

LOCAL PROGRAMS PROCEDURES LPP 22-01

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



LOCAL PROGRAMS PROCEDURES #22-01

The scope of Local Programs Procedures (LPP) 22-01 includes the formal incorporation of the following Office Bulletins (OB) into the noted chapters of the Local Assistance Procedures Manual (LAPM) and Local Assistance Program Guidelines (LAPG).

OB Number	OB Title	Affected Chapters
22-01	Design Standards for 3R Projects on NHS Freeways	LAPM 2 & 11
22-02	Locals Assistance Highway Bridge Program Limits of Reimbursement on High Cost Bridge Projects	LAPG 6
22-04	Indirect Cost Allocation Plan / Indirect Cost Rate Proposal Review / Approval Process	LAPM 5
22-05R	Updated Form FHWA-1273	LAPM 12
22-06	Updated IOAI Financial Document Review Process	LAPM 10
22-07	Modified Buy America Requirements	LAPM 12 & 16

Other technical updates including clarifications or corrections have been incorporated into the following Chapters/Exhibits:

LAPM Chapter 2	Roles & Responsibilities	
LAPM Chapter 3	Project Authorization	LAPM 3-A
LAPM Chapter 5	Invoicing	
LAPM Chapter 6	Environmental Procedures	
LAPM Chapter 7	Field Review	Exhibits 7-A, 7-B
LAPM Chapter 9	Civil Rights & DBE	Exhibits 9-B, 9-F
LAPM Chapter 10	Consultant Selection	Exhibit 10-G
LAPM Chapter 11	Design Guidance	
LAPM Chapter 12	PS&E	Exhibits 12-D, 12-E, 12-F
LAPM Chapter 13	Right of Way	Exhibits 13-B, 13-D
LAPM Chapter 14	Utility Relocations	LAPM 14-D, 14-D-REV, Exhibit 14-G
LAPM Chapter 15	Advertise & Award Project	Exhibit 15-G
LAPM Chapter 16	Administer Construction Contracts	
LAPM Chapter 17	Project Completion	Exhibits 17-F, 17-F1
LAPM Chapter 20	Audits & Corrective Actions	
LAPG Chapter 6	Highway Bridge Program	
LAPG Chapter 25	State Programs	

Significant additions 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. Deletions to existing text are marked with red strikethroughs accompanied by a red margin line on the left margin. 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 unless otherwise noted.

Effective Date: January 2023

Approved: Original signature on file

Dee Lam, Division Chief
Division of Local Assistance

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LAPM C.2 ROLES & RESPONSIBILITIES

LAPM C.2 Roles & Responsibilities

Section / Exhibit	Description of Changes
<p align="center">2.2 National Highway System</p>	<ul style="list-style-type: none"> Historical information removed and description simplified.
<p align="center">2.3 Stewardship & Oversight Agreement</p>	<ul style="list-style-type: none"> Projects of Division Interest (PoDI) references removed.
<p align="center">2.4 Delegated Projects</p>	<ul style="list-style-type: none"> PoDI references removed. OB #22-01: removed the word “non-interstate” in the first paragraph.
<p align="center">2.5 Projects of Division Interest</p>	<ul style="list-style-type: none"> Per FHWA memo dated February 5, 2021 all PoDIs are retired and the PoDI term is no longer used. Projects of Division Interest section replaced with FHWA's Risk-Based Project Involvement (RBPI). Figure 2-1 removed.
<p align="center">2.8 Projects on the NHS</p>	<ul style="list-style-type: none"> PoDI references removed.
<p align="center">2.9 Federal-Aid Projects of \$100 Million or More</p>	<ul style="list-style-type: none"> Requirements for Project Management Plans (PMP) and Financial Plans clarified and updated. Figure 2-2 removed.
<p align="center">2.10 Project Implementation</p>	<ul style="list-style-type: none"> Design exceptions on the Interstate bullet removed; all design exceptions were delegated to Caltrans. PoDI replaced by RBPI.
<p align="center">2.12 City, County and Other LPA Responsibilities</p>	<ul style="list-style-type: none"> DUNS Number subsection replaced with Unique Entity ID

cities, counties, and other transportation agencies within the area. The FTIPs are incorporated into the FSTIP. Caltrans works with the non-MPO LPAs to program projects in the FSTIP. [Exhibit 2-B: Federal-Aid Project Responsibilities List for Delegated Projects off the State Highway System](#) outlines the roles and responsibilities of the parties involved in local federal-aid transportation projects. The subsequent chapters in this manual provide the details for carrying out these responsibilities.

2.2 National Highway System

The ~~Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) established provisions for Congress to adopt a~~ National Highway System (NHS) provides an interconnected system of principal arterials that serve major population centers, international border crossings, ports, airports, public transportation facilities, intermodal transportation facilities, and other major travel destinations; meets national defense requirements; and serves interstate and interregional travel.

~~Until Congress made its official adoption, the NHS was defined as all principal arterials, including the Interstate System. On November 28, 1995, the President signed the legislation defining the NHS to include all Interstate System routes, a selection of urban and rural principal arterials, the defense Strategic Highway Network including Strategic Highway Network connectors, and intermodal connectors. As a result of MAP-21, there are about 230,000 NHS centerline miles nationwide, including 14,160 NHS centerline miles in California. About 5,453 of the 14,160 NHS miles in California are off the SHS.~~

The NHS was developed by the United States Department of Transportation (USDOT) in cooperation with the states, local officials, and MPOs.

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

2.3 Stewardship and Oversight Agreement (S&O)

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

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

Unlike previous stewardship agreements, the current S&O utilizes a risk-based approach to manage the FAHP. This innovative way of doing business represents a paradigm shift in the joint and collaborative management of the FAHP. ~~Through this Agreement, FHWA has delegated responsibility for oversight and approval of low-risk project level activities to Caltrans. The approach to high-risk project oversight is conducted in two steps as explained in [Section 2.5: Projects of Division Interest](#): 1) select the projects that traditionally pose a risk to the health of the FAHP (Projects of Division Interest projects), and 2) within each Project of Division Interest project, further delegate approval authorities for activities that pose a low risk to that individual project.~~

2.4 Delegated Projects

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

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

2.5 ~~Projects of Division Interest~~ Risk-Based Project Involvement (RBPI)

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

~~Projects of Division Interest (PoDI) RBI projects are projects where those in which Caltrans can~~ has assumed Section 106(c) responsibilities, but FHWA has ~~retained responsibility for (1) one or more of the Section 106(c) items, or (2) FHWA has not retained responsibility for any such items but the projects are otherwise designated as a PoDI by the Division~~ decided to provide stewardship and oversight beyond what is required as a result from risks, data and judgment considerations. Prior to ~~September 2007~~ 2019 these projects were referred to as ~~FHWA Full-Oversight projects~~ Projects of Division Interest (PoDIs) based on ~~set criteria (rather than risk)~~ risk-based criteria such as ~~Interstate construction over \$1 million, major Intelligent Transportation System~~ meeting Major Projects requirements (23 U.S.C. 106(h)), utilizing Innovative Financing and/or Contracting, etc. While Caltrans ~~is~~ was responsible for approving most project level activities on low risk (delegated) projects, FHWA ~~maintains~~ maintained many project level approval activities for PoDI projects.

~~Project level~~ Approval authority for ~~Project of Division Interest projects are project specific. Very few Local Assistance projects are designated as Projects of Division Interest. Each Project of Division Interest project requires a unique Project Oversight Agreement, as mentioned~~ RBI projects are delegable per statute or regulation, as documented in the 2015 FHWA/Caltrans [Stewardship and Oversight Agreement](#). Retaining a delegable action by FHWA requires approval by FHWA's Division Administrator.

~~Projects of Division Interest Project Selection Process~~

~~Project of Division Interest determinations are a joint, cooperative effort made on a project-by-project and phase-by-phase basis.~~

Annual RBI Project Selection Process

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

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

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

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

Risk-based Project Involvement Screening Criteria

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

1. Discretionary Grants and Financing - Any projects that were funded or financed through discretionary programs or by statutory direction. These include, but are not limited to, sources such as:
 - Infrastructure for Rebuilding America (INFRA) Grants (formerly Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE) Grants)
 - Better Utilizing Investments to Leverage Development, or BUILD Transportation Discretionary Grant Program (formerly Transportation Investment Generating Economic Recovery (TIGER) projects)
 - Surface Transportation System Funding Alternatives Program
 - Advanced Transportation and Congestion Management Technologies Deployment programs
 - Transportation Infrastructure Finance and Innovation Act (TIFIA)
2. Major Projects - Projects with a total estimated project cost of \$500 million or more and any amount of federal-aid in the construction phase are Major Projects as defined by 23 U.S.C.106(h).

3. Public Private Partnerships (PPP) - Any project that includes private financing.
4. Unusual Bridges and Structures - All projects that meet the criteria described in the 1998 memorandum on Project Oversight Unusual Bridges and Structures.
5. Program Involvement Findings - Any project that aligns with the top risk(s) identified by the division office from their program involvement findings.

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

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

Identifying and Selecting RBI Projects

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

After identification, FHWA will discuss the reduced list of RBI candidates and make final RBI project selections that address risks statewide. This part of the RBPI process acknowledges the large number of federal-aid projects, the State and many local partners, and the difficulty for FHWA to maintain a presence throughout California. To ensure federal requirements and priorities are widely understood, FHWA will select some RBI projects to engage with Caltrans Districts and local agency partners of all capacities. This gives FHWA the opportunity to understand the project delivery processes and challenges of small, medium and large transportation agencies and their differences.

Developing Involvement Activities and Stewardship & Oversight Plans

Just as the selection of RBI projects is based on risks, data and professional judgment, so is the development of involvement activities. The development of involvement activities does not rely on the final selection RBI projects and the two steps should be performed concurrently. Involvement activities may be of the stewardship variety such as providing technical assistance and guidance and identifying opportunities for innovation. Other activities are compliance-oriented such as post-approval reviews and compliance spot checks. Construction project

inspections offer an opportunity to provide stewardship and verify compliance. The overall list of involvement activities is developed based on CADO's risk priorities and does not rely on final RBI project selection. CADO will not retain project approval actions delegated to Caltrans under the S&O Agreement unless there are elevated risks and FHWA approves the retention of the project approval action.

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

~~The PoDI criteria are established by the Project Delivery Director in consultation with the Project Delivery Team and Division Directors. These criteria are risk-based and, therefore, will be adjusted as priorities, threats, and opportunities change at the State and National level. Federal-aid projects meeting one or more of the following criteria will be designated as a PoDI:~~

~~1. **Major Projects** (23 U.S.C. 106(h))~~

~~Projects with a total estimated project cost of \$500 million or more and any amount of Federal aid in the construction phase are Major Projects. All FHWA Divisions Offices must designate Major Projects as PoDIs. Further, projects with a total estimated cost \$400 million or more with the potential of increasing to \$500 million or more during the life of the project are closely monitored by an assigned Project Delivery Transportation Engineer (TE). Project sponsors often agree that meeting Major Project requirements "just in case" is a good idea. However, if the total estimated project cost remains below \$500 million, the project remains a delegated project unless it meets one or more of the criteria below.~~

~~2. **Innovative Financing**~~

~~Projects utilizing TIFIA loans, TIGER, or ATCMTD discretionary grants, or Public/Private Partnership (P3) funding. Other varieties of innovative financing will be considered by the Project Delivery Director on a case by case basis.~~

~~3. **Innovative Contracting**~~

~~Projects utilizing Construction Manager/General Contractor (CM/GC), Design/Build, or SEP-14 experimental contracting methods (e.g., Job Order Contracting). Other varieties of innovative contracting will be considered by the Project Delivery Director on a case by case basis.~~

~~4. **Risk Based** (23 U.S.C 106(g))~~

~~Any project that the Division identifies as having an elevated level of risk may be selected for risk-based stewardship and oversight resulting in the PoDI designation. 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 Local Public Agency (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 the LPA 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 LPA 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 the LPA 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 LPA and FHWA to assure that the project responsibilities of the Project of Division Interest Project Oversight Agreement are fulfilled.~~

~~Caltrans headquarters DLA may assist the District as requested. (For Major Projects, this information will be captured in an Oversight Agreement). If a project is determined to be Project of Division Interest at the initial Authorization to Proceed, then the Project of Division Interest Project Oversight Agreement will be revisited once the project moves closer to construction. The information within the Project of Division Interest Project Oversight Agreement will be jointly agreed upon by the Caltrans District Director (or designee) and FHWA representatives and will include signatures acknowledging this Agreement. Appropriate LPA representative signature is optional.~~

3. Subsequent Authorization to Proceed: As in the initial Request for Authorization to Proceed, the project will be reassessed against the Project of Division Interest project criteria by Caltrans DLAE and FHWA at each of the subsequent Request for Authorization to Proceed milestones. At these milestones, it will be jointly decided if the project meets the Project of Division Interest criteria and should be de-selected, selected, or continued as a Project of Division Interest project. If the reassessment at these milestones reveals that the project meets one of the Project of Division Interest criteria and should be selected as a Project of Division Interest project, then the same process described under step 2 above will be followed. Otherwise, the project will proceed as a Delegated Project.

Once a project or phase is determined to be Projects of Division Interest, the process is carried one step further by highlighting activities on the Project Responsibilities List that can be further delegated. The FHWA maintains approval authority for those activities that cannot, by law, be delegated, and activities that may pose a risk to individual projects. Highlighted boxes in the Project of Division Interest projects column of the Project Responsibilities List (refer to Attachment A of the Stewardship and Oversight Agreement) are designated as either the FHWA or Caltrans and signed and dated by both agencies. The documented and signed Project Responsibilities List may also include a general summary of other involvement, including attending regular meetings, conducting project inspections, etc.

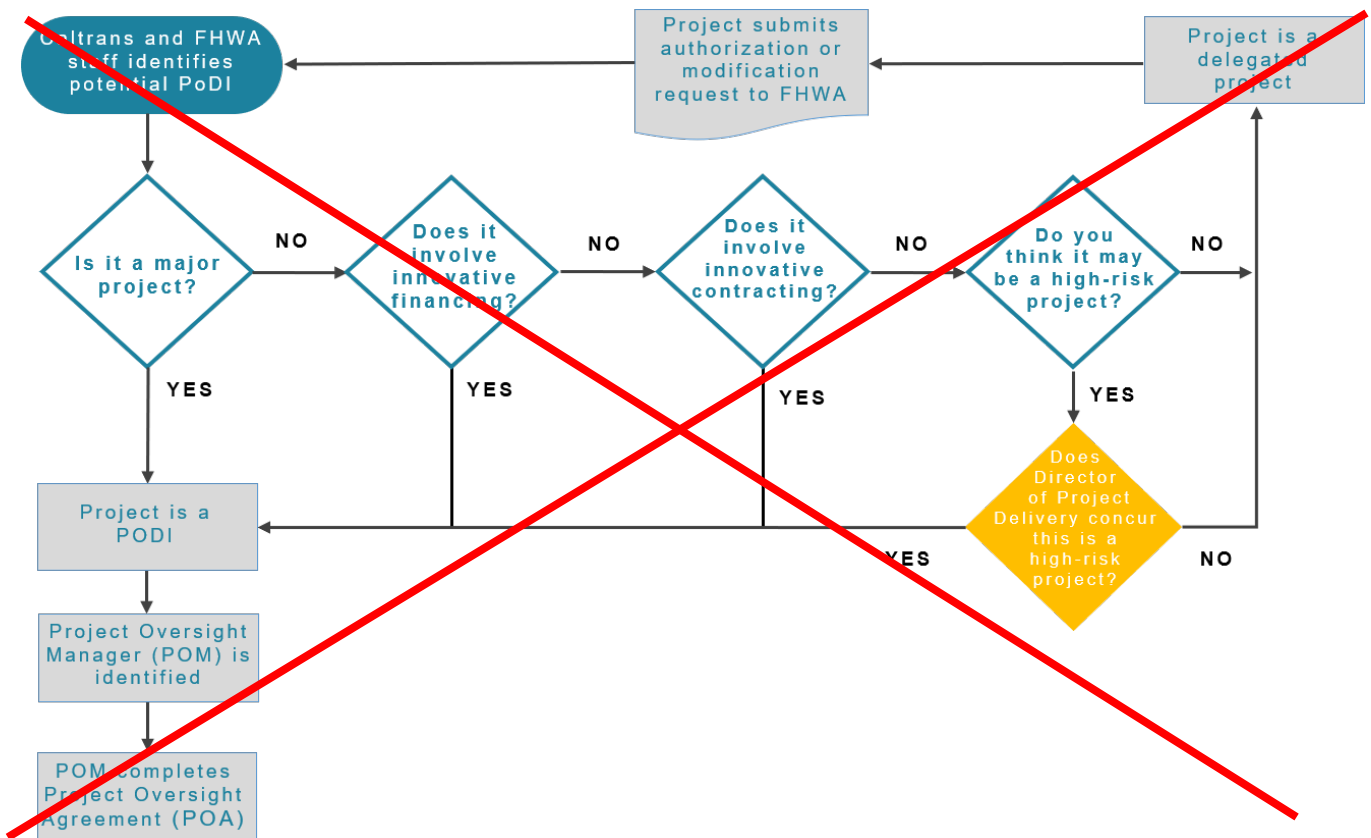


Figure 2-1: PoDI Project Identification

2.6 Right of Way (R/W) Certification Delegation

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

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

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

2.8 Projects on the National Highway System (NHS)

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

Field Reviews

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

PS&E Procedures for Significant NHS Projects

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

Design Standards

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

Method of Construction

In general, an open and competitive bidding process must be used for construction contracts on federal-aid projects. Exceptions to competitive bidding of construction contracts must include a Public Interest Findings approved by Caltrans for Delegated Projects ~~FHWA approval of the Public Interest Findings may also be required on Project of Division Interest projects.~~

Restricted Construction Contract Provisions

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

Construction Administration for Significant NHS Projects

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

Quality Assurance Programs

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

Final Inspection

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

2.9 Federal-Aid Projects of \$100 Million ~~to \$500 Million~~ or More

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

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

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

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

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

Project Management Plan

A draft Project Management Plan (including the [Project Management Plan Checklist](#)) must be submitted prior to the ~~finalization of the IFP~~ Record of Decision (ROD), Finding of No Significant Impact (FONSI), or Categorical Exclusion (CE) determination. ~~A final Project Management Plan must be submitted within 90 days after the ROD, FONSI, or CE determination which determine the scope of the projects.~~ The plan must:

- Document the procedures and processes that are in effect to provide timely and appropriate information to the project decision makers to effectively manage the scope, costs, schedules, quality of, and the federal and state requirements applicable to the project.

- Document the role of the agency leadership and management team in the delivery of the project
- Be updated and submitted with the construction authorization request and updated thereafter, as required.

Financial Plan

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

- Be submitted when all elements of the plan are fully completed, but not later than when requesting federal authorization to proceed with construction. If the LPA waits until requesting authorization to submit the ~~Financial Plan IFP~~ for projects \$500 million or more, the authorization will be delayed since FHWA headquarters has to concur in the approval of the ~~Financial Plan IFP~~. For design/build projects, the plan must be received prior to award of the design/build contract.
- Be updated and submitted annually (FPAU) once the ~~initial Financial Plan IFP~~ is approved until construction is substantially complete. ~~The FPAU must be submitted no later than 90 days after the end of the annual reporting period; to expedite FPAU submittals a draft (uncertified) FPAU should be submitted within 60 days of the annual reporting period.~~
- Be based on detailed estimates of the cost to complete the project as defined in the NEPA document.
- Provide for the annual submission of updates to Caltrans that are based on reasonable assumptions as determined by Caltrans of future increases in the costs to complete the project.
- Use costs expressed in year of expenditure dollars and estimated using a risk-based approach consistent with current [FHWA Cost Estimating Guidance](#).

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

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

~~The process for submitting, reviewing, and approving these plans is shown in Figure 2-2. These projects may not require a Project Oversight Agreement (Stewardship Agreement) signed by FHWA, Caltrans and, if applicable, the LPA.~~

Assistance

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

Local Agency Projects Equal or Over \$100M (FP) & \$500M (FP & PMP)

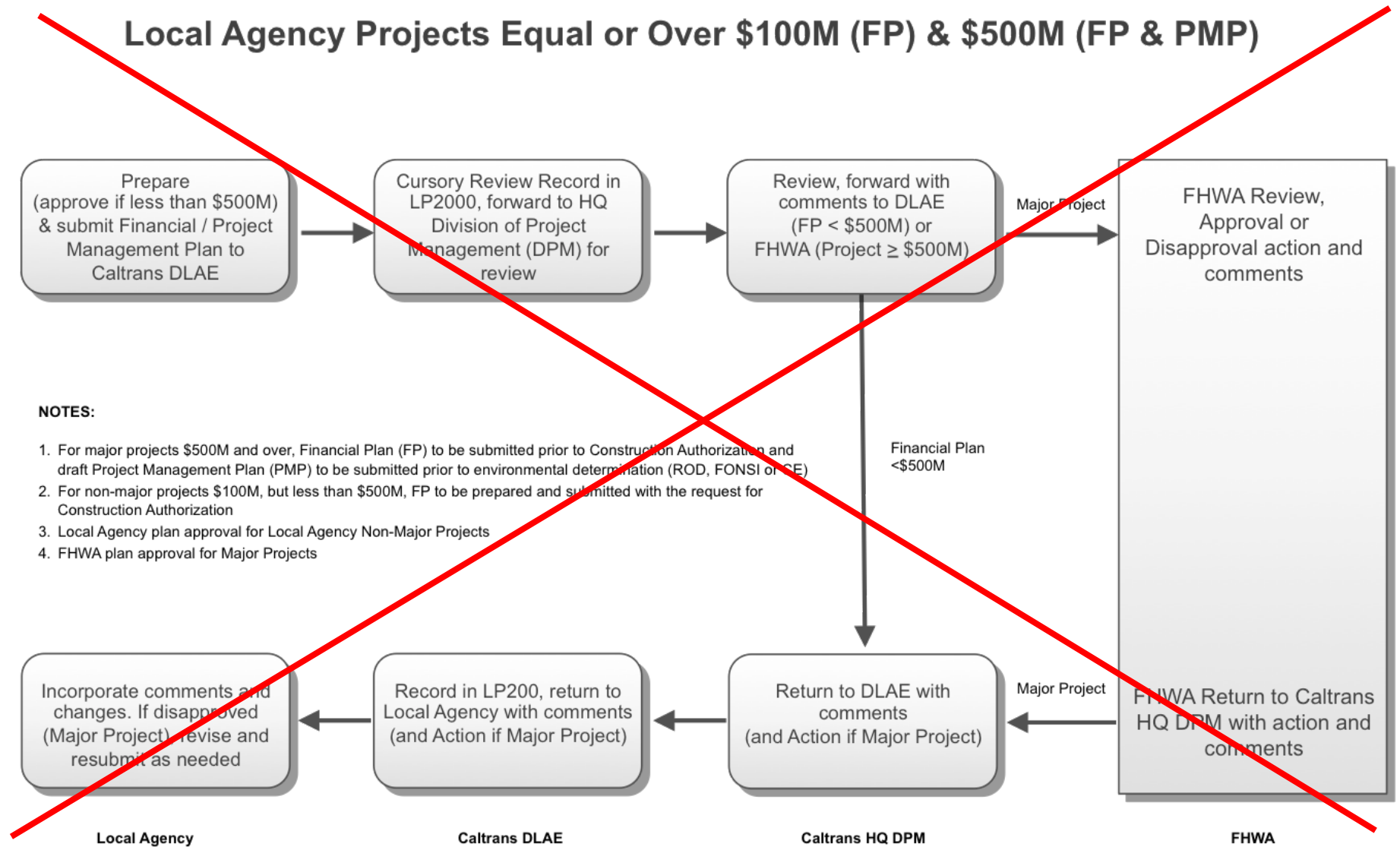


Figure 2-2: Major Federal Aid Project Flowchart

2.10 FHWA Responsibilities

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

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

Project Implementation

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

- Federal-aid project agreements and modifications
- Obligation of federal funds
- Reimbursement to Caltrans of interim and final vouchers
- Project-level conformity determinations
- R/W Certificate 3
- Protective buying and hardship acquisition
- New/modified interstate access determination of engineering and operations acceptability (minor access changes assigned to Caltrans)
- ~~Design exceptions on the interstate~~
- Buy America waivers
- Innovative contracting practices

Strategic project oversight is accomplished through the ~~Project of Division Interest project process~~ Risk-based Project Involvement (RBPI) Process described in [Section 2.5: Projects of Division Interest Risk-based Project Involvement \(RBPI\) Process](#). ~~For projects that are determined to be of high-risk to the FAHP, FHWA and Caltrans will jointly determine which project-level approvals will be retained by the FHWA division office or delegated to Caltrans. In general, all major projects (those projects with total cost greater than \$500 Million) will be Project of Division Interest projects.~~

Responsible Charge

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

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

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

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

~~Data Universal Numbering System (DUNS) Number~~

~~In compliance with the Transparency Act reporting requirements and 2 CFR 25.100, LPAs 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>.~~

Unique Entity ID

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

Local Public Agency Records and Documentation

Upon request, LPAs must make all project documentation and backup records available for inspection by Caltrans and FHWA reviewing personnel. Use of a uniform project record-keeping system, together with diligent maintenance of the system, greatly facilitates a process review and positive findings. Good records of all project related activities clearly demonstrate to all

LAPM C.3 PROJECT AUTHORIZATION

LAPM C.3 Project Authorization

Section / Exhibit	Description of Changes
<p>3.1 General</p>	<ul style="list-style-type: none"> Projects of Division Interest (PoDI) references removed. Figure 3-1: PoDI decision tree removed.
<p>3.1 Terms and Definitions</p>	<ul style="list-style-type: none"> Definitions moved to DLA stand-alone Glossary: https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/dla-glossary.pdf
<p>3.3 Request for Authorization</p>	<ul style="list-style-type: none"> PoDI references removed. Figure 3-2: Major Federal-Aid Project Flowchart removed.
<p>3.3 Construction and Construction Engineering</p>	<ul style="list-style-type: none"> Clarifying language added related to Utility or Railroad work. Clarifying language added related to Project Management Plans. CE cost language now referred to LAPM 12, Section 12.12 for details.
<p>3.4 Administrative Procedures</p>	<ul style="list-style-type: none"> PoDI references removed.
<p>3.6 Administrative Rules</p>	<ul style="list-style-type: none"> PoDI references removed.
<p>LAPM 3-A Project Authorization / Adjustment Request</p>	<ul style="list-style-type: none"> Modified dropdown selections for Functional Classification to mirror the DRISI website and FADS Fund Detail tab. Added “Located on NHS” checkbox. Projects of Division Interest options removed from Project Oversight dropdown list. Advance Construction Funds column added PS&E Signature instructions revised.
<p>Note: revisions to LAPM 3-A may not coincide with the January 2023 publication as this form requires longer lead times to code, test, and publish by a separate unit. A separate announcement will go out when the revised form is published.</p>	

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, excluding At-Risk Preliminary Engineering (At-Risk PE) described in Section 3.3, is not eligible for federal reimbursement. Construction phase work performed prior to authorization may disqualify that phase.

On May 28, 2015, FHWA and the California Department of Transportation (Caltrans) entered into the current Joint Stewardship and Oversight Agreement (S&O). The S&O 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 FHWA and Caltrans. Regardless of whether the project is Delegated or Projects of Division Interest, Caltrans recommends federal authorization and 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.~~

~~**Appropriation Period**—The six years starting on July 1 of the appropriation year through June 30 of the reversion year that an encumbrance is eligible for reimbursement.~~

~~**Appropriation Year**—The state budget year (July 1 to June 30) that Legislature has approved for enactment and Caltrans Local Programs Accounting (CLPA) has authority to encumber funds.~~

~~**At-Risk PE**—Preliminary Engineering (PE) costs incurred prior to authorization and authorized for reimbursement under Section 1440 of the FAST Act.~~

~~**Authorization to Proceed**—Federal project funding eligibility approval for a particular phase of work by the Federal Highway Administration (FHWA).~~

~~**Encumbrance**—The commitment of funds based on an agreement that permits Caltrans to reimburse eligible costs for an approved phase of a project.~~

~~**Federal Fiscal Year**—The accounting period for the federal budget. The Federal Fiscal Year (FFY) is from October 1 until September 30. The FFY is designated by the calendar year in which it ends. For example, FFY 06 runs from October 1, 2005, until September 30, 2006.~~

~~**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.~~

~~**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.~~

Local Agency

Federal Authorization must precede any project phase for which federal reimbursement will be requested.

