acknowledge any long-term commitment to maintenance of those mitigation measures.

Delegated Projects

Final Inspection by Local Agency

The local agency representative or his/her staff shall make the final inspection using [Exhibit 17-C: Final Inspection Form](#). The local agency representative or staff performing final inspection or signing the Final Inspection Form shall be one with authority for accepting the completed contract on behalf of the local agency and authorizing final payment to the contractor, as well as directing corrective action(s) to be undertaken by the contractor.

The inspection of work performed by contract shall be made sufficiently in advance of contract acceptance to allow time for possible corrective action. Neither FHWA nor Caltrans inspection is required at this time. However, timely submittal of [Exhibit 17-C](#) may provide an opportunity for Caltrans inspection prior to acceptance of the contract.

Upon successful completion of all corrective actions undertaken by the contractor and completion of all additional work required for the authorized project, but prior to contract acceptance, the local agency representative should complete items 1-10 of the Final Inspection Form and forward it to the Caltrans DLAE.

Project Verification by DLAE

The DLAE or his/her staff depending on the district organization and type of project, will review the job site and verify that the project was constructed in accordance with the scope and description of the project authorization document. Any safety, design or construction deficiencies noted should be immediately brought to the attention of the local agency for correction or resolution. Upon satisfactory review by Caltrans staff, the DLAE shall ensure that Items 1-10 have been completed by the local agency prior to completing Items 11-13 on the Final Inspection Form. The DLAE shall retain the Final Inspection Form and send a copy to the local agency for the Report of Expenditures.

Projects of Division Interest Projects

Final inspection of significant NHS projects shall be in accordance with written construction administration procedures discussed in [LAPM Chapter 15: Advertise and Award Project](#), Section 15.3: Approval for Local Agency to Administer Projects. All Projects of Division Interest projects shall be in accordance with the following:

Final Inspection by Local Agency

Projects of Division Interest projects will require a final inspection by the FHWA. To initiate this inspection, the local agency will make the final inspection as described above for Delegated projects, accept the construction contract and submit the signed [Exhibit 17-C: Final Inspection](#)

[Form](#) and reduced plan cover sheet and typical cross sections to the Caltrans Oversight Engineer (OSE) immediately upon completion of all work in the project authorization.

Project Verification by OSE

Upon receipt of the Local Agency Final Inspection Form, the OSE shall verify that the project has been completed as described in the plans and specifications. The OSE shall then transmit the necessary documents to the FHWA Transportation Engineer.

Final Inspection by FHWA

The final inspection by FHWA will be coordinated by the OSE in accordance with Caltrans Oversight Field Engineer Guidelines.

The DLAE shall receive from the OSE the Report of Expenditures prior to the DLAE processing the local agency's final project invoice.

17.4 “As-Built” PLANS

On locally administered contracts the resident engineer shall provide the DLAE a set of original record drawings of all structure work with “As-Built” corrections, or a clear, readable, black-line copy of the original tracings with “As-Built” corrections. The “As-Built” corrections shall be made by the engineer responsible for structure work. Each sheet of the As-Built plans must be clearly identified with an As-Built stamp. All plan sheets, whether they contain changes or not, must have (at a minimum) the name of the Resident Engineer (R.E.), the Construction Contract Acceptance date, and the Contract Number. These shall be forwarded by the DLAE to the Division of Structures with a copy of [Exhibit 17-J: Report of Completion of Structures on Local Streets and Roads](#). These shall be returned to the local agency after microfilming, if requested. “As-Built” corrections for the roadwork portion of the plans should be recorded in accordance with local agency requirements.

17.5 FINAL REPORT OF EXPENDITURES

The local agency is responsible for preparing and submitting to the DLAE the final report documents which collectively constitute the Final Report of Expenditures. This report provides key information required to initiate timely project closure and payment. The Report of Expenditures must be submitted within six months of project completion or completion of the last federally-reimbursable phase if no Federal funds are utilized for Construction. If the submittal deadline occurs in the year funds will lapse, the Final Report of Expenditures must be submitted to the DLAE by April 1 of that year. If timely submittals are not received, Caltrans may initiate actions discussed under [Section 17.6: Consequences for Non-Compliance](#).

The Final Report of Expenditures must be signed by the public employee in responsible charge of the project.

Federal-aid Projects

For federal-aid projects, the Final Report of Expenditures includes, as a minimum, the following documents:

- [Exhibit 17-A: A Cover Letter and Federal Report of Expenditures Checklist](#) - Identifies all mandatory documents to be included in the Final Report of Expenditures. This checklist shall be submitted by the local agency with the report of completion. Copies of all documents included in the report of expenditures shall be maintained on file at the local agency for any future audits as specified in the Master Agreement and Program Supplement, and to serve as verification that contractor labor requirements were met.

- [Exhibit 17-C: Final Inspection Form](#) - This form when completed by both the local agency and the DLAE or OSE (SHS projects) shall be included as part of the Final Report of Expenditures for all projects.
- Final Invoice – Final Invoice should conform to the format in [Exhibit 17-D: Federal–Aid Final Invoice](#). Submit one original. The Final Invoice must agree with the Final Detail Estimate.

Note: Even if all funding has been disbursed a final zero dollar amount invoice must be submitted
- [Exhibit 15-M: Final Detail Estimate](#) – The format of the final detail estimate is the same as presented in [LAPM Chapter 15: Advertise and Award Project](#), Section 15.7: Award Package except that it must be labeled Final and show the total of previous progress payments plus the final invoice. If claims are still pending, the final detail estimate should not be prepared until the claims are resolved. The final detail estimate must agree with the final invoice. State costs (e.g., state material testing) should not be included in the final detail estimate prepared by the local agency. Once claims are settled, the final invoice and a final detail estimate shall be submitted to the DLAE as part of the Final Report of Expenditures.
- [Exhibit 17-E: Sample Change Order Summary](#) – The Change Order Summary should conform to sample format. This is required regardless of whether or not change orders were made during the course of the contract. If there were none, please note none. Additionally, the following mandatory items of information must also be included on this form:
 1. Liquidated Damages – Indicate the liquidated damage days charged (calendar days) if any, the amount per day, and the total amount charged. Refer to [LAPM Chapter 16: Administer Construction Contracts](#), Section 16.17: Contract Disputes and Claims. If there were no liquidated damages, please note none. Liquidated damages shall also be shown on the Final Invoice and Final Detail Estimate.
 2. Contractors Claims – Refer to [LAPM Chapter 16: Administer Construction Contracts](#), Section 16.17: Contract Disputes and Claims. If there were no contractor’s claims, please note none.
 3. Date of Acceptance
- [Exhibit 17-F: Final Report-Utilization of Disadvantaged Business Enterprises \(DBE\), First-Tier Subcontractors; Exhibit 17 F-1: Final Report-Utilization of Disadvantaged Business Enterprise \(DBE\) for On-Call Contracts](#) – These forms shall be completed and signed, and they shall be in conformance with the requirements in [LAPM Chapter 9: Civil Rights and Disadvantaged Business Enterprises](#). The completed forms shall be submitted to the DLAE or OSE (SHS projects) with the final report of expenditures for construction contracts (or as specified in the provisions for consultant contracts).
- [Exhibit 17-O: Disadvantaged Business Enterprises \(DBE\) Certification Status Change](#) – This form shall be completed, signed, and submitted to the DLAE or OSE (SHS projects) with the final report of expenditures for construction contracts (or as specified in the provisions for consultant contracts). If no change, state so.

COVER LETTER-CONTINUED

Federal Project No.t STPL-5920(001)

Description of Project

The work done consisted, in general, of asphalt concrete overlays on Sawpit Avenue, asphalt concrete replacement, cold planning performed, and shoulder backing and pavement markers and metal beam guardrail installed. Other misc. items and details shown in the project plans, Standard Specifications, and Special Provisions were installed.

Contract
Chronology

1.	Bids Opened	03/30/2013
2.	Contract Approved by local agency	04/27/2013
3.	First chargeable working day	05/21/2013
4.	Contract Time (Working Days)	40
5.	Unworkable Days - weather	0
6.	Time Extensionst- CCOs	0
7.	Time Extensions - other	0
8.	Number of working days suspended	0
9.	Extended Date of Completion	07/30/2013
10.	Date work accepted by Resident Engineer	09/21/2013
11.	Liquidated damage days charged (calendar or working days)	0
12.	Date accepted by implementing agency's governing board	09/21/2013

FEDERAL REPORT OF EXPENDITURES CHECKLIST

Federal-aid Project Number: _____

Project Name: _____

Project Location: _____

- Final Inspection of Federal-aid Project (See Exhibit 17-B for FHWA High Profile projects) or Local Agency Final Inspection Form (See Exhibit 17-C for Delegated projects; [utilized for the majority of projects](#))
- Final Invoice (see Exhibit 17-D)
- Final Detail Estimate and Detail Estimate Summary (See Exhibit 15-M)
- Change Order Summary (See Exhibit 17-E)
- Statement of the existence or absence of liquidated damages and/or contractor's claims (See Exhibit 17-E)
- Date of completion: _____
- Date of acceptance: _____
- Final Report- Utilization of Disadvantaged Business Enterprise (DBE), First-Tier Subcontractors (See Exhibit 17-F)
- [Final Report- Utilization of Disadvantaged Business Enterprise \(DBE\) for On-Call Contracts \(See Exhibit 17-F1\)](#)
- Materials Certificate (Exhibit 17-G)
- * Report of Completion of Structure (two copies) (*Shall include one set of "As Built" Plans*) (See Exhibit 17-I and Exhibit 17-J)
- Disadvantaged Business Enterprises (DBE) Certification Status Change (Exhibit 17-O)
- [Report of Completion of Right of Way \(Exhibit 17-K\) for Projects with R/W Acquisition](#)

Note: A single submittal of all these documents will facilitate timely project closure.

* Additional documents required on bridge/major structural project or projects which meet specified conditions (described under **Reports at Completion of Contract**). Send Original copy to structures.