Caltrans

FHWA

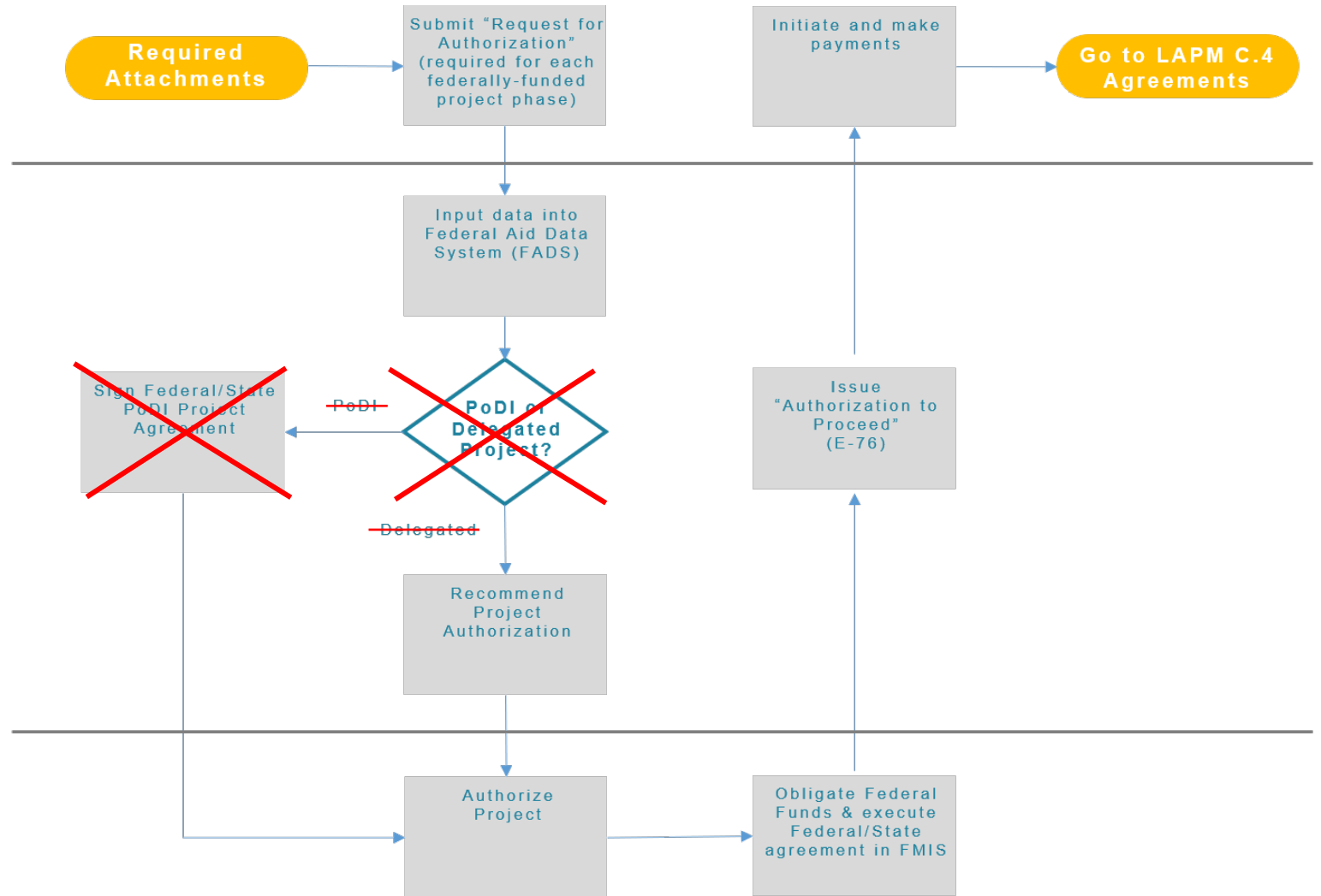


Figure 3-1: Financial Management Procedures
Project Authorization / Obligation for Developing All Local Federal-Aid Projects

Each LPA must provide the 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 [PDPM Chapter 16: Cooperative Agreements](#)).

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 LPA's Request for Authorization to Proceed (see [LAPM 3-A: Project Authorization/Adjustment Request](#) and all required supporting documentation).

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 LPA 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](#)).

After a construction contract has been awarded, support activities should typically be included under Construction Engineering rather than the Preliminary Engineering phase.

Only work performed after the date of federal authorization is eligible for federal reimbursement unless At-Risk PE is utilized. 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.

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.

Note: 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. [If work to be done by a Utility or Railroad entity is to be federally participating under the Construction phase of work, the LPA must coordinate to ensure that work does not begin until after execution of the E-76 for construction authorization, otherwise the utility or railroad work will be ineligible for reimbursement with federal funds.](#)

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.~~ [A Project Management Plan \(including the Project Management Plan Checklist\) must be submitted prior to the finalization of the Initial Financial Plan.](#) ~~For major projects, the Final Project Management Plan is due 90 days after the environmental decision document (i.e., FONSI or ROD).~~ A Cost and Schedule Risk Assessment (CSRA) Estimate is required ~~to be included in each~~ [before the Initial Financial Plan.](#) Both the Financial Plan and Project Management Plan are to be submitted to the DLAE for FHWA approval [for Major](#)

Projects. 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.

LPAAs are responsible for maintaining a detailed estimate of project CE costs in their project files. It is highly recommended that LPAAs 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 will need justification by LPAAs and approval by the DLAEs.~~ For more information refer to [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 LPA must submit/justify their request at least 30 days prior to LPA 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 [LAPG Chapter 13](#), Section 13.9: Procurement/Construction).

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. 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 DLAE 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.

Local Agency Projects Equal or Over \$100M (FP) & \$500M (FP & PMP)

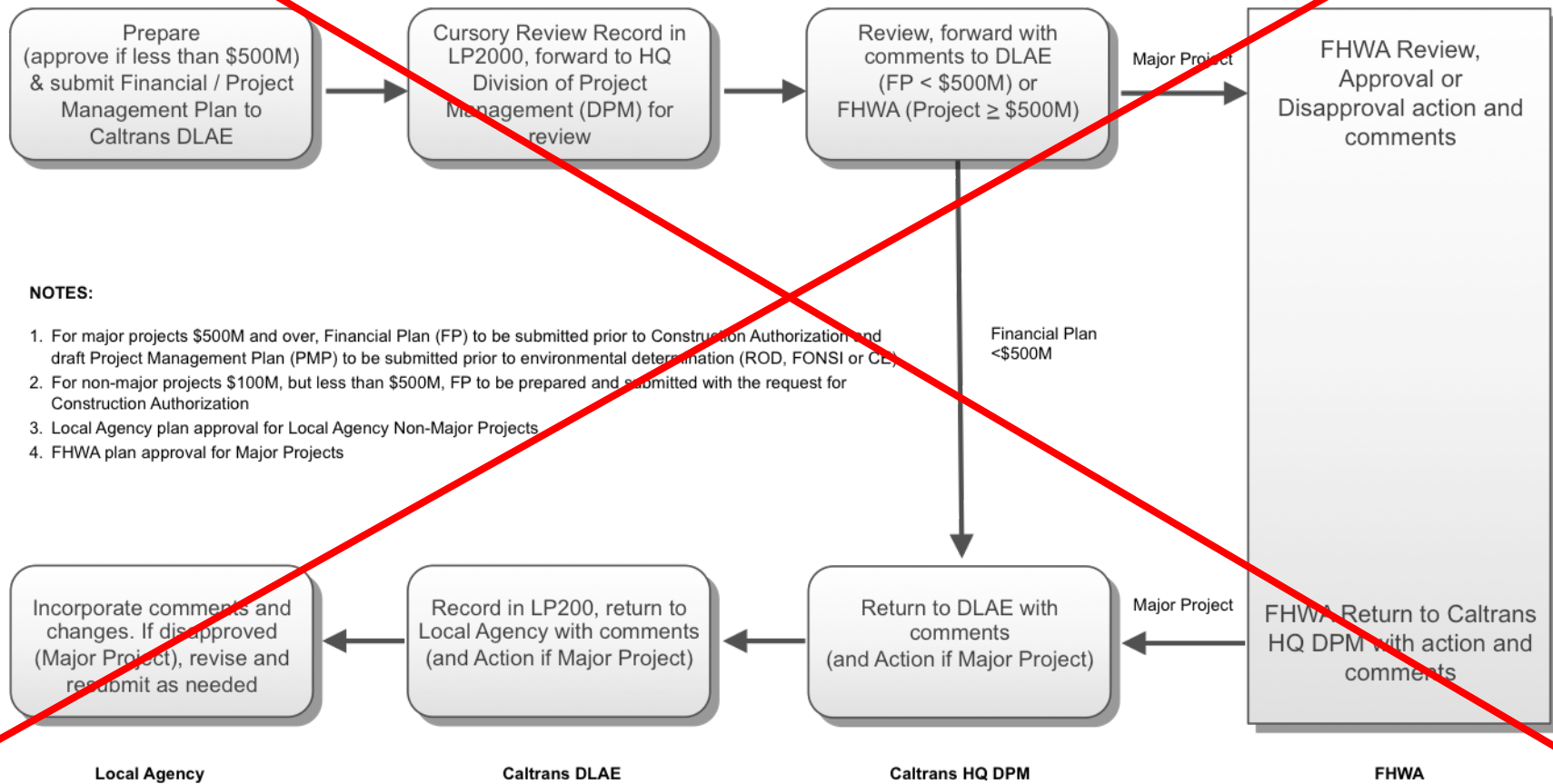


Figure 3-2: Major Federal-aid Project Flowchart
(refer to LAPM Chapter 2, Section 2.9 for details)

3.4 Administrative Procedures

The Caltrans Federal-Aid Data System (FADS) and the FHWA Fiscal Management Information System (FMIS) are the databases used in the federal authorization/obligation process.

Upon receipt of a complete and acceptable LPA Request for Authorization to Proceed package, Caltrans District Local Assistance Office creates an electronic project file (E-76) and inputs the required project information into FADS. The Caltrans District Local Assistance Office then transmits the E-76 project file and required backup information to Caltrans Headquarters (HQ) Division of Local Assistance (DLA). The DLA Area Engineer reviews the submittal package for completeness and accuracy, focusing on project eligibility, federal and state requirements, availability of federal funds and obligation authority, and required support documentation. ~~The DLA Area Engineer recommends FHWA approval of Delegated or Projects of Division Interest projects~~ and then transmits the E-76 to FHWA (California Division). FHWA approves/authorizes all projects and transmits all federally funded project records to FMIS.

Upon the federal obligation of funds, the DLAE notifies the project sponsor and issues an Authorization to Proceed (see [Exhibit 3-P: Sample “Delegated Project Authorization”](#)) and a federal project summary, and then documents the federal authorization and obligation dates. Costs incurred prior to federal authorization are not eligible for reimbursement. Projects advertised prior to federal authorization are not eligible for federal reimbursement.

For significant changes in Scope of Work and cost increases or reductions, the LPA must submit a modified Request for Authorization to Proceed package. The District, DLA and FHWA will process this E-76 request in the same manner as above.

Budget Authority for Projects on the State Highway System (SHS)

For Caltrans administered projects located on the SHS financed with local assistance funds, the Caltrans Project Manager assigned to the project must submit [Exhibit 3-H: Request for Capital Subvention Reimbursement Allocation/De-Allocation](#), to the DLAE when requesting federal authorization. Once the request is approved, the Division of Budgets will provide an approved reimbursement authority memo to expend the funds for capital outlay costs (utility relocation, right of way acquisition, and construction capital).

If the estimated federal share of project costs has decreased by \$250,000 or more, the Caltrans Project Manager must submit [Exhibit 3-H: Request for Capital Subvention Reimbursement Allocation/De-Allocation](#) to the DLAE to de-allocate the reimbursement authority to comply with 23 CFR 630.106(a)(4).

The capital subvention reimbursement allocation and de-allocation process is detailed in Figure 3-3: Capital Subvention Reimbursement Allocation and De-Allocation Process.

when a phase of work is placed under federal agreement (E-76), the project sponsor has agreed to deliver a scope of work for an agreed upon amount of federal funds. If project costs increase, the federal share of the eligible costs is fixed at the federal pro rata established at the time of the project was placed under agreement. For this reason, MPOs/RTPAs should strive to fund projects at the maximum federal reimbursable rate.

Administrative Rules

~~For Delegated projects,~~ The DLAE will consider underfunding on a project-by-project basis. However, if there is a potential for a Region to lapse funds to the Use It or Lose It provisions of AB1012, Caltrans will not permit the initial underfunding of projects for that Region.

Many federal earmark and discretionary federal funding programs (~~Projects of Division Interest projects,~~ e.g., Historic Bridge, ~~and so forth~~) release or allocate federal funds on an annual basis. For long-term or high-cost projects, the total anticipated federal funds might not be available at the time of the initial federal authorization for the project phase of work. Therefore, for these types of funds, FHWA will permit adjustment to the federal pro rata as the federal funds become available.

Federal Reimbursement of Underfunded Projects

At the time of Federal Authorization (E-76), the federal reimbursement rate for a project or phase of work is established by dividing the authorized federal funds by the federal participating costs of work, not to exceed the legal pro rata.

For progress invoices, the federal reimbursement rate is limited to the rate established in FMIS by the most current Federal Authorization to Proceed/Obligation of Funds (E-76) at the time of award. On the final invoice, if the lump sum designation has been chosen, the federal reimbursement rate may fluctuate to ensure that the LPA receives the total federal funds to which it is entitled not to exceed the legal pro rata or obligated federal funds.

3.7 Local Advance Construction Procedures

When federal funds are not available for obligation due to an insufficient balance of funds or OA, an LPA may request in writing federal authorization to proceed with the project (or project phase) under advance construction procedures (see [Exhibit 3-I: Request for Local Advance Construction Authorization](#)).

Under local advance construction procedures, following federal authorization to proceed, the LPA will use its own funds to perform work eligible for future federal reimbursement. The LPA must have sufficient local funds to pay for all project costs until such time as federal funds become available. An FTIP amendment may be required when the Advance Construction Authorization is converted to a real obligation of federal funds (see [Exhibit 3-I: Request for Local Advance Construction Authorization](#)). The LPA must consider the risk that the federal funds may never become available. The following local federal-aid programs are eligible for Advance Construction:

- Congestion Mitigation & Air Quality Improvement (CMAQ) Program
- Regional Surface Transportation Block Grant Program (RSTBGP)
- Highway Bridge Program (HBP)
- Emergency Relief (ER) Program

LAPM C.5 INVOICING

LAPM C.5 Invoicing

Section / Exhibit	Description of Changes
5.3 Indirect Costs	<ul style="list-style-type: none">• OB #22-04: references changed from Independent Office of Audits and Investigations to Caltrans Internal Audits Office (CIAO) with links to their website for instructions for Indirect Cost Rates submission and approval.• Environmental Enhancement and Mitigation (EEM) reference removed.• De minimis rate eligibility information added.
5.5 Invoice Guidelines, Format, and Checklist	<ul style="list-style-type: none">• Table 5-3: Invoice Documents – eliminated the need for copies with acceptance of electronic submittals.
5.13 Obtaining Approval for Indirect Costs	<ul style="list-style-type: none">• OB #22-04: guidance in this section deleted and superseded by Caltrans Internal Audits Office (CIAO) approval/submission process.

Indirect Costs

~~With the enactment of the Transportation Equity Act for the 21st Century (TEA-21) on June 9, 1998, and the issuance of FHWA Guidance 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, indirect costs are eligible for federal reimbursement.~~

At the discretion of the LPA, indirect costs are eligible for reimbursement on their federal-aid transportation projects, as well as STIP and ATP projects, and state-funded projects. Should ~~any department, division or other organization unit within~~ the LPA seek reimbursement of their indirect costs, they must receive an Approval/Acceptance Letter of the LPA's Indirect Cost Rate Proposal (ICRP)/Indirect Cost Allocation Plan (ICAP) for the fiscal year(s) involved from Caltrans ~~Internal Audits Office (CIAO) Independent Office of Audits and Investigations (IOAI)~~ prior to billing for any indirect costs. If a project involves more than one fiscal year, approval of the indirect cost rate(s) for each fiscal year for each unit of the government wishing to bill indirect costs are required prior to claiming reimbursement. The Indirect Cost Calculation section on the invoice must be completed and the summary data transferred to the first page of the invoice. Indirect costs must not be combined with direct costs on invoices. ~~See Section 5.13: Obtaining Approval for Indirect Costs in this chapter~~ Refer to the CIAO website for details on obtaining approval/acceptance of ICRP/ICAP: <https://dot.ca.gov/programs/audits>.

After obtaining approval/acceptance, and at the discretion of the LPAs, indirect costs may be included when seeking reimbursement. However, any completed project with a Final Report of Expenditures will not be eligible for retroactive indirect cost reimbursement.

Note: Some programs may have special requirements or restrictions for indirect costs. ~~As examples: the Environmental Enhancement and Mitigation (EEM) program does not allow reimbursement for indirect costs, and~~ For example: the Freeway Service Patrol program does not allow the use of state funds for administrative purposes pursuant to Streets and Highways Code Section 2564.

LPAs may be eligible to use the 10% de minimis indirect cost rate per 2 CFR 200.414. If LPAs would like to apply the de minimis rate of up to 10% to their modified total direct costs, then LPAs must submit both the Application form and the De Minimis Submission Certification to CIAO at ICAP-ICRP@dot.ca.gov. Please refer to the CIAO website links below for further details.

- Application form: <https://dot.ca.gov/-/media/dot-media/programs/audits/documents/submission-review/submission-review-application-a11y.pdf>
- De Minimis Submission Certification: <https://dot.ca.gov/-/media/dot-media/programs/audits/documents/submission-review/submission-review-de-minimis-cert-a11y.pdf>

Underfunded Projects

When LPA personnel request federal funding for a project, it is either:

1. Fully funded (federal funds requested at maximum federal reimbursement rate, i.e., 88.53% for Surface Transportation Program projects), or
2. Underfunded (federal funds requested at less than maximum reimbursement rate, i.e., 75% vs. 88.53%. See example below), or

Note: According to the Federal/State Master Agreement, the state will withhold the greater of either two percent of the total of all state/federal funds encumbered for each PSA or \$40,000.

5. For state-funded projects, the preliminary engineering phase must be separated into PA&ED and PS&E.
6. The first invoice for construction capital must include [Exhibit 15-L: Local Agency Contract Award Checklist](#) (for federally funded projects). State projects should include the Award Information checklist.
7. For Right of Way Acquisition, if payment is to be made to a Title Company, the invoice and the covenants must identify the Title Company to be paid, address, escrow number, contact name, and include the Remarks and Covenants Form. If payment is to be made to the LPA for locally acquired Right of Way, a Right of Way Report of Expenditures is needed.
8. Invoices must have a current date when sent to the district or CLPA. If for any reason an invoice is returned to the LPA, the resubmitted invoice must have a revised current date and number (e.g., rejected invoice 1 becomes 1A upon submittal).
9. Invoices must be certified and signed by the appropriate responsible persons in the LPA.
10. Invoices must list the name and phone number of the contact person should Caltrans staff need additional information about invoices.

Table 5-3: Invoice Documents

Document	Agency Submits to DLAE	DLAE Submits to CLPA	CLPA Submits to SCO
Invoice	Original* plus 2 copies	Original* plus 1 copy	Original
Invoice Review Checklist	Original* 2 signed copies	Original 1 signed copy by Agency & the DLAE*	None
Billing Summary	Original* 2 copies	Original* 1 copy	None
* Electronic submittals accepted			

Invoice Checklist

LPAs are required to complete and sign LAPM 5-A, Section 4: Checklist and submit as part of the Invoice Package for each invoice. Additional documents may be required per the Checklist

The DLAE will ensure that the checklist and appropriate documentation are included, will concur and complete and sign the Section 4: Checklist.

Provided LPAs adhere to the format described in this chapter, invoices are typically paid by warrant within 60 days after being received by the DLAE, or 50 days if the agency is signed up for EFT. Please refer to and use Section 4: Checklist prior to sending invoices to the district for reimbursement. Invoices with significant errors will be returned to the LPAs for correction.

Consequently, the submittal of the Final Voucher is delayed until all pending claims are settled.

The Final Project Cost Adjustment analysis is prepared concurrently with the Final Voucher to determine the final allocation of federal, state and LPA funds for each phase of work. Budgeted amounts are adjusted to reflect the actual amount of funds expended for the project.

If during the final adjustment it is determined that the deposit of LPA funds is less than the agency's share of expenditures, Accounting's Local and Reimbursement Final Vouchering Section will initiate an Accounts Receivable Invoice, which is sent to the LPA for recovery of the required funds. If the deposit exceeds the agency's share of expenditures, the excess funds are refunded to the LPA.

5.12 Service Contracts

Invoices for work performed by LPAs, consultants or other contractors under Caltrans Service Contracts must be submitted to the designated program manager, e.g., Railroad Crossing Program Manager, for review and verification. The manager then forwards the invoice to CLPA for payment.

5.13 ~~Obtaining Approval for Indirect Costs~~

~~At the discretion of the LPA, indirect costs submitted and accepted by Caltrans IOAI may be included when seeking reimbursement for their federal-aid transportation projects, as well as STIP and ATP projects, and state-funded projects. Specifically, this applies to federally authorized work with costs incurred after June 9, 1998, as well as STIP and ATP projects, and state-funded projects. However, any completed project with a Final Report of Expenditures will not be eligible for retroactive indirect cost reimbursement.~~

~~Computation of Indirect Cost Rates are based on:~~

- ~~• 2 CFR Part 200, Subpart E (Cost Principles), and Appendices V & VII for fiscal years beginning after December 31, 2014, 2 CFR, 225 for fiscal years beginning before December 31, 2014; and~~
- ~~• Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government (ASMB-G-10), issued by the United States Department of Health and Human Services.~~

~~Submission of Proposal~~

~~ICRPs are only applicable for the specific year(s) being submitted and only for the specific LPA division, department or segment submitted. All LPA divisions, departments or segments must have an approved indirect cost rate prior to billing for and being reimbursed the costs. For example, the LPA's Department of Engineering would have its own separately approved indirect cost rate if doing work on a federal-aid project for the LPA's Department of Public Works.~~

- ~~1. An LPA, which has been assigned a cognizant federal agency by the OMB, must submit its ICRP to its cognizant federal agency for approval. A list of the cognizant federal agencies assigned to cities, city departments, counties, and county departments are found in the Federal Register. See Cognizant Federal Agencies for a list of cognizant federal agencies. The cognizant agency for a department may be different than the cognizant agency for its city or county. It is the LPA's responsibility to ensure that approval for indirect costs at the department level and central service costs at the city or~~

- ~~county level is obtained from the appropriate cognizant federal agency. If the assigned cognizant federal agency is the U.S. Department of Transportation (DOT), and FHWA provides the largest amount of federal funds compared to other DOT administrations, the ICRP must be submitted to Caltrans IOAI for approval, under delegation from the FHWA, California Division.~~
- ~~2. For LPAs that have not been designated a cognizant agency in the federal register, the cognizant agency must be the federal awarding agency that provides the predominant amount of direct funding to the LPA. LPAs that receive the predominant amount of their direct funding from FHWA should submit their proposals to Caltrans IOAI for review and approval under delegation from the FHWA, California Division.~~
 - ~~3. LPAs that have an ICRP and Central Service Cost Allocation Plan (CSCAP) approved by a cognizant federal agency other than FHWA must submit a copy of their approved proposal and plan with subsidiary worksheets and other relevant data, as detailed below, to Caltrans IOAI for review and acceptance.~~
 - ~~4. Mail the ICRP and CSCAP to:~~

~~Caltrans Independent Office of Audits and Investigations
Attn: External Audits, Review of ICRP
P.O. Box 942874 – MS 2
Sacramento, CA 94274 0001~~

Documentation of Proposal

~~All LPAs 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 200.333. The following must be included with each ICRP submission as prescribed by 2 CFR 200, Appendix VII for fiscal years beginning after December 31, 2014 and by 2 CFR 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. ...) 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 200, Subpart E and Appendices V & VII for fiscal years beginning after December 31, 2014 and by 2 CFR 225 for fiscal years beginning before December 31, 2014.~~

~~LPAs, which are required to submit their Indirect Cost Rate Proposal to Caltrans for approval, must submit it in the sample format of Exhibit 5-I: 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.~~

~~2. Central Service Cost Allocation Plan (CSCAP)~~

~~If allocated central service costs are included in an ICRP, the LPA should submit its CSCAP along with the ICRP to IOAI. For citywide and countywide cost allocation plans, the LPA should also submit to IOAI a certificate showing approval from the cognizant agency. All CSCAPs should include supporting documentation in accordance with 2 CFR 200, Appendix V, Section E for fiscal years beginning after December 31, 2014 and by 2 CFR 225, Appendix C for fiscal years beginning before December 31, 2014. See Assistant Secretary Management and Budget Cost Principles and Agreements with the Federal Government (ASMB C-10), issued by the Department of Health and Human Services) for a Sample CSCAP and supporting documentation.~~

~~3. Approval and Use~~

~~If the LPA's cognizant federal agency is not FHWA and the cognizant agency has approved the LPA's ICRP and CSCAP for a fiscal year(s), the LPA must send a copy of its federal approval letter to Caltrans IOAI along with its request for review by IOAI. After IOAI has notified the LPA that it has accepted the federal approval letter, the LPA may include indirect costs on its invoices.~~

~~If FHWA is the LPA's cognizant agency, at the ICRP and CSCAP levels, then Caltrans IOAI will perform the review and approval. If the ICRP/CSCAP meets submission requirements, IOAI will issue an acceptance letter. The LPA may bill for indirect costs once they receive the acceptance letter.~~

~~IOAI will forward a copy of the acceptance letter to the CLPA providing the authority to reimburse the LPA for their indirect costs (copies of the acceptance letter will also be sent to the LPA's DLAE).~~

~~Invoices claiming indirect cost prior to receipt of a written acceptance letter from Caltrans IOAI will be rejected and returned to the LPA unpaid.~~

~~Accepted ICAPs for LPAs that have FHWA as their federal cognizant agency will be assessed for risk to determine if an audit will be performed by IOAI. Material adjustments that may result from an audit will require reimbursement from the LPA if previously accepted rates are later found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or State awards. FHWA may also conduct review/audits.~~

~~If federal aid highway funds or state funds participate in indirect cost reimbursement, all invoices must include a line item for indirect cost, showing the calculation (Direct Cost Base Expense multiplied by the approved indirect cost rate for the fiscal year involved). LPAs must ensure that the direct cost base used on invoices are the same as the direct cost base used in the accepted/approved ICRP.~~

~~LPAs' indirect costs rates are calculated on an annual basis, so there may be several rates on a project. If the fluctuation causes a depletion of project funding, the LPA will be responsible for making up the difference. Detailed information regarding allowable costs, Cost Allocation Plans and ICRPs are available in 2 CFR 200, Subpart E & Appendices V & VII for fiscal years beginning after December 31, 2014, and in 2 CFR 225 for fiscal years beginning before December 31, 2014 and ASMB C-10.~~

~~These documents are available online: 2 CFR 200: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl, and ASMB C-10: <https://rates.psc.gov/fms/dca/asmbc-10.pdf>.~~

~~Additionally, 2 CFR Part 200 provides single audit information for fiscal years beginning after December 31, 2014 and may be accessed online at: <http://www.gpo.gov/fdsys/browse/collectionCfr.action?selectedYearFrom=2014&go=Go>.~~

~~For fiscal years beginning before 12/31/14, LPAs should refer to OMB A-133 at: http://www.whitehouse.gov/omb/circulars_default.~~

5.14 References

2 CFR 200, Subpart E - Cost Principles

<https://www.ecfr.gov/current/title-2/part-200/subpart-e>

2 CFR 200, Subpart F - Audit Requirements

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F>

State Administrative Manual

<http://sam.dgs.ca.gov/>

LAPM C.6 ENVIRONMENTAL PROCEDURES

LAPM C.6 Environmental Procedures

Section / Exhibit	Description of Changes
<p>6.1 Roles and Responsibilities – Local Public Agency</p>	<ul style="list-style-type: none"> Project Management Plan requirements for Major Projects revised to match edits made in LAPM 2, Section 2.9.
<p>Exhibit 6-C Table 2 – Exempt Projects</p>	<ul style="list-style-type: none"> Exhibit 6-C retired from LAPM; link is provided in Chapter 1, Volume 1 of the Standard Environmental Reference (SER): https://www.govinfo.gov/content/pkg/CFR-2012-title40-vol21/pdf/CFR-2012-title40-vol21-sec93-126.pdf
<p>Exhibit 6-D Table 3 – Exempt Projects</p>	<ul style="list-style-type: none"> Exhibit 6-D retired from the LAPM; link is provided in Chapter 1, Volume 1 of the Standard Environmental Reference (SER): https://www.govinfo.gov/content/pkg/CFR-2012-title40-vol21/pdf/CFR-2012-title40-vol21-sec93-127.pdf
<p>Exhibit 6-F Categorical Exemption / Categorical Exclusion Determination Form</p>	<ul style="list-style-type: none"> Exhibit 6-F removed from the LAPM; this form is owned and hosted by the Division of Environmental Analysis. References to Exhibit 6-F removed and replaced by links to the SER Forms and Templates website: https://dot.ca.gov/programs/environmental-analysis/standard-environmental-reference-ser/forms-templates
<p>Exhibit 6-G NEPA / CEQA Revalidation Form</p>	<ul style="list-style-type: none"> Exhibit 6-G removed from the LAPM; this form is owned and hosted by the Division of Environmental Analysis. References to Exhibit 6-G removed and replaced by links to the SER Forms and Templates website: https://dot.ca.gov/programs/environmental-analysis/standard-environmental-reference-ser/forms-templates
<p>Exhibit 6-H External Certifications Environmental Document Quality Control Reviews</p>	<ul style="list-style-type: none"> Exhibit 6-H retired and replaced by the External Readiness Certification form. References to Exhibit 6-H removed and replaced by links to the SER Forms and Templates website: https://dot.ca.gov/programs/environmental-analysis/standard-environmental-reference-ser/forms-templates
<p>Exhibit 6-I Instructions for Completing the External Certifications Form</p>	<ul style="list-style-type: none"> Exhibit 6-I retired since Exhibit 6-H is also retired. References to Exhibit 6-I removed.
<p>Environmental Document Quality Control Review Form</p>	<ul style="list-style-type: none"> Replaced by Internal Quality Certification form. Link provided to the SER Forms and Templates website.

LAPM C.6 ENVIRONMENTAL PROCEDURES

LP2000 Instructions

- Internal Caltrans instructions related to LP2000 removed.

Note: with exception of changes to Section 6.1, the impacted pages for the rest of the changes are not included as part of the LPP but will be reflected in the January 2023 published version.

13. Completes the Environmental Document Review Checklist and the ~~External Certifications Environmental Document Quality Control Reviews form~~ [External Readiness Certification](#) form for all EAs and EISs.
14. Prepares the Notice of Availability (NOA) of EAs and EISs and provides copy of the Draft EA and EIS to the state and area wide clearinghouses.
15. Prepares and places Notice of Public Hearing or Notice of Opportunity for Public Hearing in local newspaper and provides a copy to Caltrans.
16. Attends and supports public hearings on EAs and EISs.
17. Is responsible for complying with applicable federal, state and local laws, obtaining necessary permits, and ensuring that mitigation commitments are fully incorporated into Final Plans, Specifications and Estimates (PS&E), and fully implemented during construction.
18. Provides Caltrans with a list of mitigation commitments required to comply with NEPA.
Note: Reference to mitigation is in a NEPA context, not CEQA.
19. Provides Caltrans with a copy of all environmental permits, approvals and agreements from resource and regulatory agencies, including all terms and conditions of the permits, agreements and approvals.
20. Maintains copies of NEPA documentation and supporting technical reports for a period of 3 years following FHWA reimbursement for final project costs. When mitigation is required, environmental documentation must be maintained until all terms of required mitigation have been fully implemented. This includes any required monitoring period. The [327 MOU](#) stipulates the following specific record retention requirements (327 MOU 8.3.2).
21. For Major Projects exceeding \$500 million, a draft Project Management Plan (PMP) must be submitted by the LPA to the DLAE prior to the [finalization of the IFP](#). ~~ROD, FONSI, or CE determination. A final PMP must be submitted within 90 days after the environmental determination which determines the scope of the project.~~ See [LAPM Chapter 2: Roles and Responsibilities](#) for details.
22. Notifies the DLAE of changes in project scope, cost, schedule, or project limits, and requests NEPA Reevaluation.

Caltrans

1. District Local Assistance

1.1. DLAE or designee when applicable

- 1.1.1. Reviews the PES form or PES (NI) form, if applicable, and supporting documentation for all projects.
- 1.1.2. Verifies that project is properly listed in the Regional Transportation Program (RTP) and FSTIP prior to signing PES and CE form.
- 1.1.3. Reviews and signs PES form, indicating concurrence with Preliminary NEPA Class of Action (CE, EA, EIS) and required technical studies.

LAPM C.7 FIELD REVIEW

LAPM C.7 Field Review

Section / Exhibit	Description of Changes
7.1 Introduction	<ul style="list-style-type: none">Value Engineering Analysis details removed in the last bullet and deferred to LAPM 12.5 to maintain consistency in language.
7.2 Type and Requirement for Field Review	<ul style="list-style-type: none">Projects of Division Interest (PoDI) reference removed.
7.3 Required Reviews / Optional Field Reviews	<ul style="list-style-type: none">Projects of Division Interest (PoDI) references removed.
Exhibit 7-A Instructions for Field Review Form	<ul style="list-style-type: none">Item 4: Stewardship Category eliminated to synch with changes in Exhibit 7-B.
Exhibit 7-B Field Review Form	<ul style="list-style-type: none">Stewardship Category eliminated with removal of PoDI terminology by FHWA.Value Engineering Analysis required for bridges of \$40M or more regardless if it is on the NHS or not.

- Determines who advertises, awards, administers (AAA), and maintains the proposed project.
- Defines the project schedule and target advertising date.
- Discusses value engineering analysis, ~~for each federal-aid project on the National Highway System (NHS) with an estimated total cost of \$50 million or more and bridge projects on the NHS with an estimated total cost of \$40 million or more.~~ For more information on this subject, please see [LAPM Chapter 12: Plans, Specifications & Estimate](#) (Section 12.5: Value Engineering Analysis).

7.2 Type and Requirement for Field Review

The type of field review chosen for a project depends on many factors including: highway system, project type (~~Delegated or Projects of Division Interest~~), project complexity, total cost, and type of funds. The two types of field reviews are formal and informal.

Formal Field Review

A formal field review can be accomplished by:

- A site (field) inspection, or
- An office meeting or both

All parties involved in the project development decisions should be invited to a formal field review. The DLAE should take the lead in the field reviews, take Minutes of the Field Review and circulate the notes to all affected parties afterward.

Informal Field Review

Informal field reviews can be accomplished by:

- Small group meetings
- Interagency correspondence
- Phone discussions
- Individual research and data gathering

Exception: Emergency Relief (ER) projects use the FHWA Damage Assessment Form (DAF) in lieu of any other field review form. An on-site field assessment is required for all these projects.

Required Review

Caltrans will determine if a field review is required for all projects on the National Highway System (NHS). Generally, a field review will only be required for significant NHS projects. A project will be considered to be significant if:

- The total cost is over \$10 million, or
- It involves an unusual structure; see definitions in [LAPM Chapter 2: Roles and Responsibilities](#) (Section 2.4 Delegated Projects), or
- It involves multiple projects on a corridor involving more than one agency, or
- Any other complicating factors require a field review.

~~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 LPA 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 the LPA 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 LPA 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 LPA 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 LPA 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 LPA 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 LPA must prepare and complete [Exhibit 7-B: Field Review Form](#) 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](#).

Exhibit 7-A: Instructions for Field Review Form

The Applicant must complete the Field Review Form in accordance with LAPM Chapter 7: Field Review. The District Local Assistance Engineer (DLAE) should be consulted for clarification. If Caltrans or other interested parties are to be involved in meetings to assist in completion, the applicant should fill out the form as completely as possible prior to any meeting(s). The form must be completely filled out prior to submission of the PES Form.

Item 1. PROJECT LIMITS

Briefly describe the physical limits or nature of project. Attach a list, as needed, for multiple or various locations. Indicate length of project to nearest one-tenth of mile. Use 0.1, if a spot location. Also, indicate whether the project is located on National Highway System (NHS). Include additional sheets, if needed, to clearly define the project location or scope of work.

Item 2. WORK DESCRIPTION

Briefly describe major components of the proposed work, e.g., signals, bridge replacement, ridesharing, pedestrian features, etc.

Item 3. FUNCTIONAL CLASSIFICATION

For a roadway project, check appropriate functional classification category. See the discussions of specific fund programs in the Local Assistance Program Guidelines (LAPG) for system eligibility. Indicate N/A for projects not related to a specific road or street system.

~~Item 4. STEWARDSHIP CATEGORY~~

~~For roadway projects, indicate whether project is FHWA Project of Division Interest (PoDI) per Stewardship Agreement. With some exceptions, projects on the State Highway System are subject to Caltrans Oversight, and Project of Division Interest (PoDI) projects are subject to FHWA oversight; otherwise, the project is subject to DLAE oversight.~~

Item 4. CALTRANS ENCROACHMENT PERMIT REQUIRED

An encroachment permit is required for projects encroaching within the state highway right of way. The applicant should contact the District Permit Officer early in the process.

Item 5. STATE ONLY FUNDS

If the project is entirely funded by the state, indicate if it is state-only funded.

Item 6. COST BREAKDOWN ESTIMATE

List estimated breakdown of all project phases and indicate phases for which federal participation will be requested. Include all known costs, but include each cost in only one group. Check whether "Value Engineering Analysis" is required for this project. (For structures-related projects financed with Highway Bridge Program [HBP] funds, the current HBP operating procedures limit preliminary engineering costs including environmental costs to twenty-five (25%) percent of the total construction cost. Any exceptions must be approved in writing by the HBP program manager.)

Exhibit 7-B: Field Review Form

Local Agency		Field Review Date	
Project Number		Locator (Dist/Co/Rte/PM)	
Project Name		Bridge No.(s)	
1. PROJECT LIMITS (see attached list for various locations)			
Net Length (miles)		On NHS?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. WORK DESCRIPTION			
ITS project or ITS element (Signal, electronics, communication and information processing projects will be ITS projects)		Yes <input type="checkbox"/> No <input type="checkbox"/>	
If yes, choose: High-Risk (formerly "Major") ITS <input type="checkbox"/> Low-Risk (formerly "Minor") ITS <input type="checkbox"/> Exempt ITS <input type="checkbox"/>			
3. FUNCTIONAL CLASSIFICATION			
<u>On the Federal-aid System</u>		<u>Off the Federal-aid System</u>	
<input type="checkbox"/> Principal Arterial – Freeway or Expressway		<input type="checkbox"/> Rural Minor Collector	
<input type="checkbox"/> Other Principal Arterial		<input type="checkbox"/> Local	
<input type="checkbox"/> Minor Arterial		<input type="checkbox"/> Bike/ Ped paths not on existing road	
<input type="checkbox"/> Major Collector			
<input type="checkbox"/> Urban Minor Collector			
4. CALTRANS ENCROACHMENT PERMIT	Is it required? Yes <input type="checkbox"/> No <input type="checkbox"/>		
5. STATE ONLY FUNDS	Is State-Only Funded? Yes <input type="checkbox"/> No <input type="checkbox"/>		

6. COST ESTIMATE BREAKDOWN					
(Including Structures)			(\$1,000's)	Federal Participation	
PE	Environmental Process			Yes	No
	Design			Yes	No
	ITS System Manager or Integrator			Yes	No
CONST	Const. Contract			Yes	No
	Const. Engineering			Yes	No
R/W	Preliminary R/W Work			Yes	No
	Acquisition			Yes	No
	No. of Parcels			Yes	No
	Easements			Yes	No
	Right of Entry			Yes	No
	RAP (No. Families)			Yes	No
	RAP (No. Bus)			Yes	No
	Utilities (Exclude if included in contract items)			Yes	No
	TOTAL COST				
6a. Value Engineering Analysis Required?				Yes	No
(Yes, if total project costs are \$50M or more on the NHS, or \$40M or more for bridges on and off the NHS)					
7. PROJECT ADMINISTRATION					
		Agency	Consultant	State	
PE	Environmental Process				
	Design				
	System Manager/Integrator				
R/W	All Work				
CONST ENGR	Contract				
CONSTRUCTION	Contract				
MAINTENANCE					
8. SCHEDULES		Proposed Advertisement Date			
Other Critical Dates					

9. PROJECT MANAGER'S CONCURRENCE			
Local Entity Representative		Date	
Signature		Phone	
Title			
Date of Field Review		If not performed please attach justification to this form	

Caltrans (District) Representative (Attendance required if project is on NHS)		Date	
Signature		Phone	
Title			
FHWA Representative		Date	
Signature		Phone	
Title			

10. LIST OF ATTACHMENTS

(Including all appropriate attachments if field review is required. See the “[]” Notation for minimum required attachments for non-NHS projects.)

	Field Review Attendance Roster or Caltrans Roster	
	Vicinity Map (Required for Construction Type Projects)	
IF APPLICABLE (Complete as required depending on type of work involved)		
	Roadway Data Sheets [Req'd for Roadway projects]	
	Typical Roadway Geometric Section(s) [Req'd for Roadway projects]	
	Major Structure Data Sheet [Req'd for HBP]	Signal Diagram
	Railroad Grade Crossing Data Sheet	Collision Diagram
	Sketch of Each Proposed Alternate Improvement	CMAQ/RSTP State STIP Match
	Existing Federal, State and Local ADA deficiencies not included on other Attachments	
	System Engineering Review Form (SERF) Req'd for High-Risk (formerly “Major”) and Low-Risk (formerly “Minor”) ITS projects	

11. PROJECT REVIEW NOTES

- A. MINUTES OF FIELD REVIEWS (See Attachment)
- B. ISSUES OR UNUSUAL ASPECTS OF PROJECT (See Attachment)

Distribution: Original with attachments – Local Agency
Copy with attachments (2 copies if HBP) – DLAE

LAPM C.9 CIVIL RIGHTS & DBE

LAPM C.9 Civil Rights & DBE

Section / Exhibit	Description of Changes
9.3 Accessibility	<ul style="list-style-type: none">• Replaced “ADA Liaison Officer” with “ADA Coordinator”
9.7 LPA Bidder or Proposer DBE Commitment and DBE Information Forms	<ul style="list-style-type: none">• New optional form LAPM 9-I: DBE Confirmation introduced.
Exhibit 9-B Local Agency DBE Annual Submittal Form	<ul style="list-style-type: none">• Checkbox added to allow different retention options for construction contracts vs. consultant contracts.
Exhibit 9-F DBE Running Tally of Payments	<ul style="list-style-type: none">• DUNS number removed.
LAPM 9-I DBE Confirmation	<ul style="list-style-type: none">• A new optional form created for DBE confirmation on construction contracts.

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) for each project includes the administering agency's reaffirmation of the nondiscrimination assurances contained in the Master Agreement.

Designation of an ADA ~~Liaison Officer~~ Coordinator

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

Adoption of Grievance Procedures

The LPA 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 an LPA for good cause.

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

- A description of how and where a complaint under Title II of the ADA may be filed with the LPA.
- 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 LPA.
- Information on how to appeal an adverse decision.
- A statement of how long complaint files will be retained.

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 must be made accessible to persons with disabilities in accordance with federal and state accessibility standards on all LPA 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

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

ADA Monitoring

Local Public Agency ADA Annual Certification Form

Each LPA 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~~ **Coordinator** information (name, address, phone number, and e-mail address).
2. Certification that the LPA has an updated self-evaluation and transition plan, if applicable. If the LPA does not have an updated self-evaluation and transition plan, then the LPA 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 LPA does not have a grievance procedure, then the LPA provides an estimated date that they will have one.

Field Reviews

During the field review, an agreement is reached among all interested parties (LPA, 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

LPAs 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](#)).

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. [For A&E contracts, any format of written confirmation can be used. For construction contracts, LAPM 9-I: DBE Confirmation \(or equivalent form\) and DBE's quote must be submitted. The written confirmation must be submitted no later than 4pm on the 5th day after bid opening.](#) ~~For construction contracts, a copy of a DBE's quote may 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](#) must be included in the construction or consultant contract whether or not there is a DBE goal on the contract. The LPA must submit this form to the DLAE within 30 days of contract execution for timely reporting. Failure to submit Exhibit 15-G or Exhibit 10-O2 to the DLAE within 30 days of contract execution may result in de-obligation of federal funds on contract. 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.

Running Tally of Actual Attainments

After submitting an invoice for reimbursement that includes a payment to a DBE, but no later than the 10th of the following month, the prime contractor/consultant must complete and email Exhibit 9-F: Disadvantaged Business Enterprise Running Tally of Payments to business.support.unit@dot.ca.gov with a copy to the LPA.

Final Report

Upon completion of the construction or consultant contract, regardless of whether DBE participation was obtained, a summary of the DBE records must 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 LPA showing total dollars paid to each subcontractor and supplier whether DBE or non-DBE. [Exhibit 17-F](#) is reviewed by the LPA 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 LPA projects.

The LPA 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.

(Attachment)

Prompt Payment of Withheld Funds to Subcontractors

Federal regulation (49 CFR 26.29(b)) 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.

A&E CON

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 for construction contracts, and Section 3321 of the California Civil Code for consultant contracts. 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.

A&E CON

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 for construction contracts and fifteen (15) days for consultant contracts 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 for construction contracts, and Section 3321 of the California Civil Code for consultant contracts. 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.

A&E CON

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 for construction contracts and fifteen (15) days for consultant contracts 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 for construction contracts, and Section 3321 of the California Civil Code for consultant contracts. 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-F: DISADVANTAGED BUSINESS ENTERPRISE (DBE) RUNNING TALLY OF PAYMENTS

Save this form using the following naming convention, [9 digit Federal Aid number]-[yyyymm]-[ss].xlsx. [yyyymm] is the reporting period. [ss] is two digit sequential numbering, applicable when consultant or contractor has more than one 9-F form to complete per pay period. For example, a valid saved file could read: 1234(567)-202207-01.xlsx. Prime contractors/consultants are required to submit this form no later than the 10th of the following month, after submitting an invoice for reimbursement that includes a payment to a DBE. If no payments have been made, do not submit the form. Email this form to Business.Support.Unit@dot.ca.gov with a copy to their local administering agencies. **Do not submit this form with the invoice, it will not be processed.**

(1) Reporting Period (mm-yyyy)		(2) Federal Aid Project Number		(3) Caltrans District			(4) Local Agency
(5) Contract Number		(6) Total Contract Award Amount (\$)		(7) DBE Goal Percentage (%)			(8) DBE Committed Percentage (%)
(9) Business Name		(10) Amount Prime Invoiced This Period (\$)		(11) Amount Paid to Prime To Date (\$)			(12) Prime Certified DBE?
(13) DBE Subcontractor/Subconsultant Name	(14) DBE Cert. Number	(15) Contract Type	(16) Date of Payment	(17) Amount of This Payment	(18) Amount Paid To Date	(19) Amount Committed To This DBE	(20) Comments
Totals				\$0	\$0	\$0	

List all DBEs regardless of tier, whether or not the firms were originally listed in Exhibit 10-O2 or 15-G as a DBE commitment. If the actual DBE utilization was different than that approved at the time of award, provide comments in box (20). All payments reported, including payments to contractor/consultant, are for the date listed. Select the most appropriate contract type (Agent, Consultant, Joint Venture, Manufacturer, Prime, Regular Dealer, Subcontractor, Truck/Haul, Service Provider) for the DBE from dropdown list.

By executing this 9-F, Contractor/Consultant represents and warrants, under penalty of perjury, that:
 Contractor/Consultant contracted with the Disadvantaged Business Enterprise companies (DBEs) as set forth in their awarded bid on Contract number _____
 Contractor/Consultant paid the full amounts listed on their 9-F to the DBEs set forth in Contractor's awarded bid, without reduction or offset.

(21) Prime Contractor/Consultant Manager's Name (Print)	(22) Business Phone Number	(23) Date

COPY DISTRIBUTION: Original - Prime Contractor/Consultant, Copy - E-mail: Business.Support.Unit@dot.ca.gov; Copy: Local Administering Agency

LAPM C.10 CONSULTANT SELECTION

LAPM C.10 Consultant Selection

Section / Exhibit	Description of Changes
<p>10.1.2 Determine Type of Contract</p>	<ul style="list-style-type: none"> Clarifying language added for task orders under sub-bullet #1.
<p>10.1.3 A&E Consultant Audit & Review Process</p>	<ul style="list-style-type: none"> Clarifying language regarding federal-funds added. OB #22-06: \$150K threshold changed to \$1M.
<p>10.1.8</p>	
<p>10.1.9 Retaining a CMSR</p>	<ul style="list-style-type: none"> Projects of Division Interest references removed.
<p>Exhibit 10-A A&E Consultant Financial Document Review Request</p>	<ul style="list-style-type: none"> OB #22-06 : Exhibit 10-A references removed throughout the chapter; replaced by Financial Document Review Request form hosted by IOAI.
<p>Exhibit 10-C Consultant Contract Reviewers Checklist (database)</p>	<ul style="list-style-type: none"> Exhibit 10-C formal name change to “A&E Consultant Contract form”; references to “Exhibit 10-C” replaced throughout the chapter.
<p>Exhibit 10-H Sample Cost Proposal (Example #1 through #4)</p>	<ul style="list-style-type: none"> OB #22-06 : Exhibit 10-H retired; references removed throughout the chapter. Sample costs proposals are now provided on the A&E website.
<p>Exhibit 10-K Consultant Annual Certification of Indirect Costs and Financial Management System</p>	<ul style="list-style-type: none"> OB #22-06 : Exhibit 10-K references removed throughout the chapter; replaced by Certification of Indirect Costs and Financial Management System form hosted by IOAI.
<p>Note: the impacted pages for OB #22-06 and Exhibit name changes are not included as part of the LPP but will be reflected in the January 2023 published version.</p>	

- Master on-call contracts are contracts awarded to on-call consultants at the initial RFQ/RFP procurement process.
- Solicitation may be informal, e.g. email, letter, etc.; documentation is required.
- Evaluation criteria must be included in the solicitation. 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 criteria can include:
 - i. availability of personnel,
 - ii. staff capabilities,
 - iii. DBE (10% or less of overall score); the overall DBE goal was established at the master on-call contract,
 - iv. completion of time,
 - v. experience of consultant
 - vi. specialized expertise, and past performance.
- Evaluate and rank proposals and select from the multiple on-call contracted consultants
 - Recommend at least three panel members to evaluate and rank
 - Evaluate based on criteria in mini-RFP solicitation
- Negotiate and award to the on-call contracted consultant
 - 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.
- If only one proposal is received or there is an emergency, a Non-Competitive process must be justified, and [Exhibit 12-F](#) must be documented and signed by the DLAE
- Awarding task order to the multiple on-call consultants on a rotational basis does not meet the intent of the qualifications-based selection
- Exhibit 10-G must be used to track percentage of DBE ~~per task order~~ after a task order is completed
- Each task order must have an Exhibit 10-O1 and Exhibit 10-O2 as applicable

2. Regional basis where each on-call consultant is contracted to a designated area.

To maintain the intent of the Brooks Act (40 U.S.C.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:

- Must define a general scope of work, complexity, and professional nature of services.

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~~ [federal-aid highway funds in furtherance of highway construction projects](#). All proposed A&E contracts and supporting documents are subject to audit or review by Caltrans' 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.

LPAs, consultants, and subconsultants are responsible for complying with state, federal, and specific contract requirements. LPAs 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 LPAs and Caltrans, (i.e., Master Agreements);
- Project Program Supplemental Agreements;
- 23 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 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- United States Government Accountability Office, Government Auditing Standards - Generally Accepted Government Auditing Standards (GAGAS);
- California Government Code sections 4525-4529; and
- Proposed contract terms and conditions.

See Section [10.1.11: References](#) of this chapter for links to above referenced standards.

Audit Guidance Available

The American Association of State Highway and Transportation Officials, Uniform Audit & Accounting Guide ([AASHTO Audit Guide](#)), which is referred to frequently in this section, is a valuable tool to guide LPAs, consultants and Certified Public Accountants (CPA) through the requirements for establishing, and audits of FAR compliant Indirect Cost Rates (ICR). The [AASHTO Audit Guide](#) is used extensively as an industry guide in the audit and review process.

construction contract portion of the project will still be allowed provided all other federal-aid requirements have been met.

- Where benefiting more than a single federal-aid project, allocability of consultant contract costs for services related to a management support role must be distributed consistent with the cost principles applicable to the contracting agency in 23 CFR 172.7(b)(5).

If engineering services for a project are within the scope of the services described in the retained consultant's contract, these services may be performed by the person or firm designated as an agency engineer. If the services are not within the scope, eligibility for federal reimbursement for these services require a new consultant contract to be developed using the selection procedures in this chapter. Retained consultants involved in the preparation of the RFP or RFQ must not be considered in the selection of consultants for the resulting project specific work.

When a CMSR is procured with federal-aid funds, the LPA (subgrantee) must fully comply with the following:

- Subparagraphs of 2 CFR 200.318 maintain a contract administration system and maintain a written code of standards. No employee, officer or agent of the subgrantee must participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.
- Subparagraph of 23 CFR 172.7(b) requires that the LPA must receive approval from FHWA. ~~In addition, any federal-aid projects designated as Projects of Division Interest may also need approval from FHWA.~~
- Liability insurance should normally be required from the consultant (errors and omissions, etc.).

For federally funded projects, LPAs that solicit to hire A&E consultant(s) in a management support role must obtain FHWA approval prior to contract execution.

In order for a contract for a CMSR to be federally eligible, the following are required prior to contract execution:

- The LPA must submit a request for approval via email, the Scope of Work (SOW) and Conflict of Interest (COI) Policy to the Division of Local Assistance-Headquarters (DLA-HQ) at aeoversight@dot.ca.gov, prior to solicitation.
- Once the LPA receives FHWA's written response, the LPA may need to revise the documents reflecting FHWA's opinions and can proceed with the RFQ.
- After consultant selection, the LPA must submit the completed [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#) to the DLA-HQ at aeoversight@dot.ca.gov. LPA will receive FHWA's approved [Exhibit 10-U](#) via email.

Exhibit 10-G: INDIVIDUAL A&E TASK ORDER DBE TRACKING SHEET

Please fill out form in order

CONSULTANT NAME	CONTRACT NUMBER	FEDERAL PROJECT NUMBER	TASK ORDER NUMBER
ADDRESS			
CONSULTANT CONTRACT ADMINISTRATOR NAME	PHONE NUMBER	E-MAIL	
PROJECT TITLE:			
PROJECT LOCATION:			
SCOPE OF WORK			
TOTAL MASTER CONTRACT AMOUNT: _____ END OF CONTRACT DATE: _____			
TASK ORDER AMOUNT: _____ TASK ORDER BEGIN DATE: _____ TASK ORDER END DATE: _____			

TOTAL DBE CONTRACT ESTIMATE OF THIS TASK ORDER

CONSULTANT / SUBCONSULTANT	DESCRIPTION OF WORK	AMOUNT (NON-DBE)	AMOUNT (DBE)	% OF DBE
SUBTOTAL				
TOTAL TASK ORDER AMOUNT				

COMMENTS ON DBE UTILIZATION DEFICIENCIES (COMMITTED VERSUS MET) AND PLANS TO MEET COMMITTED PERCENTAGES:
(If percent less than [task order DBE](#) goal, briefly state why in 1-2 sentences).

The consultant acknowledges the DBE listed in the DBE Task Order Utilization section above must be used, unless authorized by [the Local Agency](#).

Approved By:

CONSULTANT CONTRACT MANAGERS SIGNATURE	DATE	LOCAL AGENCY ADMIN SIGNATURE	DATE
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LAPM C.11 DESIGN GUIDANCE

LAPM C.11 Design Guidance

Section / Exhibit	Description of Changes
11.1 Definitions	<ul style="list-style-type: none">• Definitions moved to DLA stand-alone Glossary: https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/dla-glossary.pdf
11.2 New and Reconstruction Projects	<ul style="list-style-type: none">• Clarification language added to distinguish between new vs. reconstruction projects.
11.2 3R Projects	<ul style="list-style-type: none">• OB #22-01: removal of the phrases “other than freeways” and “non-freeway”

Chapter 11 Design Guidance

11.1 Introduction

The purpose of this chapter is to provide statewide design guidance applicable to Local Public Agency (LPA) administered federal-aid transportation projects. These guidelines and procedures should be considered in the design of transportation projects and applied with engineering knowledge, experience, and judgement to provide a safe, sustainable, integrated, and efficient transportation system.

Definitions

~~**Alteration**— In this manual, an alteration, as applicable to the Americans with Disabilities Act (ADA), is a change to a roadway made by, on behalf of, or for the use of a public accommodation or commercial roadway that affects or could affect the usability of the roadway, or part thereof. Alterations include, but are not limited to, remodeling, renovation, rehabilitation, reconstruction, historic restoration, and changes or rearrangement of the structural parts or elements. The following roadway treatments are considered by the Federal Highway Administration (FHWA) to be an alteration:~~

- ~~• Addition of New Layer of Hot Mix Asphalt~~
- ~~• Hot Mix Asphalt and Concrete Rehabilitation and Reconstruction~~
- ~~• Cape Seals~~
- ~~• Hot In-Place Recycling~~
- ~~• Microsurfacing / Thin Lift Overlay~~
- ~~• Mill & Fill / Mill & Overlay~~
- ~~• Reconstruction~~
- ~~• Open Graded Friction Course~~

~~**Design Standards**—The adopted design standards, including: highway design specifications, standard plans, construction contract specifications, statewide bridge design procedures, and other procedures, guides, and references listed herein for application in the geometric, structural, pavement, and hydraulic design of LPA highway transportation projects.~~

~~**Design Decision**—A documented decision to use alternative highway design elements in place of applicable design guidance. Documented alternative decisions to the applicable highway design guidance are documented and retained in project files.~~

~~**New Construction**—A new transportation facility that did not previously exist along a highway segment. The addition of appurtenances to an existing facility, such as striping, signs, signals, noise barriers, etc. is not considered new construction.~~

~~**Preventive Maintenance**—Roadway activities that include but are not limited to joint and shoulder rehabilitation, heater re-mix, seal coats, corrective grinding of Portland Cement Concrete (PCC) pavement, and restoration of drainage systems.~~

~~**Construction Contract Specifications**—The directions, provisions, and requirements contained in the contract documents for a specific construction project. Included are various proposal conditions, contract administration provisions, required construction methods, and technical requirements for materials.~~

~~**Standard Specifications**—A published document that contains commonly used construction contract specifications developed for use as a reference for construction contract documents.~~

~~**Note:** In this manual, current Caltrans Standard Specifications is understood to mean Caltrans Standard Specifications inclusive of all current revisions, amendments, and standard special provisions, unless otherwise stated.~~

~~**Standard Plans**—A collection of plan details developed for use as a reference for construction contract documents. Included are standard abbreviations, symbols, design notes, design conditions and data, construction details, specifications, layouts, and measurement and payment details.~~

11.2 Design Guidance for Local Assistance Projects

New and Reconstruction Projects

23 CFR 625 designates the standards, policies, and standard specifications that are acceptable for application in the geometric design of Local Assistance projects. The standards are dependent on the type and location of the project.

New construction involves ~~a new transportation facility~~ building a new facility that did not previously exist along a highway segment including new roadways, new alignments, interchanges or grade separation crossings and new parking lots or safety roadside rest areas. The addition of appurtenances to an existing facility, such as striping, signs, signals, noise barriers, etc. is not considered new construction.

Reconstruction replaces the entire existing pavement structure with an equivalent or increased new pavement structure and rebuilding of adjacent operational and roadside features. Reconstruction is typically warranted when the roadway has become functionally and structurally obsolete. Reconstruction features typically include significant change to the horizontal or vertical alignment of the highway and may include the addition of lanes.

Reconstruction differs from lane/shoulder replacement roadway rehabilitation options in that lane/shoulder replacements typically involve replacing portions of the roadway width whereas reconstruction is the removal and replacement of the entire roadway width. Incidental rebuilding of existing pavements for rehabilitation to conform to bridges, existing pavement, or to meet vertical clearance standards is considered rehabilitation and not reconstruction. Storm and earthquake damage repairs (i.e., catastrophic) also are not considered reconstruction projects.