Distribution: (All projects): (1) Original Report of Expenditures
(2) Local Agency project files

Exhibit 17-H Cover Letter and Final Report of Expenditures Checklist (PE Only)

Name of DLAE
Department of Transportation
Caltrans - Local Assistance
District Address:

Federal- Aid Project No.t _____

Dear: Name of DLAE

Submitted for your consideration is: FINAL REPORT OF EXPENDITURES CHECKLIST (PE ONLY)

Project (Location)
Consultant: (Name)
Contract (Number)
Local Agency's Person In Responsible Charge: (Name)

Final Report of Expenditure Checklist

<p>1. Category</p> <p><input type="checkbox"/> Planning Study <input type="checkbox"/> Financial Study/ Report <input type="checkbox"/> LAPM 3-A</p> <p><input type="checkbox"/> Environmental Determination – No Build <input type="checkbox"/> Date of FHWA Approved No Repayment: _____ <input type="checkbox"/> LAPM 3-A</p>	<p><input type="checkbox"/> Subsequent Phases Funded Under Separate Federal Project(s) <input type="checkbox"/> FPN for Subsequent Phase: _____ <input type="checkbox"/> FPN for Subsequent Phase: _____ <input type="checkbox"/> FPN for Subsequent Phase: _____ <input type="checkbox"/> LAPM 3-A</p> <p><input type="checkbox"/> Subsequent Phases Funded With Non-Federal Funds <input type="checkbox"/> Date of R/W Acquisition or Construction Award: _____ <input type="checkbox"/> Funding Sources: _____ <input type="checkbox"/> LAPM 3-A</p>
<p>2. Consultant Utilization</p> <p><input type="checkbox"/> Exhibit 17-F: Consultant Contracts(s) (Include Final Report–Utilization of Disadvantage Business Enterprises <input type="checkbox"/> Exhibit 17-O: Disadvantage Business Enterprise (DBE) Certification Status Change <input type="checkbox"/> Force Account</p>	
<p>3. Final Invoice</p> <p><input type="checkbox"/> Exhibit 17-D: Federal-Aid Final Invoice <input type="checkbox"/> Exhibit 5-Jt Local Agency Invoice Review Checklist <input type="checkbox"/> Exhibit 5-K: Billing Summary</p>	

Sincerely,

Local Agency's Person in Responsible Charge

Reviewed By:

District Local Assistance Engineer

Distribution: (All projects): (1) Final Report of Expenditures
(2) Local Agency project files

FINAL INVOICE
MULTI PHASE EA
RIGHT OF WAY
(LETTERHEAD CITY OF MORELAND)

Name, Joe Smoe
District Local Assistance Engineer
Department of Transportation
P. O. Box 23660
Yourcall, CA 96007

Attention: Phil N. Blank
District Local Assistance Engineer

Billing No:	Final
Invoice No:	Local Agency's Invoice No.
Federal-Aid Project No:	Prefix-Proj. No. (Fed. Agreement No.)
Tax Identification No:	Agency IRS ID Number
Project Completion Date:	Date of Contract Completion
Date Project Accepted by City/County:	Final Date or "Ongoing" if not Final
Project Location:	Project Limits

Reimbursement for federal funds is claimed pursuant to Local Agency-State Agreement No. Number, Program Supplement No., Number, executed on Date.

	Phase 9 Capital	Phase 2 Incidental	Total
Federal Appropriations Code	33D	33D	33D
Advantage Project No.	03-023459	03-023452	
Federal Authorization Date	08/30/94	08/30/94	
Federal participating costs from	10/05/94	08/30/94	
to	02/30/95	02/30/95	
Federal-aid Agreement Amount	\$2,400,000	\$300,000	
Total Costs	\$1,133,907	\$ 243,642	
Less: Rental Income	0	(12,250)	
Nonparticipating Costs	(\$20,750)	(64,356)	
Federal Participating Costs to Date	\$1,113,157	\$167,036	
Less: Participating Costs on Previous Invoice	\$980,165	\$150,794	
Change in Participating Costs	\$132,992	\$16,242	
Reimbursement Ratio	88.53%	88.53%	
Amount of this claim	\$117,737.81	\$14,379.04	\$132,116.85
INVOICE TOTAL:	\$132,116.85		

Note: When multiplying "Change in Participating Costs" by "Reimbursement Ratio," the result is rounded to the lowest cent. Federal rules do not allow rounding up. Form FM 1592A

LAPM C.19 OVERSIGHT AND PROCESS REVIEWS

LAPM C.19 Oversight and Process Reviews

Section / Exhibit	Description of Changes
<p align="center">19.6 Construction Oversight Program</p>	<ul style="list-style-type: none"> Renamed “Mid-Project” Review to “Mid-Construction” Review
<p align="center">19.7 A&E Oversight Program</p>	<ul style="list-style-type: none"> Revised instructions for Exhibit 10-C database procedures
<p align="center">Exhibit 19-A</p>	<p>A. Project Information</p> <ul style="list-style-type: none"> #3: Renamed “Agency” to “Local Public Agency (LPA)” #5: Added “Encroaching on a State Highway System (Y/N)” #6: Deleted “Project Type” text field #8-12: Re-ordered listing Added LPA Contact and Phone Number fields from Section D Added new “Consultant Participant(s)” text field Added Prime Contractor text field from Section B <p>B. Project Staffing</p> <ul style="list-style-type: none"> #4: Added field for License No. for PE with delegated responsibility #6: Prime Contractor text field moved to Section A Added project construction management team list (Y/N/Not Yet/NA) Added construction management team adequately staffed (Y/N/Not Yet/NA) Added emergency contact information sheet on file (Y/N/Not Yet/NA) Added Comments field <p>C. Contract Information</p> <ul style="list-style-type: none"> Added Mid-Construction Review Date from Section D #1: Moved notice to proceed letter question to Section D #2: Moved award package question to Section D #6: Deleted “If the lowest responsible bidder exceeds the engineer’s estimate by 10% or more, is written justification on file?” #7: Added clarifying “If yes, has the LPA executed the Exhibit?” (Y/N/Not Yet/NA) #9: Deleted “Does the approved PS&E include a TMP/TTC plan or provisions for the contractor to develop a plan?” #10: Deleted “Does the contract specify that the prime contractor must perform work equaling at least 30% of total bid?”

LAPM C.19 OVERSIGHT AND PROCESS REVIEWS

	<ul style="list-style-type: none"> • #12: Deleted “Is the project Environmental Commitment Record (ECR) in the files?” • #13 - #24: reordered questions by moving related questions to sub-questions • #24: updated submission of Exhibit 10-C physical form to database entry <p>D. Work Status</p> <ul style="list-style-type: none"> • Added notice to proceed letter question from Section C • Added award package question from Section C • Reworded “Is review taking place prior to first working day” to “Have construction operations begun?” • Re-labeled “Follow up items for major deficiencies” Table to “Follow up items for significant findings” and column headers; moved to its own section E; • “Summary” text field moved to new Section F
<p>Exhibit 19-B</p>	<ul style="list-style-type: none"> • Re-titled Exhibit from “Mid-Project Review Checklist” to “Mid-Construction Review Checklist” <p>A. Project Information</p> <ul style="list-style-type: none"> • Similar changes to Section A in Exhibit 9-A <p>B. Project Staffing</p> <ul style="list-style-type: none"> • #1: Added phone number field for LPA Employee in Responsible Charge of Project • #4: Added field for License No. for PE with delegated responsibility • #6: Modified question from “Is there a listing of all project staff with their respective titles on file” to “Is there a list of project construction management team including names, titles and contact number on file” <p>C. General Project Records</p> <ul style="list-style-type: none"> • Added “Were requested records easily retrieved in a timely manner?” (Y/N/Not Yet/NA) <p>D. Project Status and Contract Time</p> <ul style="list-style-type: none"> • Re-ordered listing of questions • #1: modified question to “What is the project construction progress” and combined with #4 as sub-question <p>E. RE Reports and Assistant RE Daily Diaries (Reports)</p> <ul style="list-style-type: none"> • Minor clarifications • #5: expanded RE Daily Reports question <p>F. QAP & Materials Testing</p> <ul style="list-style-type: none"> • #6-#21: Re-organized and modified listing • #12/13: Combined and modified question to “Have the acceptance testers been certified by Caltrans, the Joint Certification Testing Program (JTCP), or other test certifiers?” • Added “Is the contractor’s Notice of Materials to be Used, Exhibit 16-I, or similar in project records?” (Y/N/Not Yet/NA) • #22: Added clarifying question “If yes, what materials?”

LAPM C.19 OVERSIGHT AND PROCESS REVIEWS

	<ul style="list-style-type: none">• Added “Is the Contractor required to submit COC for any pre-manufactured materials incorporated into the work?”• Added “Were the COCs accepted prior to issuing a progress payment to contractor?” <p>G. Contract Change Orders</p> <ul style="list-style-type: none">• #1, #2, and #10: re-organized and modified• #4 added clarifying sub-questions• #8 & #9: combined with sub-questions• Added “Did the LPA make sure that no payment was made to the contractor for work under a CCO until the date that the CCO was fully approved?” <p>H. Project Payments</p> <ul style="list-style-type: none">• Added “Are weight tickets on file supporting quantities for items paid by weight?” <p>I. Labor Compliance & EEO</p> <ul style="list-style-type: none">• Added “Who is the LPA’s Labor Compliance officer?”• #1 moved to new #3• Added “If necessary, did the LPA issue an addendum to incorporate the latest federal wage rates revision into contract?”• #8 & #9: combined with sub-questions• Added “Has contractor submitted required Federal-Aid Highway Construction Contractors Annual EEO Report, Exhibit 16-O, and LPA reviewed, signed, and submitted the Exhibit to Caltrans?” with clarifying statement <p>J. DBE</p> <ul style="list-style-type: none">• Modified title of section to “DBE & Subcontracting Administration”• #5-#9: re-organized listing <p>K. Trainees (Apprentices)</p> <ul style="list-style-type: none">• Modified title of section to “Apprentices (Trainees)”• #1-#4: re-organized listing <p>L. Environmental Commitments</p> <ul style="list-style-type: none">• Clarifications made <p>M. Traffic Management Plan</p> <ul style="list-style-type: none">• #3: Deleted “Are the traffic management plan requirements being followed?”• Added “If necessary, does TMP provide detours built to accommodate people with disabilities, pedestrians, and bicyclists where allowed?” <p>N. Follow Up Items for Significant Findings</p> <ul style="list-style-type: none">• Added new section letter “N”• Renamed “significant deficiencies” to “significant findings” <p>O. Estimated Date of Post-Construction Review</p> <ul style="list-style-type: none">• Added new section letter “O” for “Estimated date of post-construction review, if necessary” <p>P. Additional Items for Bridge Projects</p> <ul style="list-style-type: none">• Added new section letter “P”
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LAPM C.19 OVERSIGHT AND PROCESS REVIEWS