Reconstruction involves the following:

- Replacement of existing pavement structure
- Addition of a lane (except climbing or auxiliary lanes)
- Significant change in horizontal and/or vertical alignment
- Reconstruction of an interchange by adding moves or relocating ramps (widening ramps for storage, turning movements, or ramp metering are not included)
- Replacement of an entire bridge or the major parts of an existing bridge (in such a manner that it is effectively a new bridge)

- Seismic retrofit projects for the following:
 - Major or unusual structures (all tunnels, unusual and movable bridges, unusual hydraulic or geotechnical structures, or bridges with a total deck area greater than 125,000 square feet)
 - Construction cost greater than \$5 million per structure
- Major modifications to Traffic Management Centers

Projects on the State Highway System (SHS)

LPA new or reconstruction projects on the SHS must be designed in accordance with the current [Caltrans Highway Design Manual](#) and other [Caltrans Division of Design](#) standards, policies, and procedures.

Projects on the National Highway System (NHS)

LPA new or reconstruction projects on the NHS and not on the SHS must be designed in accordance with the FHWA adopted edition of the [American Association of State Highway and Transportation Officials \(AASHTO\) A Policy on Geometric Design of Highways and Streets](#).

Projects not on the NHS

LPA new or reconstruction projects not on the NHS may be designed in accordance with locally developed design standards or the current [Caltrans Highway Design Manual](#) or the current FHWA-adopted [American Association of State Highway and Transportation Officials \(AASHTO\) A Policy on Geometric Design of Highways and Streets](#).

LPA developed design standards may be used on LPA new or reconstruction projects not on the NHS if:

- The standards have been approved by the County Board of Supervisors or the City Council.
- The standards are signed by the City/County Public Works Director who is a California licensed Civil Engineer. If the Public Works Director is not licensed, the standards may be signed by the LPA's highest level licensed Civil Engineer. Standards may be signed by a consultant on retainer as the City/County Engineer if such individual is licensed and is responsible directly to the Public Works Director or City/County Manager.
- The standards are reviewed for possible updating whenever the applicable AASHTO standards are updated.

Resurfacing, Restoration and Rehabilitation (3R) Projects

In accordance with 23 CFR 625.4(a)(3), the geometric design standards for 3R projects on the NHS **other than freeways** must be the procedures and the design or design criteria established for individual projects, groups of projects, or all **non-freeway** 3R projects in a state, and as approved by the FHWA. Below are the standards approved by FHWA.

3R work does not fall into the defined categories for new construction, reconstruction, or preventive maintenance, and typically involves the improvement of highway pavement surfaces through resurfacing, restoration, or rehabilitation. Specifically, 3R work is defined as the following:

- Resurfacing - placing additional hot mix asphalt concrete over a structurally sound highway or bridge that needs treatment to extend its useful service life.

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"> Clarifying language added regarding Financial Plan Annual Updates and Project Management Plans to be consistent with Chapter 2.
<p>12.1 Definitions</p>	<ul style="list-style-type: none"> Definitions moved to DLA stand-alone Glossary: https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/dla-glossary.pdf
<p>12.3 Documentation</p>	<ul style="list-style-type: none"> Added submission of an ECR equivalent with the PS&E package to ensure all the mitigation commitments are documented and addressed during the PS&E phase.
<p>12.4 Contracting Method</p>	<ul style="list-style-type: none"> Projects of Division Interest (PoDI) references removed. Construction Manager/General Contractor information added.
<p>12.5 Value Engineering Analysis</p>	<ul style="list-style-type: none"> Value Engineering Analysis language modified for consistency with 23 U.S.C.106. Construction Manager/General Contractor information added.
<p>12.8 Liquidated Damages</p>	<ul style="list-style-type: none"> Table 12-1 updated based on 10/15/2021 update to Caltrans Standard Specifications.
<p>12.8 Buy America</p>	<ul style="list-style-type: none"> OB #22-07 Modified Buy America Requirements added.
<p>12.8 Form FHWA-1273</p>	<ul style="list-style-type: none"> OB #22-05R: updated applicability of Davis-Bacon and related acts under the revised Form FHWA-1273. Use of Local Hiring Preferences section updated.
<p>12.8 Cargo Preference Act Requirements</p>	<ul style="list-style-type: none"> OB #22-05R: Cargo Preference clauses are now included in the 07/05/22 revision of Form FHWA-1273.
<p>12.8 Federal Trainee Program</p>	<ul style="list-style-type: none"> The following sentence deleted as it is no longer valid: “There are no apprentice teamsters or laborers.”
<p>12.12 Local Public Agency Furnished Materials</p>	<ul style="list-style-type: none"> Clarifying language regarding Buy America added.

LAPM C.12 PS&E

12.12 Construction Engineering	<ul style="list-style-type: none"> Clarifying language added regarding projects funded from federal programs under direct Caltrans management.
12.12 Optional Bridge Review	<ul style="list-style-type: none"> Outdated information updated.
12.13 PS&E Certification	<ul style="list-style-type: none"> Section re-titled “Review and Submittal of the PS&E Package”. Sub-section title added for first two paragraphs: “Responsible Charge Certification”. Removed reference to PS&E Certification Letters.
Exhibit 12-D / 12-E PS&E Checklist / Instructions	<ul style="list-style-type: none"> Section IV, A&B – PoDI selections removed. Section V – Added Environmental Commitment Record (ECR) equivalent Section VI – VA required for HBP projects regardless if the bridge is on the NHS or not; changes marked. Section XII – checkbox added for Telecommunications / Video Surveillance Equipment and Services. Section XIII (B) – separated bonding and prequalification. Section XIII (E) – checkboxes for Project Labor Agreement added. Section XVI – reorganized to better reflect requirements.
Exhibit 12-F Cost Effectiveness / PIF / A&E Noncompetitive	<ul style="list-style-type: none"> Buy America waiver removed from Exhibit since they are not addressed as a PIF; a PIF is one of the reasons why a waiver can be approved, but not a means to process it. FHWA approvals removed as they are not required and have been delegated to Caltrans.

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 Public Agency (LPA) must also comply.

The preparation of the PS&E for local federal-aid projects off the SHS is the responsibility of the LPA. LPAs 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 LPA compliance. The LPA'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. LPA 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~~ the Financial Plan [Annual Update \(FPAU\)](#) 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 (PMP) are required for projects of \$500 million or more. Major federal-aid projects of \$500 million or more require that a ~~draft~~ PMP be prepared and submitted to Caltrans/Federal Highway Administration (FHWA) ~~prior to the environmental determination~~. FHWA also requires that a Cost [and Schedule Risk Assessment \(CSRA\)](#) ~~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 LPA 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 LPAs to prepare a Cost Effectiveness/Public Interest Finding. Caltrans and FHWA approval is required for LPA projects that are Projects of Division Interest (PoDI).~~

~~**Design Decision Approval**—A process to justify, approve and document deviations from established standards.~~

~~**Design Standards**—The established standards, specifications, procedures, guides and references listed herein that are acceptable for application in the geometric and structural design of federal aid projects (see [LAPM Chapter 11: Design Guidance](#)).~~

~~**Final Design**—The phase of the transportation project development process that occurs after environmental approval that involves the preparation of detailed working drawings, as well as specifications and estimates for approved transportation projects.~~

~~**Specifications**—The directions, provisions, and requirements contained in the contract documents for a specific construction project. Included are various proposal conditions, contract administration provisions, required construction methods, and technical requirements for materials.~~

~~**Standard Plans**—A collection of plan details developed for use as a reference for construction contract documents. Included are standard abbreviations, symbols, design notes, design conditions and data, construction details, specifications, layouts, and measurement and payment details.~~

~~**Standard Specifications**—A published document that contains commonly used specifications developed for use as a reference for construction contract documents.~~

~~**Value Engineering Analysis**—The systematic application of recognized techniques by a multi-disciplined team to identify the function of a product or service; establish a worth for that function; generate alternatives through the use of creative thinking; and provide the needed functions to accomplish the original purpose of the project, reliably, and at the lowest life-cycle cost without sacrificing safety, necessary quality, and environmental attributes of the project.~~

12.2 PS&E Procedures for Significant NHS Projects

For significant projects (as defined in [LAPM Chapter 7: Field Review](#), Section 7.2) on the NHS, the LPA's written PS&E procedures must be approved by Caltrans before final design is started. The DLAE will determine which projects require this approval at the field review (see [LAPM Chapter 7](#)). The written PS&E procedures should identify changes from the procedures described in this chapter and as a minimum cover the following items:

- Project management personnel and procedures
- Highway design standards (and any other technical standards as appropriate)
- Consultant selection procedures
- Project DBE participation procedures
- Review and approval procedures
- Oversight procedures if a state highway is involved
- Maintenance of records and access

The DLAE should consult with headquarters Division of Local Assistance for assistance with the review of the LPA procedures.

12.3 Environmental Procedures

23 CFR 771.113 prohibits starting work on the final design phase of a federally-funded project until after approval of the final environmental document (see [LAPM Chapter 6: Environmental](#)

Unique mitigation commitments including but not limited to preservation of historic sites, protection of public-owned parklands, removal and disposal of hazardous materials, and the establishment of sensitive plant communities or wetland mitigation sites are often complex and require technical expertise in the translation and transfer into final design. Any plant establishment and monitoring periods must also be addressed during final design.

For complex projects, Caltrans staff is available to assist in the translation and proper transfer of mitigation commitments into the final design. Caltrans assures that mitigation commitments and any required ongoing maintenance of mitigation are implemented by conducting periodic process reviews.

Permits

The LPA is also responsible for translating permit conditions and restrictions into the final design. Permits include, but are not limited to: Army Corps of Engineers Section 404 Nationwide Permit; Section 404 Individual Permit; NEPA/404 Integration MOU, Section 10 Permit; United States Coast Guard Bridge Permit; Regional Water Quality Control Board Section 401 Water Quality Certification and National Pollution Discharge Permit; California Department of Fish and Wildlife Streambed Alteration Agreement; California Coastal Commission Coastal Development Permit, and Bay Conservation and Development Commission Permit. Typical mitigation includes hay bales, silt fencing, dust control, riprap, soil stabilization matting, slope drain, turbidity barrier, etc.

LPAs should work closely with the permitting agency to ensure accurate translation and proper transfer of permit conditions and restrictions (as appropriate) into final design. Conversations with regulatory agencies regarding translation of permit conditions and restrictions should be well documented.

Documentation

Well documented records, referencing the page numbers and/or plan sheets on which commitments are illustrated, should be maintained [and the Environmental Commitment Record \(ECR\) equivalent addressing all environmental mitigations should be submitted along with other PS&E documents](#) by the LPA, as this information will be necessary when certifying the PS&E. [For more details refer to LAPM Chapter 6, Section 6.3.](#) This information will also be useful during [the PS&E and](#) process reviews.

12.4 Method of Construction

Contracting Method

Except as noted below, all federal-aid construction projects must be completed by contracts awarded to the lowest responsible bidder of a competitive bid process (23 CFR 635.104). In addition, LPAs may not, under any circumstances, negotiate with a bidder prior to award to reduce the price of a construction contract.

Occasionally, situations arise which may support the use of a contracting method other than competitive bidding. Noncompetitive construction contracting may be approved under the following conditions:

- When an emergency exists of such magnitude that work cannot be delayed
- There is only one organization qualified to do the work
- Competition is deemed inadequate after soliciting bids

- When it is more cost-effective to do the project by force account (defined below)
- When using some design/build or [Construction Manager/General Contractor \(CMGC\)](#) methods of procurement

The use of a non-competitive contracting method must be thoroughly justified in writing (generally by the use of a Public Interest Finding), submitted to the Caltrans DLAE for approval, documented in the project files, and retained for future reference. ~~For local federal-aid projects that are PoDI (see [LAPM Chapter 2: Roles and Responsibilities](#)), justification must be submitted to the DLAE for FHWA's review and approval.~~ When using CMGC, the LPA must follow [Caltrans Local Assistance Procedures for Construction Manager/General Contractor \(CMGC\) Projects](#).

Force Account (Day Labor)

23 CFR 635.203 defines force account as the direct performance of construction work by the LPA, railroad, or public utility using labor, equipment, materials, and supplies furnished by them and under their direct control. Payment under force account is based on the actual cost of labor, equipment, and materials furnished, with consideration for overhead and profit.

Since work by force account is an exception to the normal contract method, which is based on competitive bidding, each LPA must also look to its own charter and applicable state code(s) when considering work by force account.

The performance of work by force account on a federal-aid project may be appropriate when:

- It is determined that the rights or responsibilities of the community are so affected as to require a special course of action, including a lack of competition or unreasonable bids (must be documented).

By the inherent nature of the operation, it is deemed cost-effective to perform minor adjustments of railroad and utility facilities while the major work is still accomplished by competitive bidding (the use of force account work under this circumstance has been predetermined to always be cost-effective without further documentation or authorization).

- It is deemed cost-effective to perform some work (incidental to the main purpose of the project and other than minor adjustments of railroad and utility facilities), while the major work is still accomplished by competitive bidding.
- It is necessary for emergency relief.

A public interest finding fully justifying the use of force account work on a local federal-aid project must be prepared by the LPA. The documentation should include:

- An identification and description of the project and the kinds of work to be performed.
- A comparison of the detailed cost estimates for work by force account versus a competitive bid contract.
- An estimate of federal funds to be provided based on the reimbursement ratio of the qualifying costs.
- The reason(s) the use of work by force account is considered to be cost-effective or an emergency.

DLAE to be granted a waiver (Authorization to Proceed), so as to begin negotiations with contractor(s) to replace the bridge using HBP funds and using the plans that have been completed to date.

It should be noted that this waiver to competitive bidding only applies to emergency repairs as defined above, reconstruction work and permanent repairs that can be separated from emergency repairs, are to be performed using the competitive bidding process.

12.5 Value Engineering Analysis

Federal Requirements

Federal requirements mandate that a Value Engineering Analysis (VA) be performed on (1) all federal-aid highway projects on the NHS with a total estimated project cost of \$50 million or more; and (2) all federal-aid bridge projects ~~when either the R/W or construction phase exceeds on the NHS with an estimated total cost of \$40 million or more of federal funds~~; (3) any major project (as defined in [23 U.S.C. 106\(h\)](#)), located on or off of the NHS, that utilizes federal-aid highway funding in any contract or phase comprising the major project; (4) any project where a VA has not been conducted and a change is made to the project's scope or design between the final design and the construction letting which results in an increase in the project's total cost exceeding the thresholds identified in (1), (2) or (3) of this section; and (5) Any other project FHWA determines to be appropriate that utilizes federal-aid highway program funding. [In addition the federal requirements, local HBP projects require a VA for both NHS and non-NHS bridge projects with an estimated total cost of \\$40 million or more.](#) Design/Build projects are excluded. [VA requirements are applicable to CMGC projects and are required to be completed. The approved recommendations must be incorporated into the project plans prior to requesting a construction price proposal from the CMGC contractor.](#) The VA consists of a systematic process of review and analysis of the project during the concept and design phases, by a multi-disciplined team of persons not involved in the project. The LPA administering the project has been delegated the responsibility to ensure that VA is performed under Caltrans delegation authority. For each project, the LPA must indicate in the appropriate checkbox on [Exhibit 12-D: PS&E Checklist](#) whether VA was performed.

Procedures

The multi-disciplined team can be qualified LPA staff, qualified personnel from the current design consultant contract, or qualified personnel from a certified VA consultant contractor. The most important factor is that the multi-disciplined team be qualified and not involved in the project in which they are performing the VA.

The multi-disciplined team performing VA must provide recommendations:

- To improve the value and quality of the project
- To provide the needed functions safely, reliably, and at the lowest overall cost
- To reduce the time to complete the project
- To combine or eliminate otherwise inefficient use of costly parts of the original proposed design for the project
- To completely redesign the project using different techniques, materials, or methods so as to accomplish the original purpose of the project

Table 12-1: Liquidated Damages

Total Bid		Liquidated damages per day
From over	To	
\$0	\$60,000	\$1,400
\$60,000 \$0	\$200,000	\$2,900 2,800
\$200,000	\$500,000	\$3,200 3,600
\$500,000	\$1,000,000	\$3,500 3,600
\$1,000,000	\$2,000,000	\$4,000 4,200
\$2,000,000	\$5,000,000	\$4,800 5,200
\$5,000,000	\$10,000,000	\$6,800 6,700
\$10,000,000	\$20,000,000	\$10,000 9,500
\$20,000,000	\$50,000,000	\$13,500 13,200
\$50,000,000	\$100,000,000	\$19,200 16,000
\$100,000,000	\$250,000,000	\$25,300 19,300

If all work except plant establishment or permanent erosion establishment is complete and the total number of working days have expired, liquidated damages are \$950 per day.

If the LPA uses an alternate method to determine liquidated damages for locally funded projects, it may be used on federal-aid projects as long as it avoids excessive charges. If an alternate method is used, the LPA should have a calculation or justification for liquidated damage in the project files.

Buy America

~~On all federal-aid construction projects, current regulations require that steel and iron used be made in the United States if federal dollars are used during any phase of the project (such as design, environmental, right-of-way or construction).~~

FHWA's policy for Buy America requires a domestic manufacturing process for all steel and iron products, and construction materials that are permanently incorporated in a federal-aid funded project. FHWA defines a construction material as an article, material, or supply that is considered or consists primarily of: non-ferrous metals, plastic, and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, or drywall. If one or more of these construction materials have been combined by a manufacturer with other materials through a manufacturing process, Buy America requirements do not apply unless otherwise specified.

Buy America provisions are also applicable to non-federal-aid funded projects, if:

- the non-federal-aid contract is included within the scope of the NEPA document, and
- at least one other contract within the scope of the same NEPA document is funded or will be funded with federal-aid funds. This includes any contract eligible for federal-aid assistance including but not limited to environmental, design, right-of-way, construction, etc.

When Buy America is applicable, the LPA must include Buy America provisions in their PS&E packages prior to advertising for bids and in its contracts. Awarding any such non-federal-aid highway contract, without applicable Buy America provisions would render all contracts within the scope of the NEPA document ineligible for federal-aid funds.

The Buy America provision also applies to all foreign steel and iron materials components of a manufactured product regardless of the percentage of steel in the manufactured product with at least 90 percent or more by weight of the product(s). Iron and steel used in precast concrete manufactured products must meet the Buy America requirements regardless of the amount used. All manufacturing processes involved in steel or iron products must occur within the United States. These processes include rolling, extruding, machining, bending, grinding, drilling, coating, welding and smelting. Domestically produced steel billets or iron ingots shipped overseas for any process and returned to the United States do not conform to this requirement.

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.~~
- Recycled steel.
- Raw materials, scrap temporary steel items such as sheet pilings, bridges, steel scaffolding and false work.
- Materials that remain in place at the contractor's convenience such as sheet pilings and forms.
- Pig iron and processed, pelletized, and reduced iron ore manufactured outside the United States.

Buy America requirements apply to all steel and iron products, and construction materials supplied and permanently incorporated into a federal-aid project regardless of the funding source used to purchase the product and regardless of how the products were procured (i.e., agency furnished materials, materials added by change order, etc.). The LPA must not list an ineligible non-domestic steel and iron products, or construction materials as nonparticipating in order to circumvent the Buy America requirements.

Typically, the need for Buy America waivers is identified during the early phases of the project. If the need for a waiver is identified during the design phase, the LPA must wait until the FHWA's Buy America waiver is approved before requesting PS&E approval. In the case of non-federally funded projects covered under the NEPA document, the LPA must wait for the FHWA's Buy America waiver approval to advertise the project for bids. If during construction, the LPA identifies the need for a Buy America waiver, the LPA must wait for FHWA's approval of the Buy America waiver to incorporate the material in the project. A request for a Buy America waiver does not guarantee FHWA's approval of the waiver request. The LPA must expeditiously contact their DLAE to discuss potential Buy America waivers.

~~A-~~The LPA may request a waiver of the Buy America requirement ~~by FHWA may be granted~~ for specific projects, certain materials or specific products, in specific geographical areas, or combinations of both if:

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

The LPA must submit their Buy America waiver request to the DLAE which will review the request and recommend to FHWA for further processing. The following supporting information must be provided by the LPA, but additional information may be requested during the waiver review period:

- Federal project number
- Project description
- Total construction project cost, including Federal, State, and Local share amounts
- Description of the waiver item(s)
- Cost of waiver item(s)
- Country of origin of the product(s) (if known at the time)
- Reasons for the waiver request
- A description of the efforts made by the LPA to locate domestically manufactured product(s)
- An analysis of re-design of the project using alternate or approved equal domestic product
- LPA's documentation of good faith efforts to maximize the use of domestic iron and steel products in accordance with U.S. President Executive Order 14005 Section 1: Ensuring the Future is Made in All of America by All of America's Workers

In addition to the Buy America waiver, FHWA's Buy America policies allow the LPA to incorporate non-domestic steel or iron materials if any of the following methods is used:

- Minimal use of foreign steel and iron materials. If the cost of foreign steel and iron materials used does not exceed one-tenth of one percent (0.1 percent) of the total contract cost or \$2,500, whichever is greater. The total cost of iron and steel includes the cost of the material plus the cost of transportation to the project site, but does not include labor costs involved in final assembly.
- Alternate bid provisions. The LPA elects to include alternate bid provisions for both, foreign and domestic steel and iron materials. The contract provisions must require all bidders to submit a bid based on furnishing domestic steel and iron materials, and clearly state that the contract will be awarded to the bidder who submits the lowest total bid based on furnishing domestic steel and iron materials unless such total bid is more than 25% higher than the total bid based on foreign steel or iron products. The comparison must be between the total lowest bid using domestic iron/steel product and the total lowest bid using foreign iron/steel product.

The LPA must coordinate with their DLAE prior to using the alternate bid provisions; the DLAE will coordinate with FHWA.

Approval authority for waiver of Buy America requirements has not been delegated from the FHWA to Caltrans, and therefore, is not delegated to the LPAs. The LPA should plan for a Buy America waiver request to take at least ~~six months~~ one year; however, longer timeframes for review and approval should be considered. Additionally, LPAs 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>.

After-the-fact discoveries of non-domestic materials incorporated in the project are not considered Buy America waivers. The LPA'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 all federal funding authorized for the construction phase of the project. In the event an after-the-fact discovery occurs, the LPA must expeditiously inform their DLAE, which will coordinate with FHWA to determine the appropriate resolution.

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 "Form FHWA-1273 – Required Contract Provisions Federal-Aid Construction Contracts, Appendix B"
- Placing headings on the Form FHWA-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 FHWA-1273 and wage rates
- Contract number on all pages including Form FHWA-1273 and wage rates

FHWA does not consider placing the Form FHWA-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.

Failure of the LPA to incorporate the Form FHWA-1273 in the executed contract makes the construction phase of the project ineligible for federal reimbursement. The prime contractor is responsible for compliance with the requirements by all subcontractors and lower tier subcontractors. Failure of the prime contractor to comply with this requirement is grounds for LPA termination of the contract with the contractor and debarment of the contractor by the FHWA.

Modifications of Form FHWA-1273 by Special Provision

Sections IV (Davis-Bacon and Related Act Provisions) and Section VI (Subletting or Assigning the Contract) of Form FHWA-1273 may not be applicable to some projects. If the project is exempted from either of these two provisions, it must be specified elsewhere in the contract by special provision that it does not apply.

Form FHWA-1273 includes significant changes to the applicability of Davis-Bacon and Related Acts which states that where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and

Highway Projects funded under 23 U.S.C.117, and National Highway Freight Program projects funded under 23 U.S.C.167.

Use of Local Hiring Preference

~~The LPA must not include contract provisions that require preferences to hire locally on any federal-aid contract. The contract provisions included in Form FHWA-1273 also require that the contractor not discriminate against labor from any other State. Any contract that includes provisions that require a contractor to give any preference in hiring (with the exception of Native Americans living on or near a reservation on eligible projects) shall make the contract ineligible for federal reimbursement.~~

The Infrastructure Investment and Jobs Act (IIJA), commonly referred to as the Bipartisan Infrastructure Law (BIL) allows LPAs to implement geographic or economic hiring preference (including local hiring preferences) relating to the use of labor on federal-aid construction projects.

LPAs may now include local hiring preference specifications in federal-aid contracts. The LPA must ensure the establishment and implementation of a hiring preference complies with all federal, State, and local laws, policies, and procedures. FHWA review and approval is not required.

Local hiring preferences should not be confused with project labor agreements (PLAs). Local hiring preferences may be implemented through contract specifications, without the use of a PLA. While local hiring preferences may be added to a PLA, doing so will trigger FHWA review and approval. This will add up to four to six months to the process.

More information regarding use of local hiring preference can be found at:

<https://www.federalregister.gov/documents/2022/02/11/2022-02974/enhancing-highway-workforce-development-opportunities-contracting-initiative>.

Nondiscrimination

The provisions of this section related to 23 CFR 230 are applicable to federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR 230 are not applicable to material supply, engineering, or architectural service contracts. Please read the Form FHWA-1273 for complete details on Section II. Include Item 12, Female and Minority Goals of [Exhibit 12-G: Required Federal-aid Contract Language](#) in contract provisions. The contractor and each non-material subcontractor are required to report annually, on the composition of their workforce by race, gender, and job category who perform work during the last payroll period of July, using Form PR-1391 Federal-aid Highway Construction Contractors Annual EEO Report to the LPA. The LPA must forward completed Form PR-1391's (see Exhibit 16-O) to the Caltrans District Local Assistance Engineer.

Cargo Preference Act Requirements

All federally-funded construction contracts must comply with the requirements of the Cargo Preference Act of 1954 and the implementing regulations in 46 CFR 381. Form FHWA-1273 includes the required Cargo Preference clauses.

~~LPAs must insert a contract clause referencing and requiring compliance with the requirements of the Cargo Preference Act of 1954 and the implementing regulations in 46 CFR 381 into all federally funded construction contracts. Until relevant provisions are added to Form FHWA~~

~~1273, the Use of United States—flag vessels clause provided in Exhibit 12-G must be included (either directly or by reference) in federally funded construction contracts.~~

Federal Trainee Program

On selected federal-aid highway construction projects, Federal Trainee Program or On-the-Job Training (OJT) special provisions (Item 14 of [Exhibit 12-G](#)) must be included in the contract provisions to establish the number of trainees for the construction contract.

The main objectives of the Federal Trainee/OJT Program are to:

- Provide training for women and minorities which will upgrade their job skills, thereby increasing their access to higher paying trade jobs and journeyman-level positions and
- Ensure that a diverse work force will meet future labor needs in the construction industry.

Filling training positions on each project must focus on hiring women and minorities, but not exclude anyone. If a contractor cannot meet the OJT objectives, direct recruitment efforts must be documented to show an effort at OJT compliance.

The major components of an OJT program include:

- The LPA must include the required federal training special provisions in the PS&E package if the project size and duration warrant an OJT program.
- The LPA should select contracts that contribute to the Contract Training Goals. These contracts must show the number of trainees, the number of trainees upgraded to journeyman and the level of skills.
- The LPA must review the training programs proposed by contractors. Approval or rejection is based on the legitimacy of the job-skill classifications proposed and the number of training hours specified.
- Caltrans must determine if statewide OJT is effective.
- The contractor is responsible for recruitment and selection of trainees.
- The contractor must evaluate training based on an approved training program.
- OJT provision costs are reimbursed by the FHWA in accordance with the Federal Requirement Training Special Provisions included in selected contracts. Required trainees/apprentices are to be funded on the bidding schedule or by change order at \$0.80/hour; or the training program can be a bid item with the same reimbursement ratio as the construction project. OJT support services include recruiting, counseling, remedial training, and an OJT program administration by others.
- If the contractor does not show a good faith effort to provide acceptable training to the trainees specified, a sanction may be applied. Sanctions may include withholding progress payments if effective on-the-job training is not provided.

In California, federal trainees are considered registered apprentices. There are relatively few crafts in highway work which utilize apprentices - bricklayers, carpenters, cement masons, electricians, equipment operators, ironworkers, pile bucks, and a few others. ~~There are no apprentice teamsters or laborers.~~ The ratio of journeymen to apprentices is generally 5 to 1.

- Betterment work such as capital outlay, safety improvements, or operational improvements that goes beyond restoring a site to its original condition or to the current standard (for emergency relief work)
- Right-of-way obligations when right of way is nonparticipating
- Maintenance-related activities
- Spare parts not incorporated in the work
- Bid items ineligible for the federal program funding the project

A full list of nonparticipating work can be found at: <https://dot.ca.gov/-/media/dot-media/programs/construction/documents/contract-administration/change-order-information/fhwa-nonpart-cost-items-a11y.pdf>.

These nonparticipating cost items must also be identified and segregated for the purposes of the preliminary and detail estimates. Quantities for each structure must be shown separately with an appropriate structure code. Miscellaneous work, such as utility adjustments by a utility company, must also be separate.

Contract Items

In order to determine which contract items should be included in the preliminary estimate, the work is broken down into the basic types of construction, such as excavation, concrete and steel.

Each type and each classification of a type of construction comprises one bid item. Each contract item must be measured accurately. When practical, work performed by a different subcontractor should also be segregated into separate contract items. The list of contract items should be analyzed to be sure that all phases of the work are included in the estimate. Care should also be taken to ensure that there is no overlap of contract items, which could result in a duplication of payments. The [Coded Contract Item List](#) published by Caltrans may be used by the LPA with or without the item code number. The contract item list should be used if the LPA is using Caltrans Standard Specifications as the item descriptions are matched with the specifications.

Local Public Agency Furnished Materials

LPA furnished materials are a part of the total cost of the project and should be subtotaled and included in the total project cost. [All LPA Furnished Materials are subject to Buy America requirements.](#)

To be eligible for federal participation, any material (other than local natural material) purchased by the LPA and furnished to the contractor for mandatory use in the project must be acquired on the basis of competitive bidding, except when there is a finding of public interest, approved by the LPA and submitted to the DLAE for review that justifies the use of another method of acquisition. The unit cost eligible for federal participation is limited to the unit cost of such material to the LPA.

Supplemental Work

Supplemental work is work that is anticipated and required but cannot be described and quantified for delivery on a unit-price or lump sum basis.

Such work must be included in the project estimates and should follow the Subtotal Contract Items. Supplemental work should include extra work, additional work, traffic control (if required) or other work to be performed by the contractor and charged to the contract work order. Supplemental work can be listed and included in the total project cost, as a separate line item, or included in the contingencies section of the preliminary estimate. Supplemental work must be included in the contingencies of the Detail Estimate (see [Exhibit 15-M: Detail Estimate](#)).

For additional information on the use of supplemental work as an item of work, refer to [Section 7: Preparing Cost Estimate in the Construction Contract Development Guide](#).

Contingencies

Estimates may include contingencies, including supplemental work, of five to ten percent of the total estimate. Contingency amounts should be adjusted to give the total contract a round number. If there is a large amount of supplemental work, ten percent may be exceeded, but contingencies should always be at least five percent.

Construction Engineering

FHWA defines construction engineering as the supervision and inspection of construction activities; additional staking functions considered necessary for effective control of the construction operations; testing materials incorporated into construction; checking shop drawings; and measurements needed for the preparation of pay estimates. Construction engineering costs should be shown on the Estimate, if federal reimbursement is desired.

Historically, federal participation in construction engineering (CE) was limited to fifteen percent of the federal participating construction costs. Current federal statutes no longer contain such a limitation. As a general guide, it is highly recommended that LPAs continue to use 15% as a guide for estimating CE costs and maintain justification for higher CE costs, ~~except for projects funded from federal programs under direct Caltrans management (i.e., those programs for which Caltrans selects and programs the projects)~~. CE costs in excess of fifteen percent will continue to need justification by LPAs and approval by the DLAEs. [Projects funded from federal programs under direct Caltrans management \(i.e., those programs for which Caltrans selects and programs the project\) will need approval by the appropriate program manager.](#)

Federal Trainee Program

Estimates for federal-aid projects may include an estimated amount for the Federal Trainee Program. It is up to the LPA to establish the number of trainees for each project. For additional information on the Federal Trainee Program refer to [Section 12.8: Federal Contract Requirements](#) of this chapter.

Estimates for Force Account (Day Labor)

If force account work (day labor) is to be included in the project, it must be listed in the estimate as a separate item. Such work must be justified and documented by a Cost-Effectiveness Determination as described in [Section 12.4: Method of Construction](#) of this chapter (also see [Exhibit 12-F: Cost-Effectiveness/Public Interest Finding](#)).

Optional Bridge Review

When a bridge or major structure is involved, the LPA may request a cursory review of the structural designs by Caltrans Division of [Structures Engineering Services \(DES\)](#), [Structures](#)

Local Assistance. Caltrans review and comments will be advisory only. If requested, Caltrans' decision to review structural plans will be based on:

- Experience of LPA staff
- Complexity of project, type of structure

If the LPA requests a cursory review, they must submit [independently](#) checked plans to [Caltrans Division of Structures](#) the DLAE. The DLAE will forward the plans to Caltrans DES, Structures Local Assistance. The checker's signature or initials must appear on each sheet of the structure plans. Unsigned plans will be returned to the LPA. The project special provisions, [estimates](#), and engineering reports ([Hydraulics Report and Geotechnical Report](#)) must have the engineer's stamp, signature and registration number on the title sheet. [Plans submitted without the required documents will be returned to the LPA. Submittals must be electronically printed PDFs and cannot be scanned copies.](#)

For major federal-aid construction projects on the NHS, involving a bridge or major structure, the bridge review must be in accordance with PS&E procedures described in [Section 12.2: PS&E Procedures for Significant NHS Projects](#) of this chapter.

When transmitting the project documents to the [Division of Structures DLAE](#) for review, the LPA must identify the following:

- Agency advertising the project
- Estimated advertising date
- Type of funding
- Expenditure authorization number on State-advertised projects

~~When structure design documents are to be reviewed by Caltrans, the following numbers of copies, as appropriate, are to be submitted to the Division of Structures.~~

~~These figures represent the minimum number of copies required:~~

Document Submitted	Number Required
Plans (reduced or full-size prints)	3
Special provisions (for bridge portion)	3
Hydraulic report	2
Foundation report	2

12.13 Review and Submittal of the PS&E Package Certification

Responsible Charge Certification

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

In the certification, the LPA certifies that the PS&E has been prepared in accordance with the LAPM 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 LPA accepts responsibility for compliance with applicable design standards, Title 23 of the United States Code, and other applicable federal requirements (DBE, EEO, Buy America, federal and state wage rates, license requirements, etc.). Failure to comply with any of these requirements may cause withdrawal of funds.

PS&E Checklist

LPA's will complete [Exhibit 12-D: PS&E Checklist](#) ~~and attach it to all PS&E Certification Letters submitted to the DLAE. The checklist which~~ 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](#) is provided to assist the LPA 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 LPA 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 LPA 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 LPA 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. LPA's 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 LPA to indicate the page number of the appropriate federal provisions. This review will help the LPA's become familiar with the use of the checklist and the corresponding federal contract provisions. It will not, however, relieve the LPA of responsibility for compliance with all federal requirements.

DLAE Acceptance of the Checklist

The DLAE will indicate acceptance of the checklist by checking the type of review (i.e. whether the checklist review included a review of the special provisions) and signing the form. The LPA's request for authorization for the construction phase of a project will not be forwarded to the Division of Local Assistance for approval prior to acceptance by the DLAE.

Submittal of Plans, Specifications and Estimate (PS&E)

As a minimum, LPA's will submit the contract special provisions and the preliminary estimate with the PS&E Certification Letter. A set of plans will also be required. As soon as the project is

Exhibit 12-D: PS&E Checklist

Agency _____

Federal Project No. _____

This form is to be completed by the local agency. See Exhibit 12-E for instructions and the referenced attachments.

I. Highway System and Functional Classification

A. National Highway System: check applicable box; please refer to FHWA approved [NHS maps](#).

On the National Highway System (NHS)

Off the NHS

B. State Highway System: check applicable box.

On the State Highway System (SHS)

Off the SHS

C. Functional Classification: check as many as appropriate; please refer to Caltrans [CRS maps](#).

ON the Federal-aid System

OFF the Federal-aid System

Principal Arterial - Freeway or Expressway

Rural Minor Collector

Principal Arterial - Other

Local

Minor Arterial

Major Collector

Urban Minor Collector

II. Project Scope of Work (check applicable box)

PS&E is consistent with the scope of work identified in a scoping document or application.

PS&E is consistent with the scope of work that was revised during a later phase of development and appropriate approvals were obtained.

III. Type of Construction (check applicable box)

New or Reconstruction

Resurfacing, Restoration and Rehabilitation (3R)

Preventive Maintenance

Bridges and Other Structures Only

IV. Method of Construction

A. Contracting Method (check appropriate box)

Competitive bidding

Other than competitive bidding.

If the contracting method is other than competitive bidding, [a Public Interest Finding form \(Exhibit 12-F\)](#) must be submitted to the DLAE for approval and filed in the contract records justifying the method.

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, [a Public Interest Finding form \(Exhibit 12-F\)](#) must be submitted to the DLAE for approval and filed in the contract records justifying the method.

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, [and the Environmental Commitment Record \(ECR\) equivalent addressing all the environmental mitigations is included.](#)

VI. Value Engineering Analysis (VA) (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 ([NHS projects only](#)).
- 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 79-04 (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: _____ Year / Version
- Current Standard Plans for Public Works Construction: _____ Year / Version
- 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 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 (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: _____ Year / Version
- Current Standard Specifications for Public Works Construction (Green Book): _____ Year / Version
- Current Local Agency approved Standard Specifications: _____ Year / Version

XII. Federal Requirements

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 the space provided.

	Page No. *
<input type="checkbox"/> 1. Disadvantaged Business Enterprise or equivalent provisions are included	_____
<input type="checkbox"/> 2. Bid Opening or equivalent provisions are included	_____
<input type="checkbox"/> 3. Bid Rigging or equivalent procedures are included	_____
<input type="checkbox"/> 4. Contract Award or equivalent procedures are included	_____
<input type="checkbox"/> 5. Contract License or equivalent provisions are included	_____
<input type="checkbox"/> 6. Changed Conditions or equivalent provisions are included	_____
<input type="checkbox"/> 7. Beginning of Work, Time of Completion and Liquidated Damages or equivalent provisions are included	_____
<input type="checkbox"/> 8. Buy America	_____
<input type="checkbox"/> "Buy America" or equivalent provisions are included	_____
<input type="checkbox"/> A Buy America waiver was approved by FHWA on _____, 20____	_____
<input type="checkbox"/> 9. Quality Assurance or equivalent provisions are included	_____
<input type="checkbox"/> 10. Prompt Payment from the Agency to the Contractors or equivalent provisions are included	_____
<input type="checkbox"/> 11. FHWA Form 1273 - The local agency acknowledges that an unmodified copy of FHWA Form 1273: Required Contract Provisions Federal-aid Construction contracts (Revised July 5, 2022) must be physically incorporated into the executed contract	_____
<input type="checkbox"/> All sections of the FHWA Form 1273 apply to this project	_____

Section IV. Davis-Bacon and related Act Provisions does not apply because the project is not on the Federal-aid System (roads which are classified as local roads or rural minor collectors), nor treated as a project on the Federal-aid System and are exempted as specified in the special provision on page _____

Section VI. Subletting or Assigning the Contract does not apply since this project is off the NHS, as specified in the special provision on page _____

12. Female and Minority Goals or equivalent provisions are included _____

13. Title VI assurances are included _____

14. Federal Trainee Program

Federal Trainee special provisions do not apply.
Please check applicable sub-box below:

The project is less than 100 working days

The project has 100 working days or more; however, the engineer's estimate is less than \$400,000 in each of the work categories specified in LAPM Chapter 12.12: Federal Trainee Program

Federal Trainee special provisions do apply and Federal Trainee Program or equivalent special provisions are included _____

The number of trainees or apprentices is: _____

15. Certain Telecommunications and Video Surveillance Equipment and Services _____

No telecommunications and video surveillance equipment and services are purchased from the prohibited vendors.

B. DBE Goal (refer to Exhibit 12-E: PS&E Checklist Instructions).

Local agency non-zero DBE goal percentage for this contract is _____

The DBE goal for this contract is zero percent because there are no subcontracting opportunities for DBE participation. Documentation verifying this determination is attached to this PS&E Checklist and is also on file with the local agency. (Refer to Exhibit 12-E: PS&E Checklist Instructions).

The contract has no DBE goal because:

This is an emergency relief project

This contract is "non-profit"

This contract uses Force Account

Other, specify: _____

Documentation verifying the above "no DBE goal" determination is attached to the PS&E Checklist and is also on file with the local agency. (Refer to Exhibit 12-E: PS&E Checklist Instructions).

C. Certifications/Disclosures (refer to Exhibit 12-H: Sample Bid)

Equal Employment Opportunity Certification or equivalent _____

Non-collusion Affidavit or equivalent _____

Debarment and Suspension Certification or equivalent _____

Non-lobbying Certification for Federal-aid Contracts _____

Disclosure of Lobbying Activities _____

D. Other Required Forms (the following forms are applicable with the above required federal requirements; see Exhibit 12-H: Sample Bid)

Exhibit 15-G: Local Agency Bidder DBE Commitment (Construction Contracts) or equivalent _____

Exhibit 15-H: DBE Information - Good Faith Efforts (if DBE Goal not met) _____

Exhibit 12-B: Bidders List of Subcontractors (DBE and Non-DBE) include data for all subcontractors listed by the prime contractor _____

E. Federal Wage Rates

Federal wage rates are physically incorporated into this contract advertising package
Local agencies shall comply with the federal "**10-day rule**" where local agencies are required to access the federal wage rates within ten days prior to bid opening to check if updated rates have been posted. If the updated wage rates exist, the revised federal wage rates shall be issued by an addendum by local agencies. **The final contract documents signed by the local agency and the contractor must physically include the current federal wage rates.**

Federal wage rates are not physically incorporated in the contract advertising package but are referenced to a web site address on page number _____ of the Special Provisions where the applicable federal wage rates can be found. Local agencies shall comply with the federal "**10-day rule**" as described above. **The final contract documents signed by the local agency and the contractor must physically include the current federal wage rates.**

F. Relations with Railroad

The required provisions are included _____

The project does not involve the use of railroad properties or adjustments to railroad facilities.

XIII. Restricted Contract Provisions (check appropriate box)

A. Indian Preferences

Not included

Included. The project is on or near the _____ Indian Reservation.

B. Bonding and Prequalification (Pursuant to 23 CFR 635.110, prequalification requires Caltrans pre-approval.)

Not included

Bonding Included

Prequalification Included

Bonding or prequalification, if required, will not be used to restrict competition, prevent submission of a bid by, or prohibit consideration of a bid submitted by any responsible contractor, whether a resident or non-resident of the State of California.

C. Price Adjustment Clauses

Price adjustment clauses are not included.

Price adjustment clauses are included. The federal conditions restricting the use of these clauses have been met and are documented in the project files.

D. Warranty Clauses (complete this section if project is on the NHS)

- Warranty clauses are not included.
- Warranty clauses are included. Documentation of the required conditions on the use of these clauses is in the project files.

E. Project Labor Agreement (check appropriate box)

- Project Labor Agreement is not needed, and therefore not included.
- Project Labor Agreement is included along with written justification. Approval Date: _____

XIV. Materials and Equipment**A. Publicly Owned Equipment (for use by Contractor)**

- Not included
- Included. A Public Interest Finding justifying this use is in project files and the project specifications meet the requirements for federal participation listed in LAPM Chapter 12.

B. Equipment Purchases for Local Ownership

- Not included
- Included. Amount charged to construction engineering will be limited to amortized equipment cost (over its useful life) attributable to the time the equipment is used on the project.

C. Convict Produced Materials

- Not included
- Included. The conditions placed on the use of these materials by the contractor meet federal requirements and are included in the contract specifications.

D. Local Agency Furnished Materials (check appropriate box)

- Local agency furnished materials are not included.
- Local agency furnished materials have been acquired on the basis of competitive bidding.
- A Public Interest Finding is on file in the contract records justifying another method of acquisition.

XV. Preliminary Estimate (check all applicable)

- Exhibit 12-A or equivalent has been completed and is attached.
- The estimate is broken down into items sufficient in detail to provide an initial prediction of the financial obligation to be incurred by the local agency, State and FHWA and to permit an effective review and comparison of the bids received.
- Non-participating items of work have been identified and segregated from the estimated cost of work eligible for Federal-aid. (Refer to Item XV of Exhibit 12-E for a list of frequent Federal Non-Participating Items).
- The estimate has been segregated by fund types for use in preparing the "Request for Authorization for Construction" (Detail Record) and the Finance Letter.

XVI. Project Management Plans and Financial Plans

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

- The total cost of this project is expected to be less than \$100 million; no financial or project management plans are required. *Note: total cost includes all project phases.*

Projects with Total Cost of \$100 Million to \$500 Million

- This project is expected to be *between \$100 million and \$500 Million; project management plans not required.* An Initial Financial Plan (IFP) is required and has been prepared and submitted to the DLAE.

Approval Date: _____

- A Financial Plan *Annual Update (FPAU)* has been prepared and submitted to the DLAE

Approval Date: _____

Major Projects with Total Cost of \$500 Million or More

- This project is expected to be \$500 Million or more. An Initial Financial Plan is required and has been prepared and submitted to the DLAE and FHWA.

Approval Date: _____

- A Project Management Plan has been prepared and submitted to the DLAE and FHWA.

Approval Date: _____

- A Financial Plan *Annual Update (FPAU)* has been prepared and submitted to the DLAE and FHWA.

Approval Date: _____

XVII. Local Agency Signature

This Federal Contract Provisions checklist has been prepared in accordance with Chapter 12: Plans, Specifications & Estimate of the Local Assistance Procedures Manual.

Signature _____

Date _____

Title _____

XVIII. Caltrans Acceptance

It is the responsibility of Local Agencies to make sure that the PS&E package is complete, adequate for its purpose, accurate, free of defects and inaccuracies, and unambiguous. Caltrans has not conducted a comprehensive review of the PS&E package and does not assume any responsibility or liability of the accuracy, completeness or adequacy of the PS&E package as a result of the Caltrans review of the "PS&E CHECKLIST."

Check appropriate acceptance statement:

I have reviewed this "PS&E Checklist." The PS&E checklist appears to have been prepared in accordance with Chapter 12: Plans, Specifications & Estimate of the Local Assistance Procedures Manual. I have not conducted a comprehensive review of the PS&E package and I cannot, therefore, attest that there are no errors, ambiguities, or omissions in the PS&E package. Caltrans assumes no liability for any defect in the PS&E package by virtue of its review of the PS&E checklist.

I have reviewed this "PS&E Checklist." I have verified that the required Federal Contract Provisions are included in the specifications of the PS&E package, but I have not reviewed the PS&E package for other purposes. The PS&E checklist appears to have been prepared in accordance with Chapter 12: Plans, Specifications & Estimate of the Local Assistance Procedures Manual. I have not conducted a comprehensive review of the PS&E package and I cannot, therefore, attest that there are no errors, ambiguities, or omissions in the PS&E package. Caltrans assumes no liability for any defect in the PS&E package by virtue of its review of the PS&E checklist.

Signature _____

Date _____

Title _____

- Distribution:**
- 1) Original with PS&E Certification - DLAE
 - 2) Original "Accepted" copy with PS&E Certification - DLAE file
 - 3) One "Accepted" copy to be returned to Local Agency

Exhibit 12-E: PS&E Checklist Instructions

The PS&E Checklist is to be completed by the local agency in accordance with the following instructions ~~and attached to the PS&E Certification.~~

I. Highway System and Functional Classification

A. National Highway System

Some PS&E requirements depend on whether the project is on or off the National Highway System (NHS). For FHWA approved NHS maps, see:

http://www.fhwa.dot.gov/planning/national_highway_system/nhs_maps/

B. Functional Classification

Federal-aid eligibility, design guidance as well as some PS&E requirements depend on the functional classification of the route the project is on. For more guidance see FHWA's Guidance for the Functional Classification of Highways Website at: <http://www.fhwa.dot.gov/policy/ohpi/hpms/fchguidance.cfm>.

To find the functional classification of the project, please refer to Caltrans CRS maps at <https://caltrans.maps.arcgis.com/apps/webappviewer/index.html?id=026e830c914c495797c969a3e5668538>.

II. Project Scope of Work

Scope of work in the PS&E must be consistent with what is identified in the original scoping document or application. Otherwise, appropriate approvals must have been obtained.

III. Type of Construction

Design Guidance as well as some oversight responsibilities depend on the type of construction. If the project includes bridges and other structures only, check the box for 'Bridges and Other Structures Only'.

IV. Method of Construction

A. Contracting Method

Unless justified by a Public Interest Finding (Exhibit 12-F: Request for Approval of Cost-Effectiveness/Public Interest Finding), all federal-aid construction contracts must be awarded to the lowest responsible bidder of a competitive bid process. See Section 12.4: Method of Construction of the LAPM for additional information.

B. Force Account (Day Labor)

A Public Interest Finding (See Section 12.4: Method of Construction of the LAPM and Exhibit 12-F: Request for Approval of Cost-Effectiveness/Public Interest Finding) must justify any force account construction work performed by the local agency. Check the appropriate boxes and process the PIF as required.

V. Environmental Analysis

The preparation of PS&E must reflect findings of the environmental analysis performed for the project. By checking the box, the agency certifies that the necessary actions called for by the environmental documents have been responded to in the PS&E ~~and the Environmental Commitment Record (ECR) equivalent~~ [addressing all the environmental mitigations have been included in the PS&E package](#). Failure to check the box will result in denial of the Request for Authorization. See Section 12.3: Environmental Procedures of the LAPM for additional guidance.

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.~~

1) all federal-aid highway projects on the NHS with a total estimated project cost of \$50 million or more; (2) all federal-aid bridge projects with an estimated total cost of \$40 million or more; (3) any major project (as defined in 23 U.S.C.106(h)), located on or off of the NHS, that utilizes federal-aid highway funding in any contract or phase comprising the major project; (4) any project where a VA has not been conducted and a change is made to the project's scope or design between the final design and the construction letting which results in an increase in the project's total cost exceeding the thresholds identified in (1), (2) or (3) of this section; and (4) any other project FHWA determines to be appropriate that utilizes federal-aid highway program funding. In addition to the federal requirements, local HBP projects entail a VA for both NHS and non-NHS bridge projects with an estimated total cost of \$40 million or more. Design/Build projects are excluded. 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 LAPM Chapter 11: Design Guidance 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 has been developed for use on locally funded new and reconstruction, or 3R projects off the NHS, may be 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 must 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. To ensure the current Standard Plans are utilized, please specify the year/version.

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.

E. Federal Wage Rates

If payment of federal predetermined wages is 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.

Check appropriate box (i.e., Federal Wage Rates are included in the contract advertising package, referenced by the Internet Web site address, or not required) and indicate page number if applicable.

It must be emphasized that if the Internet Web site address is used in the advertising package, the final contract package upon signed by the local agency and the contractor, must physically contain the Federal Wage Rates as revised by addendums, if any addendums were issued.

By checking the box the local agency is indicating that they are aware of the Federal-aid “10-day rule” for federal wage rates. See Section 12.8: Federal Contract Requirements – Federal Wage Rates for local agency requirements under the “10-day rule.”

F. Relations with Railroad

Where construction of a Federal-aid project requires use of railroad properties or adjustments to railroad facilities, there shall be an agreement in writing between the local agency and the railroad company. The pertinent portions of the agreement applicable to any protective services required during performance of the work shall be included in the project specifications and special provisions.

Check appropriate box (i.e., provisions are included or not required). If provisions are included, indicate page number.

XIII. Restricted Contract Provisions

Unless otherwise noted, see Section 12.9: Restricted Contract Provisions of the LAPM for detailed guidance.

A. Indian Preferences

Generally, local agencies may not use local hiring practices. However, SAFETEA-LU permits an Indian employment preference provision for projects on or near Indian reservations or Indian lands. Check the appropriate box.

B. Bonding and Prequalification

Bonding and prequalification procedures are not required for federal-aid projects. However, any procedures or requirements for bonding, insurance, prequalification, qualification, or licensing of contractors shall not be used which may operate to restrict competition, prevent submission of a bid by or prohibit consideration of a bid submitted by any responsible contractor, whether a resident or nonresident of California. Check appropriate boxes, and if bonding and/or prequalification are used, check the last box to indicate the requirement will be met.

C. Price Adjustment Clauses

Price adjustment clauses may be implemented if certain conditions are met. If these clauses are used, the local agency must provide documentation of the required conditions in the project files. Check the appropriate box.

D. Warranty Clauses

Warranty clauses may be implemented if the conditions described in Section 12.11: Materials and Equipment of the LAPM are met. The local agency must provide documentation of the required conditions in the project files. Check the appropriate box.

E. Project Labor Agreement

If an agency would like to use a Project Labor Agreement (PLA) on a federal-aid construction contract, the agency should submit a request for approval to their DLAE that includes the draft PLA and written justification describing why the project advances the interest of the government. The approval of the PLA should be received prior to construction authorization.

XIV. Materials and Equipment

Unless otherwise noted, see Section 12.11: Materials and Equipment of the LAPM for details.

A. Publicly Owned Equipment (for use by Contractor)

The use of publicly owned equipment on a project going to bid must be justified with a Public Interest Finding. The local agency may approve the use provided it meets conditions described in Section 12.11: Materials and Equipment. Check the appropriate box.

B. Contractor Purchases for Local Ownership

The cost of equipment purchased by the local agency or by the contractor with ownership transferred to the local agency for construction engineering is limited. Check the appropriate box.

C. Convict Produced Materials

Materials produced by convict labor may be used on any federal-aid project if they meet certain conditions. Check appropriate box.

D. Local Agency Furnished Materials

The use of local agency furnished materials not acquired on the basis of competitive bidding must be supported by a Public Interest Finding justifying the use (see Section 12.12: Estimates of the LAPM). The justification must be approved by the local agency and documented in the project files. If these materials are included, check the appropriate box indicating the method of acquisition.

XV. Preliminary Estimate

An estimate of the contract items of work must be prepared in a format which describes the items of work, unit amount, quantity, unit price, amount, a subtotal, contingencies and a total (Exhibit 12-A: Preliminary Estimate of Cost or equivalent). The estimate must be broken down into items sufficient in detail to meet the stated requirements. Check boxes if these requirements are met.

If non-participating items of work are included in the project, check box. These items can be found at:

<https://dot.ca.gov/-/media/dot-media/programs/construction/documents/contract-administration/change-order-information/fhwa-nonpart-cost-items-a11y.pdf>

If the project is funded with more than one type of federal-aid it must be segregated by fund types (see LAPM Chapter 3: Project Authorization). Check box if this requirement is met.

XVI. ~~Major Projects with Total Costs Expected to Exceed \$100 Million or \$500 Million~~

Project Management Plans and Financial Plans

~~The federal SAFETEA-LU requires that~~ A local agency receiving an amount of federal financial assistance for ~~“major”~~ projects with an estimated total cost exceeding \$100 million must have a financial plan and projects exceeding \$500 million must also have a project management plan. For details of the required submittal and approval of these two plans, ~~which are required for all “major” projects exceeding the two estimated total costs,~~ refer to LAPM Chapter 2: Roles and Responsibilities.

XVII. Local Agency Signature

The Federal Contract Provisions Checklist shall be signed by the person preparing the contract specifications. The checklist shall be signed even if prepared by the same person who will sign the PS&E Certification.

XVIII. Caltrans Acceptance

Caltrans will indicate the appropriate acceptance statement based on the type of review, as described in Section 12.13: PS&E Certification of the LAPM and sign the bottom of the form.

Exhibit 12-F: Cost-Effectiveness / Public Interest Finding / A&E Noncompetitive

U.S. DEPARTMENT OF TRANSPORTATION	FEDERAL HIGHWAY ADMINISTRATION	CALIFORNIA DEPARTMENT OF TRANSPORTATION
COST-EFFECTIVENESS/PUBLIC INTEREST FINDING		
COST-EFFECTIVENESS DETERMINATION REQUIRED	PUBLIC INTEREST DETERMINATION REQUIRED	
<input type="checkbox"/> Use of force account (23 CFR 635.204, 205)* <input type="checkbox"/> Use of publicly owned equipment (23 CFR 635.106) <input type="checkbox"/> Other*: _____ * Requires Caltrans District approval ** Requires FHWA approval	<input type="checkbox"/> Use of publicly furnished materials (23 CFR 635.407) <input type="checkbox"/> Use of contracting method other than competitive bidding (23 CFR 635.104/204)* <input type="checkbox"/> Use of mandatory borrow/disposal sites (23 CFR 635.407) <input type="checkbox"/> Advertising period less than 3 weeks (23 CFR 635.112)* <input type="checkbox"/> Waiver of Buy America Requirements (23 CFR 635.410)** <input type="checkbox"/> Other*: _____	
A&E NONCOMPETITIVE DETERMINATION REQUIRED		
<input type="checkbox"/> Use of non-competitive negotiated consultant contracts (23 CFR 172.7) (a) (3)* (Must select one of the limited circumstances)	MUST MEET ONE OF THE FOLLOWING LIMITED CIRCUMSTANCES: <input type="checkbox"/> Service is available only from a single source <input type="checkbox"/> There is an emergency which will not permit the time necessary to conduct competitive negotiations <input type="checkbox"/> After solicitation of a number of sources, competition is determined to be inadequate	
FEDERAL-AID PROJECT	CLASS OF FEDERAL FUNDS: <input type="checkbox"/> IM <input type="checkbox"/> NH <input type="checkbox"/> STP <input type="checkbox"/> OTHER:	
	STEWARDSHIP: <input type="checkbox"/> DELEGATED <input type="checkbox"/> HIGH PROFILE	
ID	DIST-CO-RTE-PM	ESTIMATED COST
		FEDERAL FUNDS
PROJECT SPECIFIC <input type="checkbox"/>	MULTIPLE PROJECTS <input type="checkbox"/>	REGIONAL/DISTRICTWIDE <input type="checkbox"/>
		STATEWIDE <input type="checkbox"/>
GENERAL LOCATION	GENERAL DESCRIPTION OF WORK	
REASONS THAT REQUESTED APPROVAL IS CONSIDERED (STATE):		
REMARKS (STATE) :		
PREPARED/APPROVED BY LOCAL AGENCY'S REPRESENTATIVE	REPRESENTATIVE NAME AND TITLE:	Date:
*APPROVED BY DISTRICT LOCAL ASSISTANCE ENGINEER (DLAE)	DLAE NAME:	Date:
**APPROVED BY FHWA (Buy America Waiver only)	FHWA REPRESENTATIVE NAME:	Date:

Distribution: (1) Local Agency File - Original; (2) DLAE - Copy; (3) Caltrans Project Manager - Copy if on the SHS

Exhibit 12-F: Cost-Effectiveness / Public Interest Finding / A&E Noncompetitive**Instructions**

1. Check appropriate box under “Cost-Effective Determination Required,” “Public Interest Determination Required,” or A&E Noncompetitive Determination Required. If A&E Noncompetitive Determination Required is checked, check one of the limited circumstances.
2. Check “Class of Funds” as follows: IM-Interstate Maintenance, NH-National Highway, STP - State Transportation Program, Other (all other classes).
3. Provide the Federal-aid Project ID number in first column.
4. Identify Caltrans District-County-State Route-Post Mile, or City and street in second column.
5. List Estimated Cost of the portion of the project subject to this PIF.
6. List the amount of the Federal Funds in the portion of the project subject to this PIF.
7. Describe “General Location” applicable to this PIF.
8. Provide “General Description of Work” affected by this PIF.
9. Explain and give “Reasons that requested approval is considered to be cost-effective, in the public’s best interest, or meet A&E noncompetitive procurement.” Provide cost analysis or comparison as evidence of cost-effectiveness.
10. “Remarks” is for the Local Agency Representative preparing the Finding.
11. Signature, Name, and Title of Local Agency Representative preparing or approving PIF, as appropriate, and Date.
12. Signature and Name of District Local Assistance Engineer approving the PIF, as required, and Date.
- ~~13. Signature and Name of FHWA representative approving the PIF for Buy America waivers, and Date.~~

LAPM C.13 RIGHT OF WAY

LAPM C.13 Right of Way

Section / Exhibit	Description of Changes
<p align="center">13.2 FHWA Role</p>	<ul style="list-style-type: none"> Removed references to PoDI / Project Oversight Agreement (POA).
<p align="center">13.2 Caltrans District Role</p>	<ul style="list-style-type: none"> Added “excess land disposal” in second paragraph.
<p align="center">13.2 The Monitoring Process</p>	<ul style="list-style-type: none"> Additional information pertaining to revised real-time oversight added.
<p align="center">13.2 LPA Role</p>	<ul style="list-style-type: none"> Replaced “certified” with “qualified” in Qualification of LPAs subsection.
<p align="center">13.2 Qualification Term</p>	<ul style="list-style-type: none"> Clarifying language added.
<p align="center">13.2 Consultant Contracts</p>	<ul style="list-style-type: none"> Clarifying language added in second bullet.
<p align="center">13.5 Field Reviews</p>	<ul style="list-style-type: none"> Replaced Projects of Division Interest with Risk-Based Involvement (RBI).
<p align="center">13.7 Projects Requiring Right of Way/Property Rights</p>	<ul style="list-style-type: none"> Note added to clarify appropriate activities prior to environmental.
<p align="center">13.8 Appraise Right of Way, Determine Fair Market Value</p>	<ul style="list-style-type: none"> Clarifying language added in 3rd paragraph.
<p align="center">13.8 Appraisal Waiver Valuation</p>	<ul style="list-style-type: none"> Clarifying language added.
<p align="center">13.9 Right of Way Acquisition</p>	<ul style="list-style-type: none"> Language clarified in second paragraph that giving a copy to owner of full appraisal does not negate the requirement to give a valuation statement. First bullet modified in 5th paragraph for consistency.
<p align="center">13.10 Right of Way Certification</p>	<ul style="list-style-type: none"> Clarifying language added. POA term removed.