Exhibit 19-C	<p>Similar changes made from Exhibit 9-B; additional items include:</p> <ul style="list-style-type: none">D. Project Status and Contract Time<ul style="list-style-type: none">• Added “Has the LPA sent the project award package, Exhibit 15-L, to Caltrans?”• Added “Has the LPA sent a copy of the project Notice to Proceed letter to Caltrans?”G. Contract Change Orders<ul style="list-style-type: none">• Added listing of required information for CCOs, Form CEM-4900 or similarH. Project Payments<ul style="list-style-type: none">• Added “Has the LPA processed a progress payment to the contractor on this contract yet?”L. Environmental Commitments<ul style="list-style-type: none">• Added “Is the construction project adhering to all mitigation requirements contained in the environmental document and any regulatory permits?”
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During preliminary construction reviews, the COE will meet with the local agency's construction contract administration team and discuss project record documentation requirements using [Exhibit 19-A: Pre-Construction Review Checklist](#). The COE will also explain new policies or procedures, discuss available training, and highlight common problem areas and the means to avoid them. The timing of this type of review is targeted for after bid opening, but prior to beginning construction.

Mid-Construction Review

Mid-construction reviews will be performed on [selected](#) federal-aid construction projects. Factors to be considered in determining which projects to review include:

- High cost and/or complex projects
- Projects administered by agencies with previous sanctions/findings
- Projects that did not have a preliminary construction review
- Duration of the project
- Project location

During these reviews, the COE will meet with the local agency's resident engineer and review the project records. [Exhibit 19-B: Mid-Construction Review Checklist](#) will serve as the basis for this review. Any major deficiencies will be identified and the local agency will be notified of the deficiencies (see Review Findings below). The timing of this type of review is targeted for 40% to 60% of construction completion, but should not take place until the local agency has processed at least one progress payment to the contractor.

Post Construction Review

Post construction reviews will be performed on a case-by-case basis. Projects that did not receive a preliminary or mid-construction review, or had major deficiencies identified during a mid-construction review, are candidates for a post construction review. The purpose of the post construction review is to verify that federal and state requirements for construction contract administration have been met, and to ensure that major deficiencies noted during mid-construction reviews have been fully resolved in conformance with an accepted corrective action plan. [Exhibit 19-C Post-Construction Review Checklist](#) will serve as the basis for this review. Accepted corrective action plans will also be utilized in the review. Any further major deficiencies will be identified and the local agency will be notified of the deficiencies (see Review Findings below).

Review Findings

Results of the construction oversight reviews will be forwarded to the local agency and the DLAE within two weeks. Any major deficiency identified during a review will require [development](#) of a corrective action plan by the local agency [in consultation with the District](#) within 30 days of receipt of the major deficiency notification, unless the agency disagrees with the major deficiencies identified and appeals the decision as discussed below. As defined in [LAPM Chapter 20: Deficiencies and Sanctions](#) major deficiencies are those errors of commission or omission, which violate federal or state law or regulation, and if uncorrected, would prevent federal or state participation in all or a portion of the project.

Corrective action plans will identify actions the local agency will take to address each major deficiency noted. Corrective actions may include modifications of local agency policies and

procedures, and participation in training to address systemic related deficiencies, while project specific issues may require additional measures to remedy deficiencies to ensure compliance with federal and state requirements and ensure reimbursement eligibility. Corrective action plans must also include timelines for each action to be implemented. Failure to provide and implement corrective actions may result in sanctions or federal ineligibility notices against the project or local agency.

Certain deficiencies may be unrecoverable as described in [LAPM Chapter 20](#).

In the event the local agency disagrees with the major deficiencies identified, the local agency will have 30 days from receipt of the major deficiency notification to submit their written request for appeal in accordance with [LAPM Chapter 20](#), Section 20.4: Local Assistance Dispute Resolution Process. If the appeal is denied, the local agency will have 15 days from receipt of the decision to submit their corrective action plan.

Roles and Responsibilities

The following procedures, including roles and responsibilities, will be used to perform construction oversight on federal-aid projects being administered by local agencies off the SHS.

Construction Oversight Engineers

- Coordinate construction oversight reviews with local agencies.
- Provide construction oversight review forms to the local agency prior to reviews to expedite the review process.
- Identify projects subject to preliminary, mid-**construction** and/or post construction reviews utilizing the above guidelines.
- Consult with the construction oversight program coordinator on selecting projects for preliminary and mid-**construction** reviews.
- Perform construction oversight reviews through review of project records and discussions with local agency's contract administration staff.
- Keep DLAE apprised of oversight reviews so they may participate, if available.
- Provide review findings to the local agency, construction oversight coordinator, and DLAE. Review findings are to be sent to the local agency within two weeks.
- Identify any major deficiencies that will require a local agency corrective action plan. Issue a letter to the local agency notifying them of the major deficiencies requiring corrective action with copies sent to the construction oversight coordinator and DLAE.
- Consult with the DLAE regarding major deficiencies and corrective action plans.
- Monitor local agency corrective action plan development and implementation. Ensure the Construction Oversight Database is populated and kept up-to-date with major deficiency information and related corrective action plan information.
- Assist the DLAE with quantification of any sanctions related to unresolved major deficiencies.
- Participate in construction phase reviews and audits by others (e.g., Office of Inspector General, FHWA, State Controller's Office, Independent Office of Audits and Investigations, etc.). Assist in formal response to project specific findings from these reviews and audits on Caltrans behalf.

- Assist local agencies and DLAE staff with questions that may arise concerning construction related issues.
- Provide guidance and training to local agencies and DLAE staff concerning construction contract administration, including federal and state requirements.
- Assist DLAE and DLAE staff with review and approval of complex change orders and review of complex dispute issues.
- Provide weekly update to the construction oversight program coordinator that identifies the major work performed (e.g., local agency project reviewed, type of review, other project reviews, major deficiency notification letters, training delivered, analysis of complex change orders or dispute issues etc.).
- Attend monthly construction oversight meetings to discuss programmatic issues concerning construction oversight, sharing experiences, and concerns.

Construction Oversight Program Coordinator

- Maintain Construction Oversight Database, monitoring for consistency and accuracy utilizing weekly newsletters and major deficiency notification letters.
- Issue quarterly report for construction oversight (programmatic findings) to FHWA Division Administrator, DLA division chief, DLAEs and COEs. Report to include review metrics, common problem areas, recommendations for improvements, programmatic actions/improvements taken (e.g., policy, procedures and training), performance measure trend analysis to establish first year baseline and subsequent performance, and sanctions taken.
- Issue quarterly report for construction oversight (project specific findings) to FHWA Division Administrator, Division of Local Assistance (DLA) division chief, DLAEs, and COEs. Report to include district, project number, local agency, review type, review date, reviewer, major deficiencies identified, notification letter date, local assistance dispute resolution referral date, corrective action plan submittal date(s), approval date of corrective action plan, status of major deficiency resolution, sanction description, and sanction amount.
- Provide input to the construction oversight engineers on projects subject to preliminary and mid-[construction](#) reviews.
- Analyze project review findings to identify common problem areas where modifications to policies, procedures, or training related to construction oversight may be needed.
- Assist in development and delivery of new or revised policies, procedures, and training related to construction oversight.
- Participate in construction phase reviews and audits by others (e.g., Office of Inspector General, FHWA, State Controller's Office, Independent Office of Audits and Investigations, etc.). Assist in formal response to project specific and programmatic findings from these reviews and audits on Caltrans behalf.
- Hold monthly meetings with construction oversight engineers to discuss programmatic issues with construction oversight as a means to maintain statewide consistency and identify common concerns.
- Perform construction oversight engineer duties as the need arises or in the absence of a COE.
- Assist DLA division chief with issues referred to the Local Assistance Dispute Resolution Process.

District Local Assistance Engineer

- Provide representation at construction oversight reviews, as available.
- Discuss major deficiency notification letter and corrective action plan requirements with the COE.
- Perform DLAE role in Local Assistance Dispute Resolution Process.
- Issue sanctions on projects resulting from unresolved major deficiencies.

19.7 A&E OVERSIGHT PROGRAM

The Architectural and Engineering (A&E) Oversight Branch is responsible for the oversight of consultant contracts procured by local agencies complying with federal regulations 23 Code of Federal Regulations (CFR) 172 and 23 United States Code (USC) 112, and state regulations California Government Code 4525.

For locally administered federal-aid highway projects, A&E consultant contract oversight reviews will be performed by Caltrans' Local Assistance A&E Oversight Engineers (A&EOEs). DLAE staff may participate in the reviews, if necessary.

Types of Reviews

The purpose of A&E consultant contract oversight reviews is to verify local agency compliance with federal and state consultant contract administration requirements. A risk-based approach has been identified by the A&E branch to aid the local agencies with compliance that includes requiring agencies [complete and submit the 10-C at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> prior to contract award, or after contract award but no later than the first invoice](#). The objective is to create a database documenting all consultant contracts and perform process reviews on a sample of contracts for the annual performance measures report.

Although the risk-based approach is the [submittal of Exhibit 10-C via the database](#), a process review may be conducted on projects for reporting purposes and to determine accuracy of Exhibit 10-C information.

Exhibit 10-C Review

The purpose of the Exhibit 10-C [database](#) is to provide oversight and guidance to a local agency regarding consultant contract administration on a federal or state funded project prior to the award of the contract. Exhibit 10-C [database](#) includes items considered critical for compliance with federal and state regulations.