LAPM C.13 RIGHT OF WAY

<p>13.11 Acceptance of Right of Way Certification</p>	<ul style="list-style-type: none"> • POA term removed.
<p>Figure 13-2</p>	<ul style="list-style-type: none"> • New figure added to depict the LPA process for R/W Certifications when Railroad facilities are within the project limits.
<p>Exhibit 13-B Right of Way Certification Local Assistance Project</p>	<ul style="list-style-type: none"> • Last sentence in footnote 5 removed; funds are not required to be deposited. • Projects of Division Interest (PoDI) and Project Oversight Agreement (POA) references removed. • Last sentence removed in Footnote Instructions #5.
<p>Exhibit 13-D Uniform Relocation Act Benefits Summary</p>	<ul style="list-style-type: none"> • Updated information to be consistent with the Caltrans Right of Way Manual.

exercise this authority whenever a project benefits from federal funds. Affected property owners and those displaced by the project are entitled to fair, equitable and consistent treatment and due process of law to determine compensation. These laws and regulations are also intended as a safeguard to ensure that federal funds are not unnecessarily or inappropriately expended. The information in this section has been compiled from many sources, but the underlying federal and state laws remain unchanged. This chapter should not be used as a substitute for these laws, statutes, regulations, policies, and/or procedures when conducting R/W activities using federal funds.

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

13.2 Federal-Aid and the Federal/State/Local Public Agency Relationship

The Federal Highway Administration (FHWA) is the federal agency most typically involved in transportation projects undertaken with federal funding for the programs discussed in this [LAPM](#). It has the authority and responsibility for implementing and monitoring federal laws, regulations, and executive orders affecting these programs. When a project utilizes federal funding, the FHWA is involved pursuant to these responsibilities and the delegations described below.

Caltrans is granted major delegations of authority from FHWA under 23 U.S.C.106(c) and the FHWA/Caltrans Joint Stewardship and Oversight Agreement. Further, Caltrans has passed on these delegations to LPA partners to the greatest extent possible. With each delegation goes the responsibility for initiating and completing each project phase in accordance with the appropriate state and federal laws and regulations without extensive FHWA or state oversight.

FHWA Role

FHWA is responsible for the following project activities, for all federal-aid projects:

- Obligation of federal funds
- Approval of E-76 for R/W activities and utilities under the Alternate Procedure
- Approval of Early Acquisition, Protective Buying or Hardship Acquisition
- ~~Execution of Project Agreements~~
- Approval of R/W Certification Level 3/3W for projects on the National Highway System, pursuant to the current Stewardship and Oversight Agreement (SOA) ~~or specific Project Oversight Agreement (POA).~~
- Approval of R/W Certification Level 3/3W for all interstate projects, pursuant to the current Stewardship and Oversight Agreement (SOA) ~~or specific Project Oversight Agreement (POA)~~
- ~~Approval of R/W certifications where the Project Agreement states FHWA retains approval authority.~~

For additional details on the FHWA/Caltrans relationship, refer to [LAPM Chapter 2: Roles and Responsibilities](#).

Caltrans Role

When federal funding is used in any phase of a Local Assistance project, FHWA places overall responsibility for the acquisition of R/W and the relocation of individuals, businesses, and utilities with Caltrans. Caltrans in turn has delegated substantial authority to LPAs. On these federal-aid projects, all R/W activities must be conducted in accordance with the Caltrans Right of Way Manual.

When the project requires the relocation of utility facilities, Caltrans is responsible for approval of the [Exhibit 14-C: FHWA Specific Authorization/ Approval Utility Agreement](#). More information is available in [LAPM Chapter 14: Utility Relocation](#). These agreement forms are both part of form RW 13-15, found in Chapter 13: Utility Relocation of the [Caltrans Right of Way Manual](#).

Caltrans is responsible for fully informing LPAs of their responsibilities accompanying federal-aid transportation projects by ensuring that every LPA receives all current regulations and procedural instructions affecting R/W activity, and on request will provide training, guidance and advice on R/W matters. Further information is provided in the Caltrans Right of Way Manual. FHWA's Project Development Guide and Caltrans Right of Way Manual are available to each LPA. Refer to Figure 13-1, Right of Way Procedures Flowchart, in this chapter which gives an overview of the R/W process.

Caltrans District Roles

When questions arise in the development of a federal-aid project, or if it is determined that property rights will be required on the project, the Caltrans District Local Assistance Engineer (DLAE) should be promptly notified. The DLAE has the overall responsibility as liaison with each LPA in that district. In addition, each district has an R/W Local Programs Coordinator who is responsible for working with each LPA whose projects involve federal funds.

As part of the overall responsibility assigned to Caltrans by FHWA, Caltrans R/W is required to monitor LPA's procedures for R/W appraisal, acquisition, relocation assistance, property management, [excess land disposal](#), and utility relocations on all local assistance projects for compliance with applicable state and federal laws and regulations.

The Monitoring Process

The District R/W Local Programs Coordinator will monitor R/W activities at any time during the project. ~~Normally, however, most monitoring is performed on a post-audit, spot-check basis~~ to ensure that such activities are performed in compliance with state and federal laws and regulations. Acquisition and relocation activities must be in conformance with the Uniform Act, Federal Stewardship requirements, the FHWA Project Development Guide, and the Caltrans Right of Way Manual. All R/W functional areas are subject to review. [These reviews should occur at each R/W activity, so any deficiencies discovered can be corrected, prior to moving onto the next R/W activity \(e.g., Appraisals reviewed prior to start of Acquisitions, Acquisition contracts prior to offer, Administrative Settlements when appropriate, relocation assistance documents etc.\)](#). Spot-check monitoring will normally be limited to no more than 25% of the total work performed. Additional reviews must be made only when violations are discovered and then only to determine if the violations are prevalent or one-time occurrences (see Monitoring Findings below). The reviewer must bring all violations discovered to the attention of the LPA. It is the LPA's responsibility to ensure correction. The selection of projects that will be monitored must be at the discretion of the district based on staff availability, familiarity with the LPA, the project, and consultants which may be used, as well as the complexity of the R/W issues.

Monitoring will usually use checklists or outlines to guide the review. Both entry and exit conferences will be conducted to advise LPA staff of the scope and findings of the monitoring visit. A written report will usually be provided to the LPA, though not necessarily at the time of the exit conference.

Monitoring Findings

Ideally, the monitoring review will discover compliance with all applicable laws and regulations. Occasionally however, there may be other results with findings having different levels of seriousness.

Violations of What Caltrans Considers to Be Good Business Practice

These are practices of the LPA which could be improved with the result being a more efficient or effective operation and/or reduced chance that more serious violations will occur subsequently. LPAs will be advised of these observations, but there is no penalty associated with noncompliance. LPAs are free to adopt suggested changes or not as their management judgment indicates.

Violations of Practices Where Correction is Mandatory

LPAs will be expected to change their practices to conform to Caltrans requirements. For qualified agencies, failure to do so may jeopardize their qualification status for future projects. In addition, serious violations of this nature must be corrected, particularly when it appears that a violation of property owner's rights is involved. LPAs will be advised in writing of such violations and of the corrective actions to be taken. During the time the LPA is taking the corrective actions, federal reimbursement may be withheld. Failure to complete the corrective actions within reasonable time periods may result in withdrawal of federal funding for the project.

Qualifying Local Public Agencies

Caltrans qualifies LPAs to perform their own R/W functions (see Qualification of Local Public Agencies below). Caltrans also provides training and guidance to LPAs seeking assistance on federal-aid projects.

Local Public Agency Role

Certification of Projects

The LPA will certify that all Uniform Act compliance requirements have been met on federal-aid projects.

Qualification of Local Public Agencies

Caltrans has an agreement with FHWA that allows LPAs to be **certified qualified** in advance to perform all or some R/W activities based on the LPA's qualifications, the size of their staff and their ability to perform the technical work and subsequent reviews. Caltrans District R/W staff conducts a qualification review to determine if the LPA is adequately staffed, organized and has the necessary expertise to perform R/W work properly and timely. The agency must agree to conform to Caltrans policies and procedures in order to meet state and federal requirements. The review is necessary before the LPA can begin R/W work on a federal-aid project. To become qualified, the LPA must first contact the District Right of Way Local Programs Coordinator, requesting approval of qualification status. The Coordinator will then meet with the LPA's Right of Way/Real Property Department to explain state and federal requirements and

what must be done to become qualified. The Coordinator will request copies of organizational charts, staff resumes and duty statements, and will see that the agency has all needed material: the Caltrans Right of Way Manual, any necessary policy and procedure memos, and current copies of Titles 23 and 49 of the CFRs. The manuals must be in sufficient detail to adequately describe operational procedures for the functional areas to be certified so as to provide adequate instructions to Right of Way/Real Property employees on how to perform their assigned duties.

Qualification Levels

The LPA may have experienced staff but not in sufficient number to be qualified for every R/W function. The following levels of qualification can be obtained with prior Caltrans Region/District approval:

- Level 1: Staff is qualified to do technical work in one or more specific functional areas. These areas will be shown in the qualification approval. As an example, some smaller rural agencies have sought approval to perform only appraisal or acquisition functions.
- Level 2: Staff is qualified to do technical work in more than one functional area, but not in all. There is sufficient staff available to perform these functions on more than one project at a time.
- Level 3: Staff is large enough and qualified to do technical work in all functional areas.

Qualification Term

Level 1, 2 and 3 approvals are good for three years and require a review at the end of that time. [Additional ongoing reviews will be needed if LPA staffing changes. It is the LPAs responsibility to ensure they renew their qualification with CT prior to expiration and that their qualification is active during the entire term of a project's right of way phase.](#)

See Chapter 17: Local Programs of the [Caltrans Right of Way Manual](#) for additional information on LPA Qualifications.

Withdrawal of Qualification

It is important to note that the qualification status can be withdrawn if deficiencies are found and not corrected, or if the staffing and experience levels change so that the LPA can no longer meet the minimum requirements. At the time each agency is notified of its qualification level, the agency is told to inform Caltrans if there are any major personnel changes which would impact its ability to perform the respective R/W functions.

Appraisal Review Qualification

On federal-aid projects, a formal review of the appraisal is necessary in order to establish the Fair Market Value for the property (see 49 CFR 24.104 Review of Appraisals). A consultant review appraiser must have a valid general license issued by the Department of Consumer Affairs – Bureau of Real Estate Appraisers (BREAs). The review appraiser must determine that the appraisal meets applicable appraisal requirements and must, prior to acceptance, seek necessary corrections or revisions.

If the review appraiser is unable to approve or recommend approval of the appraisal, the reviewer may develop additional documentation in accordance with Section 24.103 to support

- A formal review of the appraisal (noted above) is required when federal funds are used for any portion of the project.
- An establishment of just compensation is necessary [prior to negotiations with property owners](#). The LPA must approve the fair market value appraisal and determine what compensation is to be paid in projects involving the acquisition of real property. This is a federal requirement and cannot be delegated to the consultant.
- The assignment of a Contract Manager who is knowledgeable in all aspects of the project is needed to serve as the contact person during the course of the project (see [Contract Administration](#) below).
- If the LPA has any questions or concerns regarding the hiring of R/W Consultants, they are encouraged to contact the nearest District Right of Way Office for assistance or guidance.

Contract Administration

The LPA must designate a Contract Manager to act as the official representative of the agency with full authority and responsibility to manage the contract. In addition to the duties listed in [LAPM Chapter 10: Consultant Selection](#) for the Contract Manager, R/W projects also require the following:

- Performing a functional review for each R/W activity
- Approving and coordinating all consultant activities
- Approving requests for payment (after completion of the work)
- Preparing interim/final contract completion reports and performance evaluations

13.3 Master Agreement

A master agreement is required with the LPA whenever federal funds are to be used on a local transportation project. In the master agreement, the LPA agrees to comply with all federal and state laws, regulations, policies and procedures relative to the design, R/W acquisition, construction and maintenance of the completed facility. It is normally processed once with the agency when it begins its first federal-aid funded project. The Local Agency-State Master Agreements are occasionally updated and re-executed to account for changes in laws and policies.

Program Supplement Agreement

The Program Supplement Agreement (PSA) supplements the Master Agreement and formalizes the financial responsibilities and provisions for each specific federal-aid funded project. The PSA identifies the reimbursable phase(s) of work in addition to the types and amounts of federal and local funds used to finance the locally sponsored project. It is the contractual basis for the state to reimburse the LPA for work done.

Special covenants or clauses in the supplement agreement define the agency's specific responsibilities in implementing and maintaining the project. Others define state or local responsibilities for providing project funds.

Field Reviews

Formal Field Reviews, which may include FHWA and Caltrans representatives are not required on LPA transportation projects off of the National Highway System (NHS). For additional details, see [LAPM Chapter 7: Field Review](#). However, Field Reviews are suggested practice for all complex projects. A representative from FHWA and Caltrans Right of Way should be consulted on all FHWA ~~Projects of Division Interest~~ Risk-Based Involvement (RBI) projects. All requests for FHWA participation should be coordinated through the DLAE. LPAs should complete the PES Form and the first two pages of the Field Review Form prior to requesting a Field Review. If it appears that additional R/W will be required, one of the intended results of the Field Review is to provide sufficient data to complete the R/W estimate (see [Section 13.7: Project Requiring Right of Way/Property Rights](#), subtitle: R/W Estimate in this chapter). The information contained in these two documents is crucial in obtaining FHWA authorization to proceed further with the next stage of the project (see Section 13.4: Right of Way Authorization, subtitle: [Request for Authorization to Proceed Right of Way](#)).

The Field Review process brings together all interested parties in order to reach an agreement on the important aspects of the project, including such items as the design features, alternative proposals for building the project, respective responsibilities of the various agencies involved, level of documentation required in the NEPA process, and whether a public hearing will be necessary. For R/W objectives, the Field Review may confirm the need to acquire R/W and relocate the occupants, or relocate utilities and/or railroad facilities, which can significantly affect the project development, in particular, the costs and scheduling. The review also facilitates the identification of compensable property interests plus uncovering project requirements such as the need for temporary construction easements, or permits to enter. Therefore, it is strongly encouraged that the Caltrans Right of Way Coordinators be invited to participate in the Field Reviews, as their assistance could be extremely helpful.

When the preliminary review is completed, the LPA is responsible for completing the Field Review Form. If there are R/W requirements for the project, the Division of Local Assistance Area Engineer (DLAE) should forward a copy of this form to the Right of Way Local Programs Coordinator. For NHS projects, all appropriate forms and attachments must be completed. For non-NHS projects, the two-page Field Review Summary must be completed at a minimum. Items 7 and 9 apply to R/W issues.

13.6 National Environmental Policy Act

All LPA federal-aid transportation projects off the SHS must comply with the provisions of the National Environmental Policy Act (NEPA) and the implementing of regulations (23 CFR 771). LPAs may not proceed with final design, R/W acquisition, or project construction until full compliance with the NEPA has been documented and approved by Caltrans.

The level of documentation required in the NEPA process will vary depending upon the NEPA Class of Action. A proposed major highway or a new highway on a different alignment, for example, will normally require an extensive study, an Environmental Impact Statement (EIS), while minor improvements to existing highways such as a roadway intersection signal installation may require only a short analysis, a Categorical Exclusion (CE). All LPA projects must demonstrate compliance with NEPA and other federal environmental laws before proceeding with R/W work or the final design of a project.

The Environmental Document

Depending upon the potential for impact, there are three NEPA Classes of Action under which a federal-aid project may be processed. These include: Categorical Exclusion (CE) determination, an Environmental Assessment (EA), or Environmental Impact Statement (EIS) document. The purpose of the environmental determination or document is to disclose to the public and decision makers the proposed action, potential environmental impacts, and propose avoidance, minimization, and mitigation measures to offset adverse impacts. R/W acquisition and activities associated with the action must be considered as part of the scope of the action. The environmental investigation and environmental determination or document must also address impacts associated with R/W activities. Guidance on analyzing impacts associated with R/W acquisition and use is provided in the [Standard Environmental Reference \(SER\)](#).

13.7 Projects Requiring Right of Way/Property Rights

Local federally funded projects involving the acquisition of R/W should be discussed with the District R/W Local Programs Coordinator as early as possible in the project development stage.

There are several reasons for this. As noted above, while some PE activities (i.e., ordering title reports, preparing base maps and appraisal maps, conducting project-wide comparable sales searches, gathering cost estimates and completion of the appraisal) may be conducted and subsequently reimbursed by FHWA prior to NEPA compliance, the majority of R/W activities (such as, initiation of negotiations with property owners, relocating displaced persons, and utility relocations) may not be performed on federal-aid projects prior to NEPA compliance. This restriction minimizes the potential for predetermined project site or alignment selection.

Note: Although appraisals may be completed prior to NEPA, appraisals in an active market may be outdated in a very short time. Also offers/negotiations with property owners must occur promptly, potentially leading to unnecessary reappraisal activity, if started too early. Chapter 8 of the Caltrans Right of Way Manual defines “promptly” as, within thirty (30) days of the approval of appraisal.

While Draft and Final EAs and EISs may identify the preferred alternative, the selected alternative must not be announced until the FONSI and ROD has been completed. More detailed discussion of the pre-requisites for R/W activities are provided in [Caltrans Right of Way Manual](#) Chapters 3.08.00.00 and 7.01.06.00.

The Right of Way Estimate

If property rights are necessary, the next phase in the project development is the completion of the R/W Estimate. The estimate is of primary importance in the cost-efficient delivery of the project.

This process and subsequent document provide a detailed analysis of the following:

- Type of properties to be acquired
- The size and number of the parcels
- If displacement is to occur, what is the nature (e.g., residential or commercial), how many are affected and what is the projected timing
- How much time and what personnel are needed to appraise and acquire the R/W and perform any necessary relocation work, including utilities

Decision to Appraise of the [Caltrans Right of Way Manual](#) for a suggested format. The owner will also be given a written explanation of the agency's land acquisition procedures. A booklet entitled Your Property, Your Transportation Project, will satisfy this requirement. Title VI brochures should also be sent to the property owners.

~~All real property right (both temporary and permanent) must be appraised before the initiation of negotiations with the owner, and the acquiring agency must establish an amount it believes to be just compensation (49 CFR 24.102).~~ All real property rights (both temporary and permanent) must be appraised, and the acquiring agency must also establish an amount it believes to be just compensation (49 CFR 24.102) before the initiation of negotiations with the owner. Although Fair Market Value sets the basis for just compensation, the two amounts may differ because of unusual circumstances. The Code of Civil Procedure defines Market Value as: (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for doing so, or obliged to sell, and a buyer being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available, and (b) The fair market value of property taken for which there is no relevant comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

Appraisal and Just Compensation for Temporary Real Property Rights

A temporary real property right, such as a temporary construction easement (TCE), is a property encumbrance and acquisition item as defined in 23 CFR 710.105 - Easement. TCE encumbrances are for a specific anticipated use over a specified time period [window of when proposed construction activity(ies) may occur]. Although actual and physical use of a property may be anticipated for a limited duration within the specified time period, the property is considered burdened and encumbered for the entire duration of when the anticipated construction activity(ies) may occur. The valuation and offer of just compensation must therefore consider and evaluate the damages to the remainder due to the TCE term, including impacts to the owner's loss of utility and enjoyment of the encumbered area, and whether the impacts are consistent throughout or varying, for the duration of the entire TCE term/window period of potential activity (EIS).

In order to comply with possession and control requirements of 23 CFR 635.309(c) the TCE commencement date must begin on or before the project's Right of Way Certification date. Should the TCE expire before the construction is complete, a revised appraisal and agreement with the property owner (including the additional calculated compensation) is required prior to the Agency's continued possession of the property [49 CFR 24.101(C)(2), 49 CFR 24.101(d) and 49 CFR 24.103(a)]. Please also see Right of Way Manual Chapter 7, Section 7.04.08.00.

Appraisal Review

As noted above, on federal-aid projects, a formal review of the appraisal is necessary (see 49 CFR 24.104). If the LPA is using a private sector review appraiser, the review appraiser must have a valid California license issued by the state Office of Real Estate Appraisers (OREA). If the project sponsor is a qualified agency and performing its own appraisal work, the Department of Consumer Affairs – Bureau of Real Estate Appraisers (BREAA) has held that, as employees of a public agency, neither the appraiser, nor the review appraiser needs such a license. The

review appraiser must determine whether the appraisal meets applicable requirements and make any necessary corrections or revisions.

If the review appraiser is unable to approve or recommend approval of the appraisal, the reviewer may develop additional documentation to support what is felt to be an approved or recommended value unless it meets the requirements of an Appraisal Waiver Valuation as discussed below. The reviewer must state the basis for the value conclusion. The Uniform Act makes it clear that the LPA must establish an amount believed to be just compensation. Therefore, if another agency or a consultant does an appraisal review, the acquiring agency must retain the responsibility for establishing an estimate of just compensation. Another agency or a consultant cannot do so.

Appraisal Waiver Valuation

When the LPA determines that the valuation problem is uncomplicated and the market value is estimated at \$10,000 or less based on a review of available data, the appraisal can be waived. In this case, the LPA will prepare a Waiver Valuation. The \$10,000 amount includes any damages to the remainder property but excludes any non-substantial construction contract work. This information is consistent with 49 CFR 24.102(c)(2). [The Waiver Valuation cannot be used as a basis for deposit when obtaining an Order for Possession. If condemnation is needed, an appraisal must be completed.](#)

Separation of Appraisal and Acquisition Functions

LPAs should maintain a separation of the appraisal and acquisition functions, except that the same person can appraise and acquire a parcel if the total valuation excluding non-substantial construction contract work is \$10,000 or less. This dollar limit also applies to appraisal revisions where the appraiser was previously assigned to negotiate the parcel. The valuation document can be either an appraisal or Waiver Valuation.

When the same person prepares the appraisal and does the acquisition, the appraisal should contain a statement substantially as follows: I understand that I may be assigned as the Acquisition Agent for one or more parcels contained in this report, but this has not affected my professional judgment or influenced my opinion of value.

All railroad properties should be valued in the full, narrative format. The Non-complex Valuation of \$10,000 or less and the Determination of Just Compensation (waiver of appraisal) formats must not be used. Railroad parcels are not eligible for the one-agent appraise/acquire process. This also includes the appraisal and acquisition of a temporary construction easement from the railroad. For additional details refer to Section 7: Appraisals of the [Caltrans Right of Way Manual](#).

Dual Appraisal Report

Caltrans policy no longer requires dual appraisal reports. LPAs may determine that a dual report is needed to ensure the owner receives a fair market value offer. Dual appraisal reports should be considered for unusually large or complicated parcels or parcels exceeding \$500,000 in value. This amount includes improvements pertaining to realty, severance damages, and construction contract work.

Consider the following when determining which parcels require dual appraisal reports:

- There is a serious question as to highest and best use.
- Market data is inconclusive because of its scarcity and/or absence of established patterns and value conclusions must, therefore be based primarily on opinion.
- There are substantial improvements not compatible with the highest and best use of the land. In other words, there is a high degree of economic obsolescence.
- A significant portion of the appraised value is severance damages or there is a substantial question regarding damages or benefits.
- The value of the land is primarily on a development-analysis approach, or there is reliance on a specific plan of proposed development.

Dual appraisals must be separate and fully independent in calculations, analysis, and conclusions. This will give a better basis for determining market value and help ensure a sound offer. The appraisers and the LPA management are responsible for maintaining the fact, spirit, and appearance of this independence.

13.9 Right of Way Acquisition

The Uniform Act contains basic requirements for the acquisition of real property, which apply to all projects. For additional details, refer to 49 CFR 24 and to the Chapter 8: Acquisition of the [Caltrans Right of Way Manual](#).

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 LPAs 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 must be disregarded in determining the compensation for the property. ~~The agency must 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.~~ All property owners must be provided a copy of the approved appraisal, Appraisal Summary Statement or Valuation Summary Statement and Summary Statement Relating to the Purchase of Real Property or an Interest Therein. See Right of Way Manual Chapter 8, Section 8.02.00.00 for additional information.

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~~ All real property rights (both temporary and permanent) must be appraised and the acquiring agency must also establish an amount it believes to be just compensation (49 CFR 24.102) before the initiation of negotiations with the owner.
- 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 LPA 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 (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 must 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](#).

6. A statement that all remaining residential occupants have had replacement housing made available to them. For additional information, see Chapter 10: Relocation Assistance of the [Caltrans Right of Way Manual](#).
7. A statement assuring that occupants of residences, businesses, farms, or nonprofit organizations who have not yet moved from the R/W are protected against unnecessary inconvenience and disproportionate injury, or any action coercive in nature.
8. Identification of each parcel on which legal possession and/or right of occupancy and use has not been obtained.
9. Bids cannot be opened until the Certification 3 is upgraded to a Certification 2.

NOTE: Per CTC guidelines, a Conditional Certification No. 3 is not acceptable for seeking a funds vote from the CTC.

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 LPA 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 Caltrans and possibly 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 LPA 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 LPA must transmit all certifications to the DLAE for all federal-aid projects along with the Request for Authorization. [All certifications must be reviewed and accepted by Caltrans Division of Right of Way](#). 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](#).

mainly the responsibility of the project engineer and their environmental staff and/or consultant, the mitigation measures involving the acquisition of property to accommodate replacement wetlands is the responsibility of the District R/W staff. To ensure the most efficient and expeditious implementation of mitigation commitments, it is imperative that the LPA project engineer, District Right of Way Engineer and District Environmental staff collaborate closely on the acquisition of mitigation parcels and the subsequent implementation of mitigation measures.

Acceptance of Right of Way Certification

When there are R/W issues involved, the LPA will certify that the issues have been resolved. Because LPAs are now certifying their own projects, it should be stressed that the authorized official or designated alternate executing the certification must be certain that the proper R/W procedures have been followed and that the requirements of the Uniform Act have been met. All LPAs may certify their own projects but it is of crucial importance to adhere to state and federal standards, so that the federal funds for the project will not be jeopardized. This emphasizes the gravity for non-qualified agencies in the selection of qualified consultants or in contracting with a qualified agency to perform the various R/W functions. Upon receipt, the District Right of Way Local Programs Coordinator will review the certification to see that each item has been completed in compliance with federal and state laws and regulations and if applicable, the date by which the R/W will be cleared.

If all of the R/W issues have been dealt with in a satisfactory manner, both duplicate originals will be accepted and a signed original copy will be returned to the LPA. If there are irregularities in the certification and it cannot be accepted as submitted, the Right of Way Local Programs Coordinator will return the certification to the LPA with an explanation as to why it cannot be accepted and the steps that are necessary for acceptance.

Certifications 1 and 2 will be accepted in the district. Certifications 3 and 3W will be forwarded to Caltrans headquarters for review and may require FHWA's approval pursuant to the current Stewardship and Oversight Agreement (SOA) ~~or Project Oversight Agreement (POA)~~.

13.12 Reimbursement/Fiscal Policy

Purpose

This section contains critical requirements and basic principles relating to the eligibility of R/W transactions for federal reimbursement. From this overview, the LPA should be able to understand the overall federal and state requirements. Detailed procedures are found in [LAPM Chapter 5: Invoicing](#).

Reimbursement Process Overview – Caltrans

Caltrans receives federal funds on a reimbursement basis. This means Caltrans must first obtain an Authorization to Proceed (E-76), incur costs, and bill the FHWA for payment before receiving payment. Federal funds are received by Caltrans as reimbursement for federally eligible expenditures.

As noted above, the normal sequence of events to obtain prior Federal Authorization and reimbursement through Caltrans is:

LPA process for Right of Way Certifications when RAILROAD facilities are within the project limits

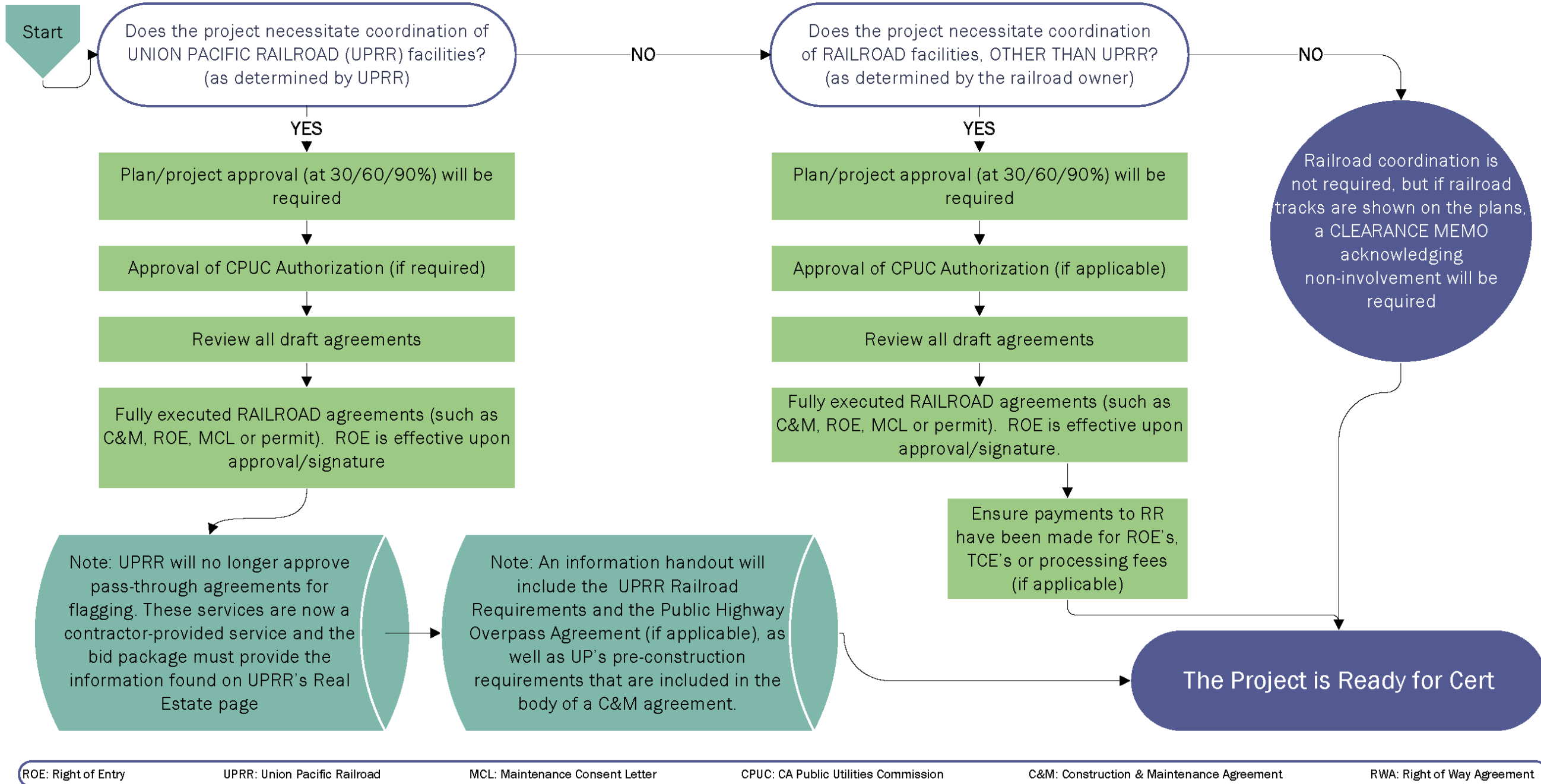


Figure 13-2: Right of Way Certifications with Railroad Facilities

4. Parcels covered by Possession and Use Agreement only: _____

Parcel Number	Owner	Project R/W Required ²	Effective Date	Date Funds Deposited Into Escrow ⁴

5. Parcels covered by Right of Entry only (Requires HQs R/W and FHWA pre-approval)⁵: _____

Parcel Number	Owner	Project R/W Required ²	Effective Date	Date Funds Deposited into Escrow

6. Parcels Covered by Resolution of Necessity only⁶: _____

Parcel Number	Owner	Project R/W Required ²	Local Agency Resolution Date	Anticipated OP Service Date (all parties)	Anticipated OP Effective Date

7. Parcels covered by other acquisition documents as follows⁷: _____

Parcel Number or Location/ (P.M.)	Owner	Project R/W Required ²	Type of Document	Effective Date	Expiration Date	Date Funds Deposited into Escrow ⁴

B. Construction Permits, other required permits⁸: _____

Location/ (P.M.)	Owner	Type of Document	Effective Date	Expiration Date

2. STATUS OF ACCESS CONTROL:

Select appropriate statement/s and remove those that do not apply:

Conventional Highway, a highway with no control of access. Abutting property owners have access rights.

(OR)

Freeway/Expressway, a highway with limited/restricted rights of access.

(OR)

Non-Interstate Access Controlled Highway (or other facility with full access control). Except as provided in the approved plans for the project, all rights of access to, or from the section of highway to be improved under the project and the abutting property either are prohibited by law, or have been acquired, or are

⁴ 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.

⁵ Rights of Entry must only be used in emergencies, or extremely unusual/extraordinary circumstances. All Rights of Entry must be pre-approved by the Division of HQs RW&LS and approved by FHWA. ~~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 using a right of entry.~~

⁶ To be used only rarely in a Certification No. 3; Resolution of Necessity must be adopted and the Order for Possession served, but is not yet effective.

⁷ This section covers acquisitions where the document is a license, permit etc., not otherwise covered by A1-A6 above. Examples include Licenses from State Lands Commission, Flood Control Districts, and Letters of Consent from US Forest Service.

⁸ These permits are not counted as parcels, are not appraised, recorded, or require payment (e.g. Permits to Enter).

(AND)

(HQ Right of Way signature required for ~~Projects of Division Interest (PODI's) depending on delegations identified in the Project Oversight Agreement,~~ Conditional R/W Certification No. 3 and Special R/W Certification No. 3 with Work-Around.)

RECOMMENDED FOR APPROVAL:

By: _____ Date _____
Chief, Headquarters Division of Right of Way and Land Surveys

(AND)

(FHWA signature block is required for ~~Projects of Division Interest (PODI's) depending on delegations identified in the Project Oversight Agreement (POA), and~~ Conditional R/W Certification No. 3 and Special R/W Certification No. 3 with Work-Around for projects located on the Interstate system.)

APPROVED:

By: _____ Date _____
Realty Officer
Federal Highway Administration

- Distribution:
- 1) Local Agency completes and sends to DLAE for approval.
 - 2) DLAE approves and returns to Local Agency.
 - 3) Local Agency retains approved original in project files.

Footnote Instructions

1. Parcels listed in items A1 – A7 on pages 1 and 2 should total the number shown on line A above.
2. For sections 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, as a condition of use of a possession clause in a right of way contact.
4. Funds must be deposited into an escrow account and be made available (able to withdraw) as legally permissible, to the grantor as a condition of use.
5. Rights of Entry must only be used in emergencies, or extremely unusual/extraordinary circumstances. All Rights of Entry must be pre-approved by the Division of HQs RW&LS and approved by FHWA. ~~Funds must be deposited into an escrow account and be made available (able to withdraw), as legally permissible, to the grantor, as a condition of using a right of entry.~~
6. An adopted Resolution of Necessity (RON) is the minimum requirement for the use of both a Conditional R/W Certification #3 and/ or a Special R/W Certification #3 with Work-Around, which are rarely used. The Resolution of Necessity must be adopted.
7. This section covers acquisitions where the document is a license, permit etc., not otherwise covered by A1 – A6 above. Examples include Licenses from State Lands Commission, Flood Control Districts, and Letters of Consent from the US Forest Service.
8. These permits are not Project R/W requirements and are neither appraised nor recorded. (e.g. Permits to Enter and Construct).
9. A copy of Specific Authorization to Relocate Facility Utilities Memorandum must be attached for each facility relocation item.
10. Additional information is required for each bid item if highway contractor will complete work as part of highway contract.
11. Demolition Contract, Construction Contractor, or Owner.
12. Residential, Business, Farm, Nonprofit Organization, or Personal Property only.

Exhibit 13-D: Uniform Relocation Act Benefits Summary

The following explanation is general in nature and is not intended to be a complete statement of Federal and State Relocation laws and regulations. [The Caltrans Right of Way Manual – Chapter 10: Relocation Assistance](#), is the primary source for all relocation assistance regulations and compliance requirements. Any questions concerning relocation should be addressed to the Caltrans District Right of Way Local Programs Coordinator.

Any persons to be displaced will be assigned to a relocation advisor, who will work closely with each displacee in order to see that all payments and benefits are fully utilized, and that all regulations are observed, thereby avoiding the possibility of displacees jeopardizing or forfeiting any of their benefits or payments. At the time of the first written offer to purchase, owner/occupants are given a detailed explanation of the agency's relocation services. Tenant occupants of properties to be acquired are contacted soon after the first written offer to purchase, and also are given a detailed explanation of the Relocation Program. To avoid loss of possible benefits, no individual, family, business, farm, or nonprofit organization should commit to purchase or rent a replacement property without first contacting a relocation advisor.

I. Relocation Assistance Advisory Services

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, the local agency sponsoring the project will provide relocation advisory assistance to any person, business, farm or nonprofit organization displaced as a result of the acquisition of real property for public use, who has certified that they are legal resident of the United States. The local agency will assist displacees in obtaining comparable replacement housing by providing current and continuing information on the availability and prices of both houses for sale and rental units that are "decent, safe, and sanitary." Nonresidential displacees will receive information on comparable properties for lease or purchase. (For business, farm, and nonprofit organization relocation services, see Section IV).

Residential replacement dwellings will be in equal or better neighborhoods at rents or prices within the financial ability of the individuals and families displaced, and reasonably accessible to their places of employment. Before any displacement occurs, comparable replacement dwellings will be offered to displacees that are open to all persons regardless of race, color, religion, sex, national origin, and consistent with the requirements of Title VIII of the Civil Rights Act of 1968 will be offered to displacees. This assistance will also include the supplying of information concerning federal and state assisted housing programs, and any other known services being offered by public and private agencies in the area.

Persons who are eligible for relocation payment(s) and who are legally occupying the property required for the project will not be asked to move without first being given at least 90-days written notice. Occupants eligible for relocation payment(s) will not be required to move unless at least one comparable "decent, safe, and sanitary" replacement residence, available on the market, is offered to them by the local agency.

II. Residential Relocation Payments Program

The Relocation Payment Program will help eligible residential occupants by paying certain costs and expenses. These costs are limited to those necessary for or incidental to the purchase or rental of the replacement dwelling and actual reasonable moving expenses to a new location within 50 miles of the displacement property.

Any actual moving costs in excess of the 50 miles are the responsibility of the displacee. The Residential Relocation Program can be summarized as follows:

Moving Costs

Any displaced person who lawfully occupied the acquired property, regardless of the length of occupancy in the property acquired, will be eligible for reimbursement of moving costs. Displacees will receive either the actual reasonable costs involved in moving themselves and personal property up to a maximum of 50 miles, or a payment based on a fixed moving cost schedule.

Replacement Housing Payment – ~~180~~ 90 day Owner-Occupants

In addition to moving and related expense payments, fully eligible homeowners may be entitled to payments for increased costs of replacement housing. Homeowners who have owned and occupied their property for ~~180~~ 90 days or more prior to the date of the first written offer to purchase the property, may qualify to receive a price differential payment and may qualify to receive reimbursement for certain nonrecurring costs incidental to the purchase of the replacement property. An interest differential payment is also available if the loan rate for the mortgage on the replacement dwelling is higher than the loan rate on the displacement dwelling, subject to certain limitations. The maximum combination of these three payments that the owner-occupant can receive is \$22,500. If the total entitlement (without the moving payments) is in excess of ~~\$22,500~~ \$31,000, the Last Resort Housing Program will be used. (See the explanation of the Last Resort Housing Program below.)

Replacement Housing Payment – 90 day Occupants

Tenants and owner-occupants who have occupied the property to be acquired by the local agency for 90 days or more ~~and owner-occupants of 90-179 days~~ prior to the date of the first written offer to purchase may qualify to receive a rental differential payment. This payment is made when the local agency determines that the cost to rent a comparable “decent, safe, and sanitary” replacement dwelling will be more than the present rent of the displacement dwelling. As an alternative, the tenant may qualify for a down payment benefit designed to assist in the purchase of a replacement property and the payment of certain costs incidental to the purchase, subject to certain limitations noted below under the Down Payment section. The maximum amount payable to any tenant of 90 days or more and any owner-occupant of 90-~~179~~ days, in addition to moving expenses, is ~~\$5,250~~ \$7,200. If the total entitlement for rental supplement exceeds ~~\$5,250~~ \$7,200, the last Resort Housing Program will be used. A 90-day occupant may choose to convert their Rent Differential to a Down Payment to aid in purchasing a replacement property. The down payment and incidental expenses cannot exceed the maximum payment of ~~\$5,250~~ \$7,200. The one-year eligibility period in which to purchase and occupy a “decent, safe, and sanitary” replacement dwelling will apply.

Last Resort Housing

Federal regulations (49 CFR 24) contain the policies and procedures for implementing the Last Resort Housing Program on federal-aid projects. Last resort housing benefits are, except for the amounts of payments and the methods in making them, the same as those benefits for standard residential relocation as explained above. Last resort housing has been designed primarily to cover situations where a displacee cannot be relocated because of lack of available comparable replacement housing, or when the anticipated replacement housing payments exceed the ~~\$5,250~~ \$7,200 and ~~\$22,500~~ \$31,000 limits of the standard relocation procedure, because either the displacee lacks the financial ability or other valid circumstances. In certain exceptional situations, Last Resort Housing may also be used for tenants of less than 90 days.

Other Relocation Information: After the first written offer to acquire the property has been made, the local agency will, within a reasonable length of time, personally contact the displacees to gather important information, including the following:

- Preferences in area of relocation.
- Number of people to be displaced and the distribution of adults and children according to age and sex.
- Location of school and employment.
- Specific arrangements needed to accommodate any family members' special needs.
- Financial ability to relocate into a comparable replacement dwelling, which will adequately house all members of the family.

III. The Nonresidential Location Assistance Program

The Nonresidential Relocation Assistance Program provides assistance to businesses, farms, and nonprofit organizations in locating suitable replacement property, and reimbursement for certain costs involved in relocation. The Relocation Advisory Assistance Program will provide current lists of properties offered for sale or rent, suitable for a particular business's specific relocation needs. The types of payments available to eligible businesses, farms and nonprofit organizations are moving and searching expenses, and possibly reestablishment expenses or a fixed In Lieu Payment instead of any moving, searching and reestablishment expenses. The payment types can be summarized as follows:

Moving Expenses

Moving expenses may include the following actual, reasonable costs:

- The moving of inventory, machinery, equipment and similar business-related property, dismantling, disconnecting, crating, packing, loading, insuring, transporting, unloading, unpacking, and reconnecting of personal property.
- Loss of tangible personal property provides payment for actual, direct loss of personal property that the owner is not permitted to move.
- Expenses related to searching for a new business site, ~~up to \$1,000~~ not to exceed \$2,500 or reasonable expenses actually incurred.

Reestablishment Expenses

Reestablishment expenses related to the operation of the business at the new location, up to ~~\$10,000~~ \$25,000 for reasonable expenses actually incurred.

In Lieu Payment

A fixed payment in lieu of moving and searching payments and reestablishment payment may be available to **small** businesses, which meet certain eligibility requirements. This payment is an amount equal to the average annual net earnings for the last two taxable years prior to the relocation and may not be less than \$1,000 or more than ~~\$20,000~~ \$40,000.

IV. Additional Information

Reimbursement for moving costs and replacement housing payments are not considered income for the purpose of the Internal Revenue Code of 1954, or resources for the purpose of determining the extent of eligibility of a displacee for assistance under the Social Security Act, local "Section 8" Housing Programs, or other federal assistance programs.

Right To Appeal

Any person, business, farm or nonprofit organization which has been refused a relocation payment by the local agency Relocation Advisor, or who believes that the payment(s) offered by the agency are inadequate, may appeal for a special hearing of their complaint. No legal assistance is required. Information about the appeal procedure is available from the Relocation Advisor [and within Chapter 10 of the Caltrans Right of Way Manual](#).

LAPM C.14 UTILITY RELOCATIONS

LAPM C.14 Utility Relocations

Section / Exhibit	Description of Changes
LAPM 14-D Notice to Owner	<ul style="list-style-type: none">• Language added that this document constitutes a Written Agreement required by regulation.
LAPM 14-D-REV Revised Notice to Owner	<ul style="list-style-type: none">• Language added that this document constitutes a Written Agreement required by regulation.
Exhibit 14-G Utility Agreement Clauses	<ul style="list-style-type: none">• Clauses updated to be consistent with the Caltrans Right of Way Manual.

LAPM 14-D (LPP 22-01)

(To fill out a Revised Notice to Owner, click on the following button)

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

(Name of LOCAL AGENCY) _____

Number: _____

CITY/COUNTY	ROUTE/STREET LOCATION/PM	PROJECT NUMBER

Federal Aid Number: _____

Owner's Plan Number: _____

Date: _____ "On-System": YES NO

To: (Name of the Owner) _____
(Owner Address) _____

Because of the (Name of LOCAL AGENCY) transportation project to
(Project Description)

(Name of the City and County) _____, which affects your facilities: (Impacted Facility) _____
as shown on Map (Number) _____.

You are hereby ordered to: _____

Your work schedule shall be from (beginning date) _____ to (end date) _____

Notify (Name of Project Engineer) _____ at (Telephone Number) _____ hours prior to initial start of work,
and an additional notification for starts _____ hours for subsequent starts when the work schedule is interrupted.

Liability is _____% Owner (or Agency) _____ pursuant to _____

Owner Rep: _____
(Title of Authorized Signator)
(Rep's address if differs from the above)

cc: Resident Engineer
Permits

By _____
(Title of Authorized Signator)

THIS NOTICE DOES NOT CONSTITUTE A PERMIT. OBTAIN AN ENCROACHMENT PERMIT BEFORE STARTING WORK.

The Parties agree that this Notice to Owner will set forth the terms, covenants, and conditions that are mutually agreed upon by the parties, and that the Notice to Owner shall constitute the written agreement required by 23 CFR 645.113 ("Written Agreement"). Owner must submit all reimbursement and other payment claims arising from this Notice to Owner to within 180/365 calendar days of the completion of the relocation (the "Claim Period"), and Owner waives, releases, and forfeits all right to reimbursement and any other payment for any claims that are submitted after the Claim Period.

Distribution: 1) Owner, 2) Utility Coordinator - File, 3) RE - File
4) DLAE - File, 5) District Utility Coordinator - File

REVISED NOTICE TO OWNER - LOCAL ASSISTANCE

LAPM 14-D-REV (LPP 22-01)

LAPM 14-D Notice to Owner - Local Assistance

(Name of LOCAL AGENCY)

Number:

Table with 3 columns: CITY/COUNTY, ROUTE/STREET LOCATION/PM, PROJECT NUMBER

Federal Aid Number:

Owner's Plan Number:

Date: "On-System": YES NO

REVISION DATE: This revision is acknowledged and agreed to by the owner referred to herein By:

To: (Name of the Owner) (Owner Address)

Because of the (Name of LOCAL AGENCY) transportation project to (Project Description)

(Name of the City and County), which affects your facilities: (Impacted Facility) as shown on Map (Number)

You are hereby ordered to:

Your work schedule shall be from (beginning date) to (end date)

Notify (Name of Project Engineer) at (Telephone Number) hours prior to initial start of work, and an additional notification for starts hours for subsequent starts when the work schedule is interrupted.

Liability is % Owner (or Agency) pursuant to

Owner Rep: (Title of Authorized Signator) (Rep's address if differs from the above)

cc: Resident Engineer Permits

By (Title of Authorized Signator)

THIS NOTICE DOES NOT CONSTITUTE A PERMIT. OBTAIN AN ENCROACHMENT PERMIT BEFORE STARTING WORK.

The Parties agree that this Notice to Owner will set forth the terms, covenants, and conditions that are mutually agreed upon by the parties, and the Notice to Owner shall constitute the written agreement required by 23 CFR 645.113 ("Written Agreement").

- Distribution: 1) Owner, 2) Utility Coordinator - File, 3) RE - File, 4) DLAE - File, 5) District Utility Coordinator - File

NOTE:

- (1) If the Utility Owner is not regulated by the Federal Energy Regulatory Commission (FERC), you may delete reference to 18 CFR.
(2) OMB Circular A-87 applies to local agencies and local governments.

III-5. Owner and Local Agency's Contractor Performs Work:

"OWNER agrees to perform the herein described work, excepting that work being performed by the LOCAL AGENCY's highway contractor, with its own forces and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion."

III-6. Travel Expenses Per Diem: (Has been made as part of the mandatory language of the agreement)

"Use of personnel requiring lodging and meal "per diem" expenses will not be allowed without prior written authorization by LOCAL AGENCY's representative. Requests for such authorization must be contained in OWNER's estimate of actual and necessary relocation costs. OWNER shall include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed. Per Diem expenses shall not exceed the per diem expense amounts allowed under the California Department of Human Resources travel expense guidelines."

III-7. Prevailing Wages Requirements for Contracted Work:

"Work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements; but, work performed directly by Owner's employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above."

III-8. Owner to Prepare Preliminary Engineering Plans:

"Engineering services for locating, making of surveys, preparation of plans, specifications, estimates, supervision, inspection,_(delete or add services as established with the Utility Owner) are to be furnished by the Utility Owner and approved by the LOCAL AGENCY. Cost principles for determining the reasonableness and allowability of OWNER's costs shall be determined in accordance with 48 CFR, Chapter 1, Subpart E, Part 31; 23 CFR, Chapter 1, Part 645; and 18 CFR, Chapter 1, Parts 101, 201 and OMB Circular A-87, as applicable."

Section IV. Payment for WorkIV-1. Owner Operates Under PUC, FERC or FCC Rules:

~~"The LOCAL AGENCY shall pay its share of the actual and necessary cost of the herein described work within 90 days after receipt of OWNER's itemized bill in quintuplicate, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for OWNER by the~~

~~California Public Utilities Commission (PUC), Federal Energy Regulatory Commission (FERC), or Federal Communications Commission (FCC), whichever is applicable.”~~

~~“It is understood and agreed that the LOCAL AGENCY will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the LOCAL AGENCY for all accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.”~~

“The LOCAL AGENCY shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for OWNER by the California Public Utilities Commission, Federal Energy Regulatory Commission or Federal Communications Commission, whichever is applicable.

It is understood and agreed that the LOCAL AGENCY will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the LOCAL AGENCY for the accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.”

NOTES:

- (1) When a lump sum payment method is to be used, substitute Clause IV-8 or IV-9 as appropriate for Clause IV-1 or IV-2 and IV-3.
- (2) See Clause IV-10 for work being done by Local Agency's contractor.
- (3) Accrued depreciation refers to the period of economic usefulness in a particular owner's operations as distinguished from physical life; it is evidenced by the actual or estimated retirement and replacement practice of the owner or the industry.
- (4) See Section 13.07.06.02 for depreciation clause for oil companies.
- (5) For “Liability in Dispute” Utility Agreements, add the wording “after final liability determination and” immediately following “45 days” on IV-1, 2, 8 or 9. See Note II-12 for cross reference.

IV-2. Owner Does Not Operate Under PUC, FERC or FCC Rules:

~~“The LOCAL AGENCY shall pay its share of the actual and necessary cost of the herein described work within 90 days after receipt of OWNER's itemized bill in quintuplicate, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.”~~

“The LOCAL AGENCY shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.

“It is understood and agreed that the LOCAL AGENCY will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the LOCAL AGENCY for all accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.”

NOTES:

- (1) Section 705 of the S&H Code states “A credit allowance for age shall not be applied to publicly owned sewer.” In these cases the following words “... for the accrued depreciation of the replaced facilities and ...” shall be eliminated from the second paragraph above.
- (2) See Clause IV-1 for work ~~done~~ being done by Local Agency's contractor.

IV-3. For All Owners - Progress/Final Bills: (has been made as part of the mandatory language of the agreement)

~~“Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit itemized progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by LOCAL AGENCY of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.”~~

~~“The OWNER shall submit a final bill to the LOCAL AGENCY within 180 days after the completion of the work described in Section I above. If the LOCAL AGENCY has not received a final bill within 180 days after notification of completion of OWNER's work described in Section I of this Agreement, and LOCAL AGENCY has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities; LOCAL AGENCY will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law that all remaining costs will be deemed to have been abandoned.”~~

“Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit detailed itemized progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.”

“The OWNER shall submit a final bill to the LOCAL AGENCY within 180/360 days after the completion of the work described in Section I above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and LOCAL AGENCY has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements for OWNER's facilities (if required), LOCAL AGENCY will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the LOCAL AGENCY processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.”

“The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the LOCAL AGENCY shall not pay final bills, which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by LOCAL AGENCY. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation.”

“In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNERS final bill. Any and all increases in costs that are the direct result of deviations from the

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.”~~

“OWNER understands and acknowledges that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance, and will demonstrate Buy America compliance by collecting written certification(s) from the vendor(s) or by collecting written certification(s) from the manufacturer(s) mill test report (MTR). Certification(s) should state, “All manufacturing processes for these steel and iron materials, including the application of coatings have occurred in the United States. All manufacturing processes means melting of the steel through final manufacturing of steel components.”

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

“One set of copies of all documents obtained to demonstrate Buy America 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.”

NOTE:

- i. **Supplier Certification will be maintained in project files and made available to CT/FHWA upon request.**

LAPM C.15 ADVERTISE & AWARD PROJECT

LAPM C.15 Advertise & Award Project

Section / Exhibit	Description of Changes
15.2 Definitions of Terms/Acronyms	<ul style="list-style-type: none">Terms moved to stand-alone DLA Glossary: https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/dla-glossary.pdf
15.6 Award Procedures	<ul style="list-style-type: none">Projects of Division Interest (PoDI) references removed.
Exhibit 15-G Construction Contract DBE Commitment	<ul style="list-style-type: none">Column added for NAICS or Work Category Codes.

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 LPAs. Each LPA 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 R/W work for the federal-aid project is complete and the LPA 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.~~

~~**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.~~

~~**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](#)).~~

~~**Local Agency State Agreement**—Agreement between the State and LPA (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 LPA for all federal-aid projects.~~

~~**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.~~

~~**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](#).~~

~~**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.~~

~~**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.~~

15.2 Approval for LPA to Administer Projects

Significant NHS Projects

Caltrans must approve the LPA's construction administration procedures before the LPA 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 must be approved by the DLAE before the LPA will be allowed to administer any construction contracts for the project. Additionally, the LPA must 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 LPA procedures.

All Other Projects

Approval by Caltrans of the LPA'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 mathematically unbalanced bid is a bid that contains lump sum or unit bid items that do not reasonably reflect the actual costs (plus reasonable profit, overhead costs, and other indirect costs) to construct the item, and
- A materially unbalanced bid is a bid that generates reasonable doubt that award to that bidder would result in the lowest ultimate cost to the government.

To detect mathematical unbalancing, the unit bid items should be evaluated for reasonable conformance with the engineer's estimate and compared with the other bids received. There are no definitive parameters (e.g., an amount or percent of variance from the engineer's estimate) that constitute an unbalanced bid. The degree of unbalancing of a bid may depend on the reason for the unbalancing. Mathematically unbalanced bids, although not desirable, may be acceptable.

The determination of mathematically unbalanced bids may be aided by the use of one of the several computer software packages now available. However, the final decision should not preclude the use of engineering judgment. Care must also be exercised to ensure that unit bids for mobilization do not mask unbalancing. Also, token bids (i.e., bids with large variations from the engineer's estimate) should be considered as mathematically unbalanced bids and further evaluation and other appropriate steps should be taken to protect the public interest.

There may be situations where the quantity of an item could vary due to inaccuracies in the estimating, errors in the plans, changes in site conditions or design, etc. In such situations, the bids should be further evaluated to determine if the low bidder will ultimately yield the lowest cost. If unbalancing creates reasonable doubt that award would result in the lowest ultimate cost, the bid is materially unbalanced and should be rejected or other steps should be taken to protect the public interest.

Award Procedures

~~Unless it is a Project of Division Interest,~~ the LPA must 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 must be included in the project file for all projects that are not awarded to the lowest bidder. The LPA must 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 LPA must retain the executed contract, document the award date, and the Preconstruction conference minutes. The State must not participate in resolving disputes between the LPA and its bidders.