Subsequent process reviews may be performed on selected state and/or federal projects requiring a greater degree of oversight if deemed necessary for agencies with a noncompliance history.

The following factors may be used when selecting projects for subsequent review:

- Local agencies with identified deficiencies during an Incurred Cost Audit
- Projects administered by agencies with previous sanctions/findings
- Lack of experienced/trained local agency personnel

- Request by local agency for assistance
- Per request by the local agency or DLAE for additional assistance

During subsequent process reviews, the A&EOE will meet with the local agency's consultant contract administration team and discuss project record documentation requirements using [Exhibit 10-C database](#). The timing of these types of reviews is targeted for pre-advertisement, pre-negotiations, and pre-award of the consultant contract. This will allow for any changes to take place prior to execution or termination of negotiations for re-advertising. The A&EOE will also explain new policies or procedures, discuss available training, and highlight common problem areas and the means to avoid them.

Review Findings

Review findings [from any subsequent reviews](#) will be forwarded to the local agency and the DLAE within five business days. Any major deficiency identified during a review will require [development](#) of a corrective action plan by the local agency [in consultation with the District](#) within 30 days of receipt of the major deficiency notification, unless the agency disagrees with the major deficiencies identified and appeals the decision as discussed below. As defined in [LAPM Chapter 20: Deficiencies and Sanctions](#), major deficiencies are those errors of commission or omission, which violate federal or state law or regulation, and if uncorrected, would prevent federal or state participation in all or a portion of the project.

Corrective action plans will identify actions the local agency will take to address each major deficiency noted. Corrective actions may include re-advertising, modifications of local agency policies and procedures, and participation in training to address systemic related deficiencies, while project specific issues may require additional measures to remedy deficiencies to ensure compliance with federal and state requirements and ensure reimbursement eligibility. Corrective action plans must also include timelines for each action to be implemented. Failure to provide and implement corrective actions may result in sanctions or federal/state ineligibility notices against the project or local agency.

Certain deficiencies may be unrecoverable as described in [LAPM Chapter 20](#).

In the event the local agency disagrees with the major deficiencies identified, the local agency will have 30 days from receipt of the major deficiency notification to submit their written request for appeal in accordance with [LAPM Chapter 20](#), Section 20.4: Local Assistance Dispute Resolution Process. If the appeal is denied, the local agency will have 15 days from receipt of the decision to submit their corrective action plan.

Roles and Responsibilities

The following procedures, including roles and responsibilities, will be used to perform consultant oversight on federal and state funded projects being administered by local agencies.

A&E Oversight Engineers

- [Monitor](#) Exhibit 10-C [database](#).
- Coordinate consultant oversight process reviews with local agencies.
- Consult with the A&E Oversight Program Manager on randomly selecting projects for process reviews.

- Perform consultant oversight process reviews through review of project records and discussions with local agency's contract administration staff.
- Communicate with DLAE of oversight process reviews so they may participate, if available.
- Provide **process** review findings to the local agency, consultant oversight coordinator, and DLAE.
- Identify any major deficiencies that will require a local agency corrective action plan.
- Issue a letter to the local agency notifying them of the major deficiencies requiring corrective action with copies sent to the consultant oversight coordinator and DLAE.
- Consult with the DLAE regarding major deficiencies and corrective action plans.
- Monitor local agency corrective action plan development and implementation. Ensure the A&E Consultant Oversight Database is populated and kept up-to-date with major deficiency information and related corrective action plan information.
- Assist the DLAE with quantification of any sanctions related to unresolved major deficiencies.
- Participate in consultant phase reviews and audits by others (e.g., Office of Inspector General, FHWA, State Controller's Office, Independent Office of Audits and Investigations, etc.). Assist in formal response to project specific findings from these reviews and audits on Caltrans' behalf.
- Assist local agencies and DLAE staff with questions that may arise concerning consultant contract related issues.
- Provide guidance and training to local agencies and DLAE staff concerning consultant contract administration, including federal and state requirements.
- Assist DLAE and DLAE staff with review of solicitation documents.
- Attend monthly consultant oversight meetings to discuss programmatic issues concerning consultant contract oversight, and share experiences and concerns.

A&E Oversight Program Manager

- Maintain A&E Consultant Oversight Database, monitoring for consistency and accuracy utilizing major deficiency notification letters.
- Issue annual report for A&E oversight (programmatic findings) to FHWA Division Administrator, DLA Division Chief, DLAEs, and A&EOEs. Report should include reviewed metrics, common problem areas, recommendations for improvements, programmatic actions/improvements taken (e.g., policy, procedures, and training), performance measure trend analysis to establish first year baseline and subsequent performance, and sanctions taken.
- Analyze process review findings to identify common problem areas where modifications to policies, procedures, or training related to consultant oversight may be needed.
- Assist in development and delivery of new or revised policies, procedures, and training related to consultant oversight.
- Participate in consultant contract reviews and audits by others (e.g., Office of Inspector General, FHWA, State Controller's Office, Independent Office of Audits and

A. PROJECT INFORMATION:

Date of Review

01. Federal Aid Project No.:	<input type="text"/>		
02. District:	<input type="text"/>		
03. Local Public Agency (LPA):	<input type="text"/>		
04. Project Description:	<input type="text"/>		
05. Project Location:	<input type="text"/>		
County:	<input type="text"/>		
City:	<input type="text"/>		
Street(s):	<input type="text"/>		
Encroaching on a State Highway System:	<input type="text"/>	<input type="text"/>	<input type="text"/>
06. Funding Source(s):	<input type="text"/>		
07. Caltrans COE:	<input type="text"/>		
08. Caltrans DLAE:	<input type="text"/>		
09. Caltrans Participant(s):	<input type="text"/>		
10. FHWA Participant(s):	<input type="text"/>		
11. LPA Participant(s):	<input type="text"/>		
12. LPA Contact:	<input type="text"/>	Phone Number:	<input type="text"/>
13. Consultant Participant(s):	<input type="text"/>		
14. Prime Contractor Firm:	<input type="text"/>		

B. PROJECT STAFFING (LAPM, Section 16.2) :

01. LPA Employee in Responsible Charge of Project:	<input type="text"/>	Phone Number:	<input type="text"/>
02. Project Resident Engineer (RE):	<input type="text"/>		
03. Does RE work for LPA or Consultant?	<input type="text"/>		
04. Is RE a licensed PE?	<input type="text"/>		
A. if yes, PE License Number:	<input type="text"/>		
B. if no, who is the licensed PE who delegated this responsibility?	<input type="text"/>	Lic. No?	<input type="text"/>
05. If RE is a consultant, name of consultant firm:	<input type="text"/>		
06. Is there a list of project construction management team including names, titles, contact number on file?	<input type="text"/>		
07. Is the construction management team adequately staffed?	<input type="text"/>		
08. Is there an emergency contact information sheet on file containing names and contact information for agency/consultants/contractor? This is typically a contact list of key personnel to be contacted in the event of an emergency on the project. This form is typically shared with fire, police and other emergency groups as necessary.	<input type="text"/>		
09. Comments:	<input type="text"/>		

C. CONTRACT INFORMATION:

01. FHWA Construction Authorization (E-76) Date:

Engineer's Estimate Amount (Bid Items Only):

Alternative Contracting Method?

If yes, what method? (design-build, cost-plus-time (A+B), etc.)

Advertising Date: Bid Opening Date: Award Date:

Low Bid Amount: High Bid Amount:

Contract Award Amount: Percent Award over/under Engineer's Estimate:

No. of Bids: No. of competitive bids (bids w/in 20% of low bid including the low bid):

Contract Time: Working Days Calendar Days

Notice to Proceed Date: Estimated Date of First Working Day:

Estimated Completion Date: Estimated Mid-Construction Review Date:

02. Are the Required Contract Provisions, Form FHWA-1273, physically attached to prime-contractor signed construction contract?

03. Have the applicable federal minimum wage rates been physically attached to the prime contractor signed construction contract?

04. Did the LPA perform, document, and file a bid analysis prior to project award?
(Bid Analysis is required for projects on the NHS and functionally classified as principal arterials and above)

05. Is the Construction Contract DBE Commitment, Exhibit 15-G, on file?
A. If yes, has the LPA executed the Exhibit?

06. If bidder did not meet the project DBE goal, is LPA's Evaluation of Good Faith Effort, Exhibit 9-E, on file?

07. Do the contract provisions regarding prompt payment of withheld funds to subcontractors match the option selected (Options 1-3) on Local Agency DBE Annual Submittal Form, Exhibit 9-B?

08. Are liquidated damage provisions included in the contract?
A. If yes, what is the dollar amount of liquidated damages per day?

09. Does the project contain incentive/disincentive provisions?

10. Does the LPA furnish any materials for this contract?
A. If yes, is Cost Effective/Public Interest Finding (PIF), Exhibit 12-F, for each LPA's furnished material on file?

B. If yes, has LPA provided documentation showing a competitive process was used for procuring those materials?

11. Will the LPA be using consultant contracts for contract administration, materials testing, surveying, environmental monitoring or other facets in support of the contract?

A. If yes, has LPA completed "Exhibit 10-C" in the A&E Consultant Contract Database
"Exhibit 10-C" at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> ?
This requirement applies for federal reimbursement of procurement of consultant contracts.

B. If yes, identify the following information:

Consultant Service	Consultant	Contract Type	Consultant Selection Process & Agreement Documentation on File

13. Comments:

D. WORK STATUS:

- 01. Has the LPA sent Caltrans the notice to proceed letter?
- 02. Has the LPA sent Caltrans the award package?
- 03. Have construction operations begun?
 A. If yes, what is the approx. % dollars complete? Approx. % time complete?
- 04. Was a pre-bid meeting held?
 A. If yes, was it Mandatory or Optional?
- 05. Was a pre-construction conference meeting held or will be held?
 A. Date of actual or estimated pre-construction conference?
- 06. Were the requirements of Mid Project Construction Review Checklist, Exhibit 19-B, reviewed with RE?

Mandatory/Opti

E. FOLLOW UP ITEMS FOR SIGNIFICANT FINDINGS:

Finding Description	Corrective Action	Action Plan Submittal Date

F. SUMMARY:

A. PROJECT INFORMATION:

Date of Review:

01. Federal Aid Project No.:	<input style="width: 100%;" type="text"/>		
02. District:	<input style="width: 100%;" type="text"/>		
03. Local Public Agency (LPA):	<input style="width: 100%;" type="text"/>		
04. Project Description:	<input style="width: 100%;" type="text"/>		
05. Project Location:	<input style="width: 100%;" type="text"/>		
County:	<input style="width: 100%;" type="text"/>		
City:	<input style="width: 100%;" type="text"/>		
Street(s):	<input style="width: 100%;" type="text"/>		
Encroaching on a State Highway System:	<input type="text"/>		Yes/No
06. Funding Source(s):	<input style="width: 100%;" type="text"/>		
07. Caltrans COE:	<input style="width: 100%;" type="text"/>		
08. Caltrans DLAE:	<input style="width: 100%;" type="text"/>		
09. Caltrans Participant(s):	<input style="width: 100%;" type="text"/>		
10. FHWA Participant(s):	<input style="width: 100%;" type="text"/>		
11. LPA Participant(s):	<input style="width: 100%;" type="text"/>		
12. LPA Contact:	<input type="text"/>	Phone Number:	<input type="text"/>
13. Consultant Participant(s):	<input style="width: 100%;" type="text"/>		
14. Prime Contractor Firm:	<input style="width: 100%;" type="text"/>		
15. Contract Award Amount:	<input style="width: 100%;" type="text"/>		

B. PROJECT STAFFING (LAPM, Section 16.2) :

01. LPA Employee in Responsible Charge of Project:	<input type="text"/>	Phone Number:	<input type="text"/>
02. Project Resident Engineer (RE):	<input style="width: 100%;" type="text"/>		
03. Does RE work for LPA or Consultant?	<input type="text"/>		
04. Is RE a licensed PE?	<input type="text"/>		
A. if yes, PE License No:	<input type="text"/>		
B. if no, who is the licensed PE who delegated this responsibility?	<input type="text"/>	Lic. No?	<input type="text"/>
05. If RE is a consultant, name of consultant firm:	<input style="width: 100%;" type="text"/>		
06. Is there a list of project construction management team including names, titles and contact number on file?			Yes/No/Not
07. Is the construction management team adequately staffed?	<input type="text"/>		
08. Is there an emergency contact information sheet on file containing names and contact information for agency/consultants/contractor? This is typically a contact list of key personnel to be contacted in the event of an emergency on the project. This form is typically shared with fire, police and other emergency groups as necessary.	<input type="text"/>		
09. Comments:	<input style="width: 100%; height: 100%;" type="text"/>		

C. GENERAL PROJECT RECORDS (LAPM, Section 16.3) :

01. Are project records being kept in an organized manner with an index that describes each file category?	<input type="text"/>
02. Are there sufficient categories to organize all required project documents?	<input type="text"/>
03. Were requested records easily retrieved in a timely manner?	<input type="text"/>
04. Comments:	<input style="width: 100%; height: 100%;" type="text"/>

D. PROJECT STATUS AND CONTRACT TIME (LAPM, Section 16.6):

- 01. Has the LPA sent the project award package, Exhibit 15-L, to Caltrans?
- 02. Has the LPA sent a copy of the project Notice to Proceed letter to Caltrans?
- 03. What is the project construction progress?
 A. Approximate % dollars complete? Approximate % time complete?
- 04. Does the LPA utilize the weekly statement of working days (WSWD), Exhibit 16-A, or other acceptable method of tracking contract time?
- 05. Is the controlling operation of work clearly noted on the WSWD?
- 06. What is the original number of contract days?
- 07. Is this duration in working days (WD) or calendar days (CD) ?
- 08. What is first working day per the contract?
- 09. What is computed date for contract completion?
- 10. What is extended date for contract completion?
 A. Number of Non-Working Days recorded to date:
 B. Number of CCO Days approved to date:
 C. Number of Contract Suspension Days approved to date:

11. Comments:

E. RESIDENT ENGINEER & ASSISTANT RESIDENT ENGINEER DAILY REPORTS (LAPM, Section 16.8):

- 1. Are Daily Reports, Exhibit 16-C, or similar up-to-date? e.g. no more than a week gap.
- 2. Do Daily Reports contain the following information?
 A. Identify full names of labor force:
 B. Identify labor classifications:
 C. Identify employer (name of prime contractor or subcontractor):
 D. Identify equipment make and model numbers:
 E. Identify breakdown of man/equipment hours worked by contract item and CCO numbers:
 F. Identify equipment idle or down time: Yes/No/Not
- 3. Do Daily Reports contain a narrative that adequately capture daily occurrences, specific locations of work overall operations, safety issues (traffic control), and significant conversations with the contractor?
- 4. Do the Daily Reports clearly identify the author with signature and date?
- 5. Is there adequate oversight of the Daily Reports by the RE?
 A. RE prepares their own (Weekly) Summary Report:
 B. RE reviews Daily Reports:
 C. RE initials Daily Reports after reviewing them:
- 6. Comments:

F. QUALITY ASSURANCE PROGRAM (QAP) & MATERIALS TESTING (LAPM, Section 16.11):

- 01. Does the LPA have a copy of their QAP in the project records?
- 02. Is the approval date on the QAP less than five (5) years old?
- 03. Does the QAP contain Acceptance Testing (AT) frequency tables?
- 04. Have the AT frequency tables been modified from the Caltrans sample QAP, Exhibit 16-R?
- 05. Which test methods contract documents specify? (CT/ASTM/AASHTO/Other)
- 06. Based on the contract PS&E and the QAP, what tests have been (or will be) performed?
- 07. What entity is performing the AT on this project?
- 08. Are copies of up-to-date acceptance testers certifications, Exhibit 16-D, or similar in the project files?
- 09. Have the acceptance testers been certified by Caltrans, the Joint Certification Testing Program (JCTP), or other test certifiers?
- A. If by other test certifiers, who?
- 10. Is the materials laboratory's current certification/accreditation in the project files?
- 11. Do the project records contain copies of mix designs and their formal approvals?
- 12. Do delivery tickets/load slips contain a product or mix identification number that corresponds to the approved mix design?
- 13. Are delivery tickets/load slips being collected and initialed at the time and point of delivery?
- 14. Are the AT reports in the project files?
- 15. Are there AT Results Summary Logs, Exhibit 16-Z2, or similar in the project files?
- 16. Are there any failing AT results in project records?
- A. If yes, are there corresponding passing AT reports or resolution explanation in project records?
- 17. Are the AT being performed at the frequency required in the QAP?
- 18. Is the AT being coordinated and monitored by the RE/inspector?
- 19. Does the RE/inspector see copies of the AT results in a timely manner? e.g. within 3 days
- 20. Has there been any material delivery waste, rejected or unused in loads?
- A. If yes, have deductions been taken from delivery load quantities?
- 21. Is the contractor's Notice of Materials to be Used, Exhibit 16-I, or similar in project records?
- 22. Are there any materials to be accepted into the project via source inspection?
- A. If yes, what materials?
- 23. Is the Contractor required to submit Certificate of Compliance (COC) for any pre-manufactured materials incorporated into the work?
- A. If yes, what materials?
- 24. Do the COCs contain the following information?
- A. Project ID or number?
- B. A lot or heat number?
- C. Statement that the material complies with the contract specifications?
- D. Signature by manufacturer?
- 25. Were the COCs accepted prior to issuing a progress payment to contractor?
- 26. Are the required Buy America Statements/Certifications for those material made of iron or steel and permanently incorporated into the work in project records?
- 27. Comments:

G. CONTRACT CHANGE ORDERS (LAPM, Section 16.10):

- 01. Are there any Contract Change Order (CCO) or Potential CCO in project yet?
- 02. Is there a CCO Summary Log with contingency balance tracking on file?
- 03. Are CCOs, Form CEM-4900, or similar contain the following information?
 - A. Adequately detail the work to be performed?
 - B. Specify the location(s) of work?
 - C. Cite applicable specifications for the work?
 - D. Clearly depict the method of payments?
 - E. Address contract time adjustment?
 - F. Each have a memorandum that adequately explain the reason for the CCO and justify the need?
- 04. If any of the CCOs were paid at an agreed lump sum or at agreed unit price(s), are there records on file supporting the establishment of those lump sum agreed prices? e.g. independent cost estimate by agency, force account analysis.
- 05. If any of the CCOs were written and paid for at force account (time and materials), do they provide?
 - A. Sufficient documentation on file listing the reasons for using the force account procedure?
 - B. Sufficient detail on Daily Reports to support the payment of time and materials on the CCO work?
- 06. If any of the CCOs adjusted the contract unit bid price (adjustment in compensation) of an item(s), is there a force account cost analysis to adequately support the adjustment(s)?
- 07. If any of the CCOs provide a contract time adjustment, are there records on file supporting the time adjustment? e.g. a time impact analysis.
- 08. If any of the CCOs contain revised or new engineering drawings or specifications, have the CCO drawings or specifications been stamped by a professional engineer with a valid California PE license?
- 09. Were all CCOs approved prior to beginning work on the CCO?
 - A. If not, was the LPA's prior authorization process followed and documented?
 - B. If not, was the contractor given written authorization to proceed with the CCO work?
 - C. If not, was the CCO ultimately approved in a timely manner? e.g. within 30 days.
- 10. Did the LPA make sure that no payment was made to the contractor for work under a CCO until the date that the CCO was fully approved?
- 11. Comments:

H. PROJECT PAYMENTS (LAPM, Section 16.13):

- 01. Has the LPA processed a progress payment to the contractor on this contract yet?
- 02. Does the progress payment provide suitable backup/documentation to support quantities and dollars amounts paid for contract item and CCO works? e.g. quantity calculation sheets (Q-Sheets, Exhibit 16-Y, or similar), quantity notations in daily reports/diaries, etc.
- 03. Are there separate Q-Sheets for each item being paid on each progress payment?
- 04. Does each Q-Sheets identify the specific portion of the work to which it applies? e.g. location, stations, etc.
- 05. Does each Q-Sheets include the measurements and calculations by which the quantity was determined?
- 06. Are weight tickets on file supporting quantities for items paid by weight?
- 07. Are Q-Sheets signed and dated?
- 08. Are Q-Sheets being checked and signed by a separate individual?
- 09. Are quantities paid to date being monitored and checked against estimated quantities?
- 10. Comments:

I. LABOR COMPLIANCE & EEO (LAPM, Section 12.9):

1. Who is the LPA's Labor Compliance officer?
2. Was the Required Contract Provisions, Form FHWA-1273, physically attached to the prime-contractor signed construction contract?
3. Were the applicable federal minimum wage rates physically attached to the prime-contractor signed construction contract?
4. Did the LPA check at ten days (federal 10-days rule) before bid opening if the wage rates changed from when the project was first advertised?
5. If necessary, did the LPA issue an addendum to incorporate the latest federal wage rates revision into contract?
6. Have required payrolls been received from the contractor to date?
7. Are payrolls properly certified (original handwritten or electronic signatures) using Form WH-347, or similar including all required language of Section 3.b.(2) of FHWA-1273 Form by the contractor/subcontractors?
8. Are payrolls spot-checked and initialed for proper hours, wage rates and OT by the checker?
9. Are required federal jobsite posters and applicable wage rates posted in plain view of workers in the
10. Are required Employee Interviews, either Exhibit 16-N or 16-P, or similar being conducted?
- A. Are the interviews conducted at an acceptable frequency? (Min. 2 interviews per contract per month)
- B. Do the employee interviews include the appropriate signatures and dates?
11. Has contractor submitted required Federal-Aid Highway Construction Contractors Annual EEO Report, Exhibit 16-O, and LPA reviewed, signed, and submitted the Exhibit to Caltrans? This requirement applies to all contractors who have federal-aid contracts exceeding \$10,000 and who worked any part of the last full week of July.:

12 Comments:

J. DBE & SUBCONTRACTING ADMINISTRATION (LAPM, Sections 16.9 & 16.7):

01. Who is the LPA's DBE liaison officer?
02. What is the Project DBE percentage goal?
03. What is the Construction Contract DBE Commitment, Exhibit 15-G percentage goal commitment?
04. If contractor did not meet the Project DBE percentage goal, did the LPA perform and file an Evaluation of Good Faith Effort, Exhibit 9-E, or similar in the project records?
05. Has contractor utilized all DBEs listed on Exhibit 15G as required to date?
06. Is there any commitment to utilize DBE trucking for this contract?
If yes, are Monthly DBE Trucking Verification, Exhibit 16-Z1, on file?
07. Has contractor submitted any request to substitute a DBE as listed on Exhibit 15-G yet?
If yes, has appropriate DBE substitution process been followed and documented by LPA?
08. Has any CCO affected the amount of DBE work?
09. Has the prime contractor submitted and the RE approved the Subcontracting Request, Exhibit 16-B, prior to any subcontractor work being performed?

10. Comments:

K. APPRENTICES (TRAINEES) (LAPM, Section 16.9):

01. Are training (apprentice) provisions a part of this contract? If yes, what is the number of trainees (apprentices) for this contract?	
02. Did the RE approve and file the contractor's training plan prior to start of work?	
03. Does the training plan include the following?	
A. Number of trainees to be trained for each classification?	
B. Training program to be used (approved by USDOL)?	
C. Training start date for each classification?	
D. Copies of registered trainees certifications by USDOL, Bureau of Apprenticeship and Training?	
04. Comments:	

L. ENVIRONMENTAL COMMITMENTS (LAPM, Section 16.12)

01. Is project's environmental clearance in project file? e.g. NEPA Clearance	
02. Is the construction project adhering to all mitigation requirements contained in the environmental document and any regulatory permits?	
03. Is there any written documentation to support such adherence similar to an Environmental Commitment Record (ECR) in the project records?	
04. Comments:	

M. TRAFFIC MANAGEMENT PLAN (LAPM, Section 16.5):

01. Is the Traffic Management Plan (TMP) contained in the project PS&E or do the project specifications require the contractor submit one?	
02. If contractor submitted the TMP, is a formal agency approval contained in the project files?	
03. If necessary, does TMP provide detours built to accommodate people with disabilities, pedestrians, and bicyclists where allowed?	
04. Comments:	

N. FOLLOW UP ITEMS FOR SIGNIFICANT FINDINGS:

Finding Description	Corrective Action	Action Plan Submittal Date

O: Estimated date of post-construction review, if necessary:

P. ADDITIONAL ITEMS FOR BRIDGE PROJECTS:

Concrete Records:

- 01. Are all approved concrete mixes on file?
- 02. Are all letters of concrete mix approvals on file?
- 03. Are samples and testing notations included on pour records or diaries?
- 04. Comments:

Bridge CCOs:

- 01. For bridge design changes, has the bridge designer authorized the change?
- 02. Comments:

Falsework Plans:

- 01. Is there a falsework log on file showing falsework submittal history?
- 02. Are the falsework plans properly stamped?
- 03. Do the falsework plans include erection and stripping operations?
- 04. Are the falsework calculations on file and complete?
- 05. Are there records of camber and falsework deflection calculations performed by a registered engineer?
- 06. Are there records of falsework soffit and deck grades supplied to the contractor by the Engineer, which accommodate falsework settlements and deflections and bridge camber requirements?
- 07. Is there a letter from the contractor certifying that the erected falsework substantially meets approved falsework plans dated prior to concrete pours of bridge soffit and deck?
- 08. Are there any records of observed falsework settlement during and after the concrete pour?
- 09. Comments:

Prestressing:

- 01. Are the initial shop drawings for prestressing (submitted by the contractor) on file?
- 02. Are the initial plans properly stamped?
- 03. Is the final set of shop drawings for prestressing on file?
- 04. Are the final plans properly stamped?
- 05. Is there a record in the diaries to indicate that the prestressing ducts were checked for any obstruction after the soffit/deck pours and prior to placing the strand?
- 06. Are there records of actual prestressing in the file?
- 07. Are there records indicating the contractor's pressure gauges and jack(s) were certified and valid at time stressing?
- 08. Is there proper documentation of both i) actual strand elongation vs. theoretical elongation and ii) load readings vs. contractor gauge readings?
- 09. Do the records show grouting was performed and include a copy of the certificate of compliance for the cement used?
- 10. Comments:

Profilographs (if there is a new bridge deck or if the existing bridge deck has been modified and finish surface requirements are included in the contract):

01. Are there records showing profilographs were taken before and after deck grinding?

02. Are all the profilograph records on file?

03. Comments:

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Shoring Plans (if there is/was shoring on the project):

01. Are the shoring plans properly stamped?

02. Do the project records include complete shoring calculations?

03. Comments:

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Welding (if there is welding in the contract)

01. Does the contract require the contractor to have a Quality Control Plan for welding?

If yes, is the contractor's welding Quality Control Plan on file?

02. Comments:

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Q. Summary

A. PROJECT INFORMATION:

Date of Review:

01. Federal Aid Project No.t			
02. District			
03. Local Public Agency (LPA):			
04. Project Description:			
05. Project Location:			
County:			
City:			
Street(s):			
Encroaching on a State Highway System:			
06. Funding Source(s):			
07. Caltrans COE:			
08. Caltrans DLAE:			
09. Caltrans Participant(s):			
10. FHWA Participant(s):			
11. LPA Participant(s):			
12. LPA Contact:		Phone Number:	
13. Consultant Participant(s):			
14. Prime Contractor Firm:			
15. Contract Award Amount:			

B. PROJECT STAFFING (LAPM, Section 16.2)t:

01. LPA Employee in Responsible Charge of Project		Phone Number:	
02. Project Resident Engineer (RE):			
03. Does RE work for LPA or Consultant?			LPA/Consultan
04. Is RE a licensed PE?			Yes/No/Not
A. if yes, PE License No:			
B. if no, who is the licensed PE who delegated this responsibility?		Lic. No?	
05. If RE is a consultant, name of consultant firm:			
06. Is there a list of project construction management team including names, titles and contact number on file			Yes/No/Not
07. Is the construction management team adequately staffed?			
08. Is there an emergency contact information sheet on file containing names and contact information for agency/consultants/contractor? This is typically a contact list of key personnel to be contacted in the event of an emergency on the project. This form is typically shared with fire, police and other emergency groups as necessary.			
09. Comments:			

C. GENERAL PROJECT RECORDS (LAPM, Section 16.3)t:

01. Are project records being kept in an organized manner with an index that describes each file category?	
02. Are there sufficient categories to organize all required project documents?	
03. Were requested records easily retrieved in a timely manner?	
04. Comments:	

D. PROJECT STATUS AND CONTRACT TIME (LAPM, Section 16.6):

- 01. Has the LPA sent the project award package, Exhibit 15-L, to Caltrans?
- 02. Has the LPA sent a copy of the project Notice to Proceed letter to Caltrans?
- 03. What is the project construction progress?
 - A. Approximate % dollars complete? Approximate % time complete?
- 04. Does the LPA utilize the weekly statement of working days (WSWD), Exhibit 16-A or other acceptable method of tracking contract time?
- 05. Is the controlling operation of work clearly noted on the WSWD?
- 06. What is the original number of contract days?
- 07. Is this duration in working days (WD) or calendar days (CD) ?
- 08. What is first working day per the contract?
- 09. What is computed date for contract completion?
- 10. What is extended date for contract completion?
 - A. Number of Non-Working Days recorded to date:
 - B. Number of CCO Days approved to date:
 - C. Number of Contract Suspension Days approved to date:
- 11. What is ACTUAL construction completion date by the contractor?
- 12. Was the project completed within the allotted contract time (including time extensions)?
 - A. If not, were liquidated damages assessed?
- 13. Comments:

E. RESIDENT ENGINEER & ASSISTANT RESIDENT ENGINEER DAILY REPORTS (LAPM, Section 16.8):

- 01. Are Daily Reports, Exhibit 16-C, or similar up-to-date? e.g. no more than a week gap.
- 02. Do Daily Reports contain the following information?
 - A. Identify full names of labor force:
 - B. Identify labor classifications:
 - C. Identify employer (name of prime contractor or subcontractor):
 - D. Identify equipment make and model numbers:
 - E. Identify breakdown of man/equipment hours worked by contract item and CCO numbers:
 - F. Identify equipment idle or down time:
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- 05. Is there adequate oversight of the Daily Reports by the RE?
 - A. RE prepares their own (Weekly) Summary Report
 - B. RE reviews Daily Reports:
 - C. RE initials Daily Reports after reviewing them:
- 06. Comments:

F. QUALITY ASSURANCE PROGRAM (QAP) & MATERIALS TESTING (LAPM, Section 16.11):

- 01. Does the LPA have a copy of their QAP in the project records?
- 02. Is the approval date on the QAP less than five (5) years old?
- 03. Does the QAP contain Acceptance Testing (AT) frequency tables?
- 04. Have the AT frequency tables been modified from the Caltrans sample QAP, Exhibit 16-R?
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- 06. Based on the contract PS&E and the QAP, what tests have been (or will be) performed?
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- 08. Are copies of up-to-date acceptance testers certifications, Exhibit 16-D, or similar in the project files?
- 09. Have the acceptance testers been certified by Caltrans, the Joint Certification Testing Program (JCTP), or other test certifiers?
- A. If by other test certifiers, who?
- 10. Is the materials laboratory's current certification/accreditation in the project files?
- 11. Do the project records contain copies of mix designs and their formal approvals?
- 12. Do delivery tickets/load slips contain a product or mix identification number that corresponds to the approved mix design?
- 13. Are delivery tickets/load slips being collected and initialed at the time and point of delivery?
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- 15. Are there AT Results Summary Logs, Exhibit 16-Z2, or similar in the project files?
- 16. Are there any failing AT results in project records?
- A. If yes, are there corresponding passing AT reports or resolution explanation in project records?
- 17. Are the AT being performed at the frequency required in the QAP?
- 18. Is the AT being coordinated and monitored by the RE/inspector?
- 19. Does the RE/Inspector see copies of the AT results in a timely manner? e.g. within 3 days
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- A. If yes, have deductions been taken from delivery load quantities?
- 21. Is the contractor's Notice of Materials to be Used, Exhibit 16-I, or similar in project records?
- 22. Are there any materials to be accepted into the project via source inspection?
- A. If yes, what materials?
- 23. Is the Contractor required to submit Certificate of Compliance (COC) for any pre-manufactured materials incorporated into the work?
- A. If yes, what materials?
- 24. Do the COCs contain the following information?
- A. Project ID or number?
- B. A lot or heat number?
- C. Statement that the material complies with the contract specifications?
- D. Signature by manufacturer?
- 25. Were the COCs accepted prior to issuing a progress payment to contractor?
- 26. Are the required Buy America Statements/Certifications for those material made of iron or steel and permanently incorporated into the work in project records?
- 27. Is the LPA's Materials Certificate, Exhibit 17-G, signed and on file?
- 28. Comments:

G. CONTRACT CHANGE ORDERS (LAPM, Section 16.10):

- | | |
|---|---|
| 1. Are there any Contract Change Order (CCO) or Potential CCO in project yet? | <input style="width: 100%; height: 15px;" type="text"/> |
| 2. Is there a CCO Summary Log with contingency balance tracking on file? | <input style="width: 100%; height: 15px;" type="text"/> |
| 3. Are CCOs, Form CEM-4900, or similar contain the following information? | <input style="width: 100%; height: 15px;" type="text"/> |
| A. Adequately detail the work to be performed? | <input style="width: 100%; height: 15px;" type="text"/> |
| B. Specify the location(s) of work? | <input style="width: 100%; height: 15px;" type="text"/> |
| C. Cite applicable specifications for the work? | <input style="width: 100%; height: 15px;" type="text"/> |
| D. Clearly depict the method of payments? | <input style="width: 100%; height: 15px;" type="text"/> |
| E. Address contract time adjustment? | <input style="width: 100%; height: 15px;" type="text"/> |
| F. Each have a memorandum that adequately explain the reason for the CCO and justify the need? | <input style="width: 100%; height: 15px;" type="text"/> |
| 4. If any of the CCOs were paid at an agreed lump sum or at agreed unit price(s), are there records on file supporting the establishment of those lump sum agreed prices? e.g. independent cost estimate by agency, force account analysis. | <input style="width: 100%; height: 15px;" type="text"/> |
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| 8. If any of the CCOs contain revised or new engineering drawings or specifications, have the CCO drawings or specifications been stamped by a professional engineer with a valid California PE license? | <input style="width: 100%; height: 15px;" type="text"/> |
| 9. Were all CCOs approved prior to beginning work on the CCO? | <input style="width: 100%; height: 15px;" type="text"/> |
| A. If not, was the LPA's prior authorization process followed and documented? | <input style="width: 100%; height: 15px;" type="text"/> |
| B. If not, was the contractor given written authorization to proceed with the CCO work? | <input style="width: 100%; height: 15px;" type="text"/> |
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- | | |
|--|---|
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I. LABOR COMPLIANCE & EEO (LAPM, Section 12.9):

1. Who is the LPA's Labor Compliance officer?
2. Was the Required Contract Provisions, Form FHWA-1273, physically attached to the prime-contractor signed construction contract?
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12. Comments:

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If yes, are Monthly DBE Trucking Verification, Exhibit 16-Z1, on file?
06. Has contractor submitted any request to substitute a DBE as listed on Exhibit 15-G yet?
If yes, has appropriate DBE substitution process been followed and documented by LPA?
07. Has any CCO affected the amount of DBE work?
08. Did the contractor submit the Final Report of DBE Utilization, Exhibit 17-F?
A. If yes, did the RE review and sign the above Exhibit 17-F?
09. Did the prime contractor fulfill its DBE commitment plus any approved DBE substitution?
A. If not, is a valid explanation/justification provided in the project file?
B. Where there was no valid explanation, was payment for the committed to DBE work withheld?
10. Has the prime contractor submitted and RE approved the Subcontracting Request, Exhibit 16-B, prior to any subcontractor work being performed?

Yes/No/Not

11. Comments:

K. APPRENTICES (TRAINEES) (LAPM, Section 16.9):

01. Are training (apprentice) provisions a part of this contract? If yes, what is the number of trainees (apprentices) for this contract?	<input style="width: 100%; height: 15px;" type="text"/> <input style="width: 100%; height: 15px;" type="text"/>
02. Did the RE approve and file the contractor's training plan prior to start of work?	<input style="width: 100%; height: 15px;" type="text"/>
03. Does the training plan include the following?	<input style="width: 100%; height: 15px;" type="text"/>
A. Number of trainees to be trained for each classification?	<input style="width: 100%; height: 15px;" type="text"/>
B. Training program to be used (approved by USDOL)?	<input style="width: 100%; height: 15px;" type="text"/>
C. Training start date for each classification?	<input style="width: 100%; height: 15px;" type="text"/>
D. Copies of registered trainees certifications by USDOL, Bureau of Apprenticeship and Training?	<input style="width: 100%; height: 15px;" type="text"/>
04. Comments:	

L. ENVIRONMENTAL COMMITMENTS (LAPM, Section 16.12)

01. Is project's environmental clearance in project file? e.g. NEPA Clearance	<input style="width: 100%; height: 15px;" type="text"/>
02. Is the construction project adhering to all mitigation requirements contained in the environmental document and any regulatory permits?	<input style="width: 100%; height: 15px;" type="text"/>
03: Is there any written documentation to support such adherence similar to an Environmental Commitment Record (ECR) in the project records?	<input style="width: 100%; height: 15px;" type="text"/>
04. Comments:	

M. TRAFFIC MANAGEMENT PLAN (LAPM, Section 16.5):

01. Is the Traffic Management Plan (TMP) contained in the project PS&E or do the project specifications require the contractor submit one?	<input style="width: 100%; height: 15px;" type="text"/>
02. If contractor submitted the TMP, is a formal agency approval contained in the project files?	<input style="width: 100%; height: 15px;" type="text"/>
03: If necessary, does TMP provide detours built to accommodate people with disabilities, pedestrians, and bicyclists where allowed?	<input style="width: 100%; height: 15px;" type="text"/>
04. Comments:	

N. FOLLOW UP ITEMS FOR SIGNIFICANT FINDINGS:

Finding Description	Corrective Action	Action Plan Submittal Date

O: Estimated date of post-construction review, if necessary:

P. ADDITIONAL ITEMS FOR BRIDGE PROJECTS:

Concrete Records:

- 01. Are all approved concrete mixes on file?
- 02. Are all letters of concrete mix approvals on file?
- 03. Are samples and testing notations included on pour records or diaries?
- 04. Comments:

Bridge CCOs:

- 01. For bridge design changes, has the bridge designer authorized the change?
- 02. Comments:

Falsework Plans:

- 01. Is there a falsework log on file showing falsework submittal history?
- 02. Are the falsework plans properly stamped?
- 03. Do the falsework plans include erection and stripping operations?
- 04. Are the falsework calculations on file and complete?
- 05. Are there records of camber and falsework deflection calculations performed by a registered engineer?
- 06. Are there records of falsework soffit and deck grades supplied to the contractor by the Engineer, which accommodate falsework settlements and deflections and bridge camber requirements?
- 07. Is there a letter from the contractor certifying that the erected falsework substantially meets approved falsework plans dated prior to concrete pours of bridge soffit and deck?
- 08. Are there any records of observed falsework settlement during and after the concrete pour?
- 09. Comments:

Prestressing:

- 01. Are the initial shop drawings for prestressing (submitted by the contractor) on file?
- 02. Are the initial plans properly stamped?
- 03. Is the final set of shop drawings for prestressing on file?
- 04. Are the final plans properly stamped?
- 05. Is there a record in the diaries to indicate that the prestressing ducts were checked for any obstruction after the soffit/deck pours and prior to placing the strand?
- 06. Are there records of actual prestressing in the file?
- 07. Are there records indicating the contractor's pressure gauges and jack(s) were certified and valid at time stressing?
- 08. Is there proper documentation of both i) actual strand elongation vs. theoretical elongation and ii) load readings vs. contractor gauge readings?
- 09. Do the records show grouting was performed and include a copy of the certificate of compliance for the cement used?
- 10. Comments:

Profilographs (if there is a new bridge deck or if the existing bridge deck has been modified and finish surface requirements are included in the contract):

01. Are there records showing profilographs were taken before and after deck grinding?

02. Are all the profilograph records on file?

03. Comments:

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Shoring Plans (if there is/was shoring on the project):

01. Are the shoring plans properly stamped?

02. Do the project records include complete shoring calculations?

03. Comments:

--

Welding (if there is welding in the contract)

01. Does the contract require the contractor to have a Quality Control Plan for welding?

If yes, is the contractor's welding Quality Control Plan on file?

02. Comments:

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Q. Summary

LAPG C.1 INTRODUCTION & OVERVIEW

LAPG C.1 Introduction & Overview

Section / Exhibit	Description of Changes
1.1 Purpose	<ul style="list-style-type: none">Removed outdated information
1.2 Background	<ul style="list-style-type: none">Removed outdated information
1.3 Roles of the Local and Regional Agencies	<ul style="list-style-type: none">Removed outdated information
1.4 Federal Programs	<ul style="list-style-type: none">Removed section: outdated information
1.5 State Programs	<ul style="list-style-type: none">Removed section; outdated information
1.6 References	<ul style="list-style-type: none">Removed section; outdated information
Exhibit 1-A	<ul style="list-style-type: none">Retired Exhibit; outdated information
Exhibit 1-B	<ul style="list-style-type: none">Retired Exhibit; outdated information
Exhibit 1-C	<ul style="list-style-type: none">Replaced Exhibit with webpage for MPO and RTPA links in Section 1.3
Exhibit 1-D	<ul style="list-style-type: none">Retired Exhibit; outdated information

Chapter 1 Introduction/Overview

1.1 PURPOSE

The purpose of the Local Assistance Program Guidelines (LAPG) is to provide local project sponsors with a complete description of the federal and state programs available for financing local public transportation-related facilities. Each program is discussed in detail and addresses such topics as: project eligibility, project selection process, funding levels, key decision-makers, significant dates, relevant statutory references and related publications.

1.2 BACKGROUND

On September 12, 1997, the Governor signed SB 45, making substantial changes in the State's transportation programming process. SB 45 was enacted with the following basic objectives:

- Preserve the basic planning and programming process, avoid legislative budgeting of projects, while changing the State Transportation Improvement Program (STIP) from a project delivery document to a resource management document.
- Transfer transportation decision-making responsibility to those who are closest to the problem.
- Eliminate artificial constraints and barriers to programming.
- Place state highways, local roads and transit projects on equal footing for access to support costs.
- Recognize the Caltrans role as owner-operator of the State Highway System (SHS), while removing Caltrans from lead responsibility for resolving urban congestion problems created largely by local decisions.
- Provide incentives for regional accountability for the timely use of funds.
- Retain the California Transportation Commission (CTC) role as guardian of state capital dollars, with responsibility for determining how best to manage those dollars in a wise and cost-effective manner.

In June 9, 1998, the President signed TEA-21 authorizing highway, highway safety, and other surface transportation programs for the next six years, which significantly increased federal funding authorizations for state and local highways, and mass transportation.

SAFETEA-LU signed into law by President George W. Bush on August 10, 2005, guaranteed funding for highways, highway safety, and public transportation for the five-year period 2005-2009.

[A series of multi-year authorization acts have subsequently continued as part of larger, more comprehensive, multi-year surface transportation acts. The most current authorization is the FAST Act enacted by Congress in 2015.](#)

The types of projects and activities now eligible for federal funding provide state and local governments with unprecedented flexibility in developing a mix of highway, transit and other alternatives to address statewide, regional and local transportation needs.

1.3 ROLES OF THE LOCAL AND REGIONAL AGENCIES

Cities, counties, Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Agencies (RTPAs), and other authorities work independently as well as with Caltrans in the development of long and short-range improvement plans. The role of local communities in the design of transportation improvement programs and selection of projects has continued to expand through the enactment of [Federal Authorization Acts](#). Transportation planning begins at the city and county level with the inclusion in their “General Plan” of a transportation (circulation) element. One key in local decisions is land use. The transportation elements developed in a local General Plan are incorporated along with air, water, congestion and environmental concerns into planning and programming documents developed by RTPAs and Metropolitan Planning Organizations (MPOs). [MPO and RTPA links can be found here.](#)

The CTC is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California. The CTC also advises and assists the Secretary of Business, Transportation and Housing Agency and the Legislature in formulating and evaluating state policies and plans for California’s transportation programs. The Commission is also an active participant in the initiation and development of State and federal legislation that seeks to secure financial stability for the State’s transportation needs.

Various local agency specialty plans (e.g. air, water, land use, and congestion) influence and are incorporated (as needed) into the Regional Transportation Plan (RTP). An RTP is a 20-year transportation plan that describes policies, strategies, needs and goals. An RTP presents the local area’s vision for local multimodal transportation systems. RTPs are required by state and federal law. Caltrans cooperates in the development of the regional documents by providing expertise and information. RTPs must be consistent with FHWA and FTA planning regulations. These regulations impose conditions for receiving federal-aid funds that require each urbanized area to have a continuing, comprehensive and coordinated transportation planning process that results in RTPs and Federal Transportation Improvement Programs (FTIP) consistent with planned development of the area.

Key documents in transportation planning and programming are defined below. Also shown are an outline of roles and a flowchart overview of the planning and programming process. For more details, go to the [Transportation Programming website](#).

RTIP: The Regional Transportation Improvement Program (RTIP) is the RTPA’s share of the state STIP and must be consistent with the RTP. Updated every two years, the RTIP is a five-year program identifying projects based on funding availability from the STIP fund estimate. Upon adoption by the RTPA, the RTIP is submitted to Caltrans for approval and incorporation into the STIP.

STIP: The State Transportation Improvement Program (STIP) is a five-year capital improvement program of transportation projects, on and off the State Highway System (SHS), with a 2-year project list amendment, funded with revenues from the State Highway Account (SHA) as well as other funding sources.

FTIP: Each of California’s 18 MPOs prepares a Federal Transportation Improvement Programs (FTIP) that includes a four-year priority list of highway and transit projects that are federally funded or are of regional significance. FTIPs also include federally funded capital improvements to the regions’ transit systems along with associated federal operating assistance programs.

LAPG C.18 OPTIONAL FEDERAL EXCHANGE AND STATE MATCH PROGRAMS

LAPG C.18 Optional Federal Exchange and State Match Programs

Section / Exhibit	Description of Changes
18.4 Steps for Implementing Exchange and Match Provisions	<ul style="list-style-type: none">• Corrected LAPG Exhibit 18-A to LAPG Exhibit 18-F
Exhibit 18-F	<ul style="list-style-type: none">• Updated addressee fields

County-State Agreement

The county-State fund exchange/match agreement requires that the county agree:

- To use exchange funds for transportation purposes authorized under Article XIX of the State Constitution
- To use match funds to match the Federal funds apportioned pursuant to Section 182.6(d)(2), or if in excess, for any transportation purpose authorized by Article XIX

Invoice for Payment of Funds

Prior to payment of exchange or match funds, the eligible RTPA or county must submit an invoice (original and two copies) to the State for payment. The invoice will formally evidence the county's intent to assign an eligible portion of its annual minimum RSTP/RSTBGP apportionment to the State. The invoice should be sent directly to the DLAE. The initial invoice may accompany the above-referenced executed agreement. A sample invoice for use with the Exchange and Match programs is included at the end of this chapter (see [LAPG Exhibit 18-F: Sample Invoice for Exchange /Match Program](#)).

Financial Controls

RTPAs

Non-city/county agencies receiving funds for projects from RTPAs are audited on a selective basis following the completion of projects. Eligible RTPAs are to provide the State with a list of local entities allocated exchange funds and the amount allocated to each agency, before receiving next year's allocation.

RTPAs must agree to require non-city/county project sponsors to establish a separate account to deposit exchange fund payments. Furthermore, the RTPA must establish a separate account to deposit payments. The use of separate and special accounts facilitates the audit process and provides a mechanism to identify the use of funds and remaining balances.

In the event of an adverse audit finding, a local project sponsor receiving exchange funds from an RTPA may be required to return the State cash to the RTPA for allocation to other eligible projects. The RTPA will be required to notify the State when the necessary corrective action has been taken.

If an adverse audit finding is not corrected, a hold will be placed on future exchange payments to the RTPA until the adverse findings are corrected to the State's satisfaction.

Cities and Counties

City and county expenditures of exchange and match funds are subject to financial and compliance audits by State of California auditors. City and county agencies must establish a separate account within their Special Gas Tax Street Improvement Fund or County Road Fund to deposit and account for State exchange and match payments received directly from the State and/or allocated by a RTPA. Using separate and special accounts facilitates the audit process and provides a mechanism to identify the use of funds and remaining balances. In the event of an adverse audit finding, a county receiving exchange/match funds directly from the State is

**SAMPLE INVOICE FOR EXCHANGE/MATCH PROGRAM
(ON AGENCY LETTERHEAD)**

Date of Invoice:

Billing No.: 1, 2, ... , or final

Local Agency's Invoice No.: Invoice
No.

Name, District Local Assistance Engineer
California Department of Transportation
District Local Assistance
Street Address or P.O. Box
City, CA Zip Code

Attn: Local Assistance Engineer

Payment of State Match and/or State Exchange funds is claimed pursuant to Local Agency-State Agreement No.

_____, Executed on _____

	State Match	State Exchange	Total
Total Amount Claimed	_____	_____	_____
Total of Previous Invoices	_____	_____	_____
Amount Claimed This Request	_____	_____	_____

I certify that the amounts shown in this invoice are true and correct; and the amount claimed is due and payable in accordance with the terms of the Agreement.

Signature

Title