It is the responsibility of the LPA 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 LPA 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

Exhibit 15-G: Construction Contract DBE Commitment

1. Local Agency: _____ 2. Contract DBE Goal: _____
 3. Project Description: _____
 4. Project Location: _____
 5. Bidder's Name: _____ 6. Prime Certified DBE: 7. Bid Amount: _____
 8. Total Dollar Amount for **ALL** Subcontractors: _____ 9. Total Number of **ALL** Subcontractors: _____

10. Bid Item Number	11. Description of Work, Service, or Materials Supplied	12. NAICS or Work Category Codes	13. DBE Certification Number	14. DBE Contact Information (Must be certified on the date bids are opened)	15. DBE Dollar Amount

Local Agency to Complete this Section upon Execution of Award		16. TOTAL CLAIMED DBE PARTICIPATION	
22. Local Agency Contract Number:	_____		%
23. Federal-Aid Project Number:	_____		
24. Bid Opening Date:	_____		
25. Contract Award Date:	_____		
26. Award Amount:	_____	IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Names of the First Tier DBE Subcontractors and their respective item(s) of work listed above must be consistent, where applicable with the names and items of the work in the "Subcontractor List" submitted with your bid. Written confirmation of each listed DBE is required.	
Local Agency certifies that all DBE certifications are valid and information on this form is complete and accurate.			
27. Local Agency Representative's Signature	28. Date	17. Preparer's Signature	18. Date
29. Local Agency Representative's Name	30. Phone	19. Preparer's Name	20. Phone
31. Local Agency Representative's Title		21. Preparer's Title	

- DISTRIBUTION: 1. Original – Local Agency
 2. Copy – Caltrans District Local Assistance Engineer (DLAE). Failure to submit to DLAE within 30 days of contract execution may result in de-obligation of federal funds on contract.
 3. Include additional copy with award package.

INSTRUCTIONS – CONSTRUCTION CONTRACT DBE COMMITMENT**CONTRACTOR SECTION**

- 1. Local Agency** - Enter the name of the local agency that is administering the contract.
- 2. Contract DBE Goal** - Enter the contract DBE goal percentage as it appears on the project advertisement.
- 3. Project Description** - Enter the project description as it appears on the project advertisement (Bridge Rehab, Seismic Rehab, Overlay, Widening, etc).
- 4. Project Location** - Enter the project location(s) as it appears on the project advertisement.
- 5. Bidder's Name** - Enter the contractor's firm name.
- 6. Prime Certified DBE** - Check box if prime contractor is a certified DBE.
- 7. Bid Amount** - Enter the total contract bid dollar amount for the prime contractor.
- 8. Total Dollar Amount for ALL Subcontractors** – Enter the total dollar amount for all subcontracted contractors. SUM = (DBEs + all Non-DBEs). Do not include the prime contractor information in this count.
- 9. Total number of ALL subcontractors** – Enter the total number of all subcontracted contractors. SUM = (DBEs + all Non-DBEs). Do not include the prime contractor information in this count.
- 10. Bid Item Number** - Enter bid item number for work, services, or materials supplied to be provided.
- 11. Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials to be provided. Indicate all work to be performed by DBEs including work performed by the prime contractor's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
- 12. NAICS or Work Category Codes** - Enter [NAICS or Work Category Codes from the California Unified Certification Program database](#).
- 13. DBE Certification Number** - Enter the DBE's Certification Identification Number. All DBEs must be certified on the date bids are opened.
- 14. DBE Contact Information** - Enter the name, address, and phone number of all DBE subcontracted contractors. Also, enter the prime contractor's name and phone number, if the prime is a DBE.
- 15. DBE Dollar Amount** - Enter the subcontracted dollar amount of the work to be performed or service to be provided. Include the prime contractor if the prime is a DBE. See LAPM Chapter 9 for how to count full/partial participation.
- 16. Total Claimed DBE Participation** - \$: Enter the total dollar amounts entered in the "DBE Dollar Amount" column. %: Enter the total DBE participation claimed ("Total Claimed DBE Participation Dollars" divided by item "Bid Amount"). If the total % claimed is less than item "Contract DBE Goal," an adequately documented Good Faith Effort (GFE) is required (see Exhibit 15-H DBE Information - Good Faith Efforts of the LAPM).
- 17. Preparer's Signature** - The person completing the DBE commitment form on behalf of the contractor's firm must sign their name.
- 18. Date** - Enter the date the DBE commitment form is signed by the contractor's preparer.
- 19. Preparer's Name** - Enter the name of the person preparing and signing the contractor's DBE commitment form.
- 20. Phone** - Enter the area code and phone number of the person signing the contractor's DBE commitment form.
- 21. Preparer's Title** - Enter the position/title of the person signing the contractor's DBE commitment form.

LOCAL AGENCY SECTION

- 22. Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
- 23. Federal-Aid Project Number** - Enter the Federal-Aid Project Number(s).
- 24. Bid Opening Date** - Enter the date contract bids were opened.
- 25. Contract Award Date** - Enter the date the contract was executed.
- 26. Award Amount** – Enter the contract award amount as stated in the executed contract.
- 27. Local Agency Representative's Signature** - The person completing this section of the form for the Local Agency must sign their name to certify that the information in this and the Contractor Section of this form is complete and accurate.
- 28. Date** - Enter the date the DBE commitment form is signed by the Local Agency Representative.
- 29. Local Agency Representative's Name** - Enter the name of the Local Agency Representative certifying the contractor's DBE commitment form.
- 30. Phone** - Enter the area code and phone number of the person signing the contractor's DBE commitment form.
- 31. Local Agency Representative Title** - Enter the position/title of the Local Agency Representative certifying the contractor's DBE commitment form.

LAPM C.16 ADMINISTER CONSTRUCTION CONTRACTS

LAPM C.16 Administer Construction Contracts

Section / Exhibit	Description of Changes
<p>16.3 Organization of Project Records</p>	<ul style="list-style-type: none"> Additional file category added for Project Record Filing System: "Environmental-related documents".
<p>16.8 Engineer's Daily Report</p>	<ul style="list-style-type: none"> Clarification added on recording of project activities by the RE / Assistant RE on a daily basis.
<p>16.10 Change Order Memorandum</p>	<ul style="list-style-type: none"> 6th bullet removed; Projects of Division Interest (PoDI) terminology retired.
<p>16.10 Other Issues</p>	<ul style="list-style-type: none"> Last sentence under Equipment Rental Rates sub-section removed; Projects of Division Interest (PoDI) terminology retired.
<p>16.11 Materials Acceptance Program</p>	<ul style="list-style-type: none"> OB #22-07: Modified Buy America language added for Materials Requiring a Buy America Certification.
<p>Exhibit 16-A Weekly Statement of Working Days</p>	<ul style="list-style-type: none"> Exhibit 16-A will be migrated to CEFS and replaced with LAPM 16-A: DLA Weekly Statement of Working Days Sentence under Remarks section will be replaced with the following: "If the contractor disagrees with this report, submit a Request for Information within the time specified."
<p>Exhibit 16-C Resident and Assistant Engineer's Daily Report</p>	<ul style="list-style-type: none"> Exhibit 16-C will be split into two different forms and migrated to CEFS as follows: (1) LAPM 16-C1: DLA Assistant Engineer's Daily Report; (2) LAPM 16-C2: DLA Resident Engineer's Daily Report / Asst. Resident Engineer's Daily Report.
<p>Note: conversions to CEFS for Exhibits 16-A and 16-C may not coincide with the January 2023 publication as these forms require longer lead times to code and publish. A separate announcement will go out when the revised forms are published.</p>	

- a. CO 1
 - i. Approved CO or equivalent (LPAs may use their own form or use State form CEM-4900)
 - ii. CO Memorandum/Transmittal Letter or equivalent (LPAs may use their own form or use State form CEM-4903)
 - iii. Written Prior Approval to Proceed
 - iv. Independent Supporting Force Account Cost Calculations (if Agreed Price)
 - v. Justification of time extension
 - vi. Extra Work Reports
 - b. CO 2, etc.
10. Progress Pay Estimates and Status of Funds
11. Labor Compliance and Equal Employment Opportunity (EEO) records
- a. Certified Payrolls
 - b. [LAPM 16-B: Subcontracting Request](#)
 - c. Photo Documentation of all required posters:
www.fhwa.dot.gov/programadmin/contracts/poster.cfm
 - d. Labor Compliance Interviews
 - e. [Exhibit 16-O: Federal-Aid Highway Contractors Annual EEO Report](#)
12. Disadvantaged Business Enterprise (DBE) Records
- a. [Exhibit 15-G: Construction Contract DBE Commitment](#)
 - b. [Exhibit 15-H: DBE Information - Good Faith Efforts](#)
 - c. [Exhibit 16-Z1: Monthly DBE Trucking Verification](#)
 - d. DBE Substitution Supporting Documentation (if applicable)
 - e. [Exhibit 17-F: Final Report - Utilization of DBE and First –Tier Subcontractor](#)

13. Environmental-related documents

Other sections of this chapter explain the content of the above listed file categories.

A large and complex project usually requires a more detailed record-keeping system. The record-keeping system described in Caltrans Construction Manual, [Section 5-102: Organization of Project Documents](#), is suggested for large projects.

Availability of Records for Review or Audit

The record retention period for the non-federal entities for financial purposes is 3 years and begins when the final voucher is submitted in FMIS and required documentation is submitted to FHWA per the Stewardship and Oversight Agreement. The files must be available at a single

- For each piece of equipment working on the project:
 - The make and model (or contractor's ID number)
 - The hours worked, broken down by contract item and/or CO work

Equipment should be identified sufficiently to enable determination of the applicable rental rates and operator's minimum wage. Consider in the design of your daily report form that it is important to know who operated what equipment, as this may affect the wage rate. In some cases, it may be desirable to record dates of arrivals or departures of equipment, as well as idle time for breakdown or other reasons.

The Narrative Portion of the Report should include:

- A description of the contractor's operation
- The location where the work was performed (stations, off sets, depths, etc.)
- Statements made by the contractor or LPA personnel, which are pertinent to the work
- Activities performed by LPA staff to ensure the materials and workmanship complies with the contract specifications
- Sampling
- Acceptance Testing
- Measuring
- Collection of Certificates of Compliance
- Contract Item Quantity supporting information (measurements, tonnage, waste)

The description of the work performed must be sufficient to determine proper labor classification, such as differentiating work performed by a laborer versus work performed by an electrician. Workers must be classified and paid according to the work they actually perform, regardless of union affiliation, other titles, or designations.

In addition, the Resident Engineer must record project activities separately. The RE report should include discussions and agreements with contractors or others and should not duplicate information from the inspector daily reports. This report is not required when the RE is also acting as the field inspector on the project.

See [Exhibit 16-C: Resident and Assistant Engineers Daily Report](#) for an example of both the RE's and Assistant RE's daily report forms used by Caltrans. The engineer's daily reports discussed herein are required in addition to any extra work reports submitted by the contractor. The daily reports must be kept current and in the project files.

16.9 Employment Practice: Labor Compliance, EEO, DBE

Labor Compliance

Labor compliance is the LPA's effort to ensure the contractor is complying with all the applicable labor laws, acts and statutes detailed in the contract provisions. This section presents the guidelines for performing labor compliance. These guidelines apply to all state or federally funded projects.

memorandum, an auditor should be able to understand the reasons for the work and the reasonableness of the compensation and time adjustments, without help from LPA staff.

The memorandum is intended for interagency use only. Do not send the memorandum to the contractor.

Include the following in the memorandum:

- In a few sentences, briefly state what the change order provides. Supplemental change orders should also include a description of the original change order. Do not repeat everything on the change order.
- Explain the need for the change, including the contractual basis of the change. When another unit or another LPA requests a change, the correspondence requesting the change should also justify the need for the change. Attach supporting letters to the memorandum.
- State the reasons a particular method of payment was chosen. Include a complete cost analysis, or state that the cost analysis is on file with the project records. State the method used in making the cost analysis.
- If the ordered change causes any work character change, explain the reasons. To substantiate any adjustment in compensation due, you may need to provide a summary of events leading up to the change.
- State the extent of coordination and concurrence with others: other units, LPAs, Caltrans, etc. if applicable.
- ~~For major changes on federal projects of division interest projects, indicate the name and date of discussion and concurrence, if any, by the FHWA engineer.~~
- If prior approval of the change order has been obtained, state the name of the person who granted prior approval and the date.
- For a change order that is to be unilaterally approved, explain why the contractor will not sign or why the contractor's signature is not required. Attach a copy of any correspondence from the contractor regarding the change order.
- Include justification for a time adjustment. Describe the method used to determine the time adjustment. State the controlling activity during the delay period.

Whenever possible, and when resolving a previously deferred time adjustment, indicate the specific working days that experienced delay and represent the period of the time adjustment. By indicating the specific working days, you ensure other time adjustments do not cover the same time period. Specify if any portions of the work are nonparticipating (see [LAPM Chapter 3: Project Authorization](#) for more details regarding nonparticipating work).

Help Writing Change Orders and Change Order Memorandum

Examples of change orders and memorandums, as well as useful clauses can be found at the following websites:

- Change Order Standard Clauses
<https://dot.ca.gov/programs/construction/change-order-information/change-order-standard-clauses>

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 LPA 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 LPA 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 must be kept on file and available for state review.

The LPA 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 LPA 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

A COC for each item must be kept in the RE's file.

Materials Requiring a Buy America Certification

Steel and iron products and construction materials permanently incorporated into the project must comply with Buy America requirements of the per 23 CFRs 635.410 and Section 70914 of the Build America, Buy America (BABA) Act. 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. All manufacturing processes for construction materials must occur in the United States. Contractors must provide certificates of compliance with each project delivery for all construction materials used for the projects. Manufacturer's certificate of compliance must identify where the construction material was manufactured and attest specifically to the Buy America compliance.

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. This policy is applicable to all phases of a project (such as design, environmental, right-of-way or construction) covered under the National Environmental Policy Act (NEPA) document, regardless of the funding sources. Therefore, the LPA 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 materials not permanently incorporated into the project such as temporary steel ~~such as that~~ used in falsework, sheet piling or shoring. Buy America requirement does not apply to recycled steel nor pig iron and processed, pelletized, and reduced iron ore manufactured outside the United States. 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~~ the total cost of iron and steel products as delivered to the project site is less than \$2,500 or 0.1 percent of the total contract amount, whichever is greater. The LPA must track the amount of incorporated foreign steel and iron as the work proceeds to ensure that the minimal use threshold amount is not exceeded at any point in the contract. Once the cumulative value reaches the minimum threshold limit, then all additional installed materials must be of domestic origin. Supporting ~~invoices, including the cost of transportation,~~ documentation for this minimal use must be on file in the project records (i.e., invoices, including the cost of transportation).

After-the-fact discoveries of non-domestic materials incorporated in the project are not considered Buy America waivers. The LPA'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. In the event an after-the-fact discovery occurs, the LPA must expeditiously inform their DLAE, who will coordinate with FHWA to determine the appropriate resolution.

LAPM C.17 PROJECT COMPLETION

LAPM C.17 Project Completion

Section / Exhibit	Description of Changes
17.2 Definitions of Terms	<ul style="list-style-type: none">• Terms moved to stand-alone DLA Glossary: https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/dla-glossary.pdf
17.3 Projects of Division Interest Projects	<ul style="list-style-type: none">• Projects of Division Interest (PoDI) sub-section removed; PoDI terminology retired.
Exhibit 17-F Final Report-Utilization of DBE and First-Tier Subcontractors	<ul style="list-style-type: none">• Changed “Contract Completion Date” to “Contract Acceptance Date”• Added clarifying language regarding materials/supplies obtained from DBE manufacturer vs. dealer supplier in the instructions.
Exhibit 17-F1 Final Report – Utilization of DBE for A&E On-Call Contracts	<ul style="list-style-type: none">• Format change from Word/PDF to Excel.• DBE Name and Certification # fields added.

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

~~Final Inspection Form—~~

~~Exhibit 17-C: Final Inspection Form is used by the LPA 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 Caltrans Local Programs Accounting (GLPA). For example see Exhibit 17-C: Final Inspection Form, and refer to LAPM Chapter 5: Invoicing for instructions.~~

~~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

LPAs must document fulfillment of environmental mitigation commitments for final inspection Report of Expenditures and ultimate accountability as follows:

- **Categorical Exclusion (CE)** – LPA must provide the DLAE with a list of environmental mitigation commitments when requesting CE determination.
- **Environmental Assessment (EA)** – LPA must 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)** – LPA must summarize environmental commitments in the draft Record of Decision (ROD). In addition, the LPA provides an Environmental Commitments Record (ECR) to the DLAE in order to document fulfillment of environmental mitigation commitments.

In addition, they must acknowledge any long-term commitment to maintenance of those mitigation measures.

Final Inspection by LPA

The LPA representative (or designee) must perform the final inspection using [Exhibit 17-C: Final Inspection Form](#). Exhibit 17-C is used by the LPA to complete the final inspection for the vast majority of projects. Note: [Exhibit 17-B: Final Inspection of Federal-Aid Project](#) is only utilized by Caltrans to complete the final inspection of NHS Projects subject to FHWA full oversight.

The LPA representative or staff performing final inspection or signing the Final Inspection Form must be one with authority for accepting the completed contract on behalf of the LPA 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 must 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 LPA 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 designee) 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 LPA for correction or resolution. Upon satisfactory review by Caltrans staff, the DLAE must ensure that Items 1-10 have been completed by the LPA prior to completing Items 11-13 on the Final Inspection Form. The DLAE must retain the Final Inspection Form and send a copy to the LPA for the Report of Expenditures.

Projects of Division Interest Projects

~~Final inspection of significant NHS projects must 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 must be in accordance with the following:~~

~~Final Inspection by LPA~~

~~Projects of Division Interest projects will require a final inspection by the FHWA. To initiate this inspection, the LPA 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 LPA Final Inspection Form, the OSE must verify that the project has been completed as described in the plans and specifications. The OSE must 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 must receive from the OSE the Report of Expenditures prior to the DLAE processing the LPA's final project invoice.~~

17.4 As-Built Plans

On locally administered contracts the RE must 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

Exhibit 17-F: Final Report-Utilization of Disadvantaged Business Enterprises (DBE) and First-Tier Subcontractors

1. Local Agency Contract Number		2. Federal-Aid Project Number		3. Local Agency			4. Contract Acceptance Date	
5. Contractor/Consultant			6. Business Address			7. Final Contract Amount		
8. Contract Item Number	9. Description of Work, Service, or Materials Supplied	10. Company Name and Business Address	11. DBE Certification Number	12. Contract Payments		13. Date Work Completed	14. Date of Final Payment	
				Non-DBE	DBE			
15. ORIGINAL DBE COMMITMENT AMOUNT \$ _____				16. TOTAL				

List all first-tier subcontractors/subconsultants and DBEs regardless of tier whether or not the firms were originally listed for goal credit. If actual DBE utilization (or item of work) was different than that approved at the time of award, provide comments on an additional page. List actual amount paid to each entity. If no subcontractors/subconsultants were used on the contract, indicate on the form.

I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT			
17. Contractor/Consultant Representative's Signature	18. Contractor/Consultant Representative's Name	19. Phone	20. Date
I CERTIFY THAT THE CONTRACTING RECORDS AND ON-SITE PERFORMANCE OF THE DBE(S) HAVE BEEN MONITORED			
21. Local Agency Representative's Signature	22. Local Agency Representative's Name	23. Phone	24. Date

DISTRIBUTION: Original – Local Agency, Copy – Caltrans District Local Assistance Engineer. Include with Final Report of Expenditures

INSTRUCTIONS – FINAL REPORT-UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE) AND FIRST-TIER SUBCONTRACTORS

- 1. Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
- 2. Federal-Aid Project Number** - Enter the Federal-Aid Project Number.
- 3. Local Agency** - Enter the name of the local or regional agency that is funding the contract.
- 4. Contract Acceptance Date** - Enter the date the contract was [accepted by the Local Agency](#).
- 5. Contractor/Consultant** - Enter the contractor/consultant's firm name.
- 6. Business Address** - Enter the contractor/consultant's business address.
- 7. Final Contract Amount** - Enter the total final amount for the contract.
- 8. Contract Item Number** - Enter contract item for work, services, or materials supplied provided. Not applicable for consultant contracts.
- 9. Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials provided. Indicate all work to be performed by DBEs including work performed by the prime contractor/consultant's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
- 10. Company Name and Business Address** - Enter the name, address, and phone number of all subcontracted contractors/consultants. Also, enter the prime contractor/consultant's name and phone number, if the prime is a DBE.
- 11. DBE Certification Number** - Enter the DBE's Certification Identification Number. Leave blank if subcontractor is not a DBE.
- 12. Contract Payments** - Enter the subcontracted dollar amount of the work performed or service provided. Include the prime contractor/consultant if the prime is a DBE. [If the materials or supplies are obtained from a DBE manufacturer, count 100% of the cost of the materials or supplies toward DBE goals. If the materials or supplies are purchased from a DBE regular dealer/supplier, count 60% of the cost of the materials or supplies toward DBE goals.](#) The Non-DBE column is used to enter the dollar value of work performed by firms that are not certified DBE or for work after a DBE becomes decertified.
- 13. Date Work Completed** - Enter the date the subcontractor/subconsultant's item work was completed.
- 14. Date of Final Payment** - Enter the date when the prime contractor/consultant made the final payment to the subcontractor/subconsultant for the portion of work listed as being completed.
- 15. Original DBE Commitment Amount** - Enter the "Total Claimed DBE Participation Dollars" from Exhibits 15-G or 10-O2 for the contract.
- 16. Total** - Enter the sum of the "Contract Payments" Non-DBE and DBE columns.
- 17. Contractor/Consultant Representative's Signature** - The person completing the form on behalf of the contractor/consultant's firm must sign their name.
- 18. Contractor/Consultant Representative's Name** - Enter the name of the person preparing and signing the form.
- 19. Phone** - Enter the area code and telephone number of the person signing the form.
- 20. Date** - Enter the date the form is signed by the contractor's preparer.
- 21. Local Agency Representative's Signature** - A Local Agency Representative must sign their name to certify that the contracting records and on-site performance of the DBE(s) has been monitored.
- 22. Local Agency Representative's Name** - Enter the name of the Local Agency Representative signing the form.
- 23. Phone** - Enter the area code and telephone number of the person signing the form.
- 24. Date** - Enter the date the form is signed by the Local Agency Representative.

EXHIBIT 17-F1: FINAL REPORT-UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE) FOR A&E ON-CALL CONTRACTS

1. Local Agency Contract Number		2. Local Public Agency			3. Caltrans District	4. Contract Completion Date		
5. Consultant			6. Business Address			7. Orig. Contract Amount (\$)		8. Final Contract Amount (\$)
9. Task Order Number	10. Federal Project Number	11. Task Order DBE Firm		12. Task Order Description	13. Contract Payments (\$)		14. Date Work Completed	15. Date of Final Payment
		Name	Cert. #		Non-DBE	DBE		
16. TOTAL for Task Orders:					\$0.00	\$0.00	\$0.00	

17. ORIGINAL DBE COMMITMENT AMOUNT: _____ Estimate from 10-O2.

List actual amount paid to all DBEs and non-DBEs for all task orders. If actual DBE utilization percentage (or item of work) was less than that approved at the time of award, provide comments in Explanation Box.

18. Explanation Box:

I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT

19. Consultant Representative's Signature	20. Consultant Representative's Name	21. Phone	22. Date

I CERTIFY THAT THE CONTRACTING RECORDS OF THE DBE(S) HAS BEEN MONITORED

23. Local Agency Representative's Signature	24. Local Agency Representative's Name	25. Phone	26. Date

DISTRIBUTION: Original – Local Agency, Copy – Caltrans District Local Assistance Engineer, include with Final Report of Expenditures.

LAPM C.20 AUDITS & CORRECTIVE ACTIONS

LAPM C.20 Audits & Corrective Actions

Section / Exhibit	Description of Changes
Chapter 20 Various	<ul style="list-style-type: none">• OB #22-04: new section added for the Caltrans Internal Audits Office (CIAO) which is now responsible for conducting pre-award audits and is also responsible for Single Audit Reports; references updated throughout Chapter.

Chapter 20 Audits and Corrective Actions

20.1 Introduction

This chapter provides the expectations when an audit is conducted by the [Caltrans Internal Audits Office \(CIAO\)](#) and the Independent Office of Audits and Investigations (IOAI), potential findings and sanctions, common deficiencies, and recommended internal controls to improve compliance. This includes compliance with state and federal regulations, the Master Agreement, the Local Assistance Procedures Manual (LAPM), the Local Assistance Program Guidelines (LAPG), California Transportation Commission grant requirements, and all other applicable regulations.

In order to reduce the risk of audit findings and deficiencies in the administration of state and federal funding, Local Public Agencies (LPA) should keep an on-going dialog with and consult their District Local Assistance Engineer (DLAE). It is also strongly recommended for LPAs to develop, update, and maintain written policies and procedures in the following areas including, but not limited to:

- Adoption of [LAPM Chapter 10](#) as required in Section 10.1.10 for architectural and engineering consultant procurement
- Grant or contract management
- Direct and indirect cost development and charging procedures
- Financial management systems for invoicing and labor
- Construction administration

20.2 The Caltrans Internal Audits Office

CIAO conducts Pre-Award audits to determine the compliance of LPAs applying for a Master Agreement to administer state and federal-funded projects before agreements are signed with Caltrans.

Single Audit Reports

Any LPA that expends \$750,000 or more for all types of federal funds in an LPA's fiscal year must submit a Single Audit Report (SAR) package from an independent auditor to the State Controller's Office (https://www.sco.ca.gov/aud_single_audits.html), Federal Audit Clearinghouse (<https://facweb.census.gov/uploadpdf.aspx>), and Caltrans (CaltransFederalFundAward@dot.ca.gov). If the SAR has a finding involving federal funds passed-through Caltrans to the LPA, IOAI CIAO will issue a Management Decision to determine if the finding has been resolved.

20.3 The Independent Office of Audits and Investigations

Senate Bill 1 of 2017 and the Stewardship and Oversight Agreement between the Federal Highway Administration and Caltrans require IOAI to ensure LPAs spend funds from Caltrans in compliance with applicable state and federal requirements. IOAI reviews the LPA's policies and procedures, and conducts audits and investigations of activities involving funds passed-through from Caltrans to LPAs.

The audit process can be defined as the on-site review and examination of a process or quality system to ensure compliance to requirements. Some audits may have special administrative purposes, such as auditing documents, risk, performance, or following up on completed corrective actions. These audits ensure accountability in managing transportation funds administered by LPAs.

Common Audits Performed By IOAI

- [Incurred Cost](#) – To determine if costs billed to Caltrans are allowable.
- [Proposition 1B Program](#) – For projects receiving Proposition 1B funds, similar audit objectives as an Incurred Cost audit, including the evaluation of allowability of costs and to assess whether deliverables and benefits/outcomes are met.
- [Indirect Cost Allocation Plan \(ICAP\) / Indirect Cost Rate Proposal \(ICRP\)](#) – To determine whether the LPA's ICAP or ICRP are presented in accordance with [2 CFR 200](#) and [LAPM Chapter 5](#).
- [Active Transportation Program \(ATP\)](#) – Compliance with ATP Guidelines and eligibility of costs reimbursed.
- [Financial Management System \(FMS\)](#) – To determine the LPA's ability to accurately segregate and document charges to projects; and the adequacy of the FMS that includes the accounting, procurement, and contract management systems.
- ~~Pre-award – Compliance of agencies applying for a Master Agreement to administer State and federal funded projects before agreements are signed with Caltrans.~~
- Other – Various other types of audits or reviews as necessary.

For a more detailed description and listing of audits performed by the IOAI, please refer to [Audits Issued by the IOAI](#).

20.4 Roles and Responsibilities During IOAI Audits

IOAI generally uses the below processes and timelines when performing audits of LPAs:

Audit Activities

- IOAI contacts the LPA to schedule the audit.
- IOAI sends a formal engagement letter, which outlines the objective of the audit. If specific documentation is required in advance of fieldwork, IOAI will correspond with the LPA accordingly.
- An entrance conference is held on the first day of fieldwork to discuss the scope of the audit, audit objectives, schedules, and identification of some of the documents and records that will be reviewed during audit fieldwork.
- Fieldwork is performed. IOAI will keep the auditee informed of any deficiencies identified during fieldwork.
- Once fieldwork is completed, an exit conference is conducted to discuss what the LPA performed well and the potential audit findings.

- ICAP/ICRP direct and indirect cost pools
- Unallowable costs reimbursed
- Invoice and labor costing

For a list of the most common detailed audit findings, and best practices to avoid these deficiencies, please visit the DLA Audits Webpage: <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/common-deficiencies-and-best-practices.pdf>.

20.6 Caltrans Role

Depending on the type of audit, CIAO or IOAI will send the final audit report to Caltrans and copy the LPA. As a part of its oversight responsibilities, Caltrans will develop corrective actions in response to the audit findings and recommendations, and will ensure the corrective actions are implemented by the LPA. Within approximately 120 days from receipt of the final audit report, the Division of Local Assistance (DLA) endeavors to send the LPA a Corrective Action Plan (CAP) letter. DLA staff will introduce themselves, discuss the corrective actions in greater detail, and advise LPA staff of deadlines for submittal after the issuance of the CAP letter.

The CAP letter identifies specific actions the LPA must perform to mitigate audit findings from recurring in order to close out the audit. These corrective actions will strengthen LPA internal controls and improve the ability to comply with State and federal regulations, and contract provisions.

Corrective actions are typically due within five months from the date of the CAP letter. It is the LPA's responsibility to take initiative and perform the corrective actions to ensure the LPA can meet the deadlines within the CAP letter. Below are examples of common corrective actions that are prescribed in the CAP letter.

- Develop or update procedures; these must be reviewed by DLA prior to implementation and adoption.
- If training is required, it must be taken and performed, and a list of attendees or training certification must be submitted to DLA.
- If the LPA must reimburse funds to Caltrans, Caltrans will initiate an invoice to the LPA, and the LPA must make repayment.
- On a case-by-case basis, DLA may consider new documentation submitted by the LPA that will substantiate questioned and disallowed costs in the final audit report as eligible for reimbursement.

If the LPA does not make a good faith effort to submit corrective actions as required within the CAP Letter, Caltrans may invoke sanctions as prescribed in Section 20.7 of this chapter. Once all corrective actions and deficiencies have been corrected and implemented, a Final Determination Letter is sent to the LPA, sanctions (if applicable) will be removed, and the audit is closed. DLA endeavors to have the audits closed out within one year.

Please refer to Figure 20-2: Corrective Action Flowchart for a visual of the typical corrective action process.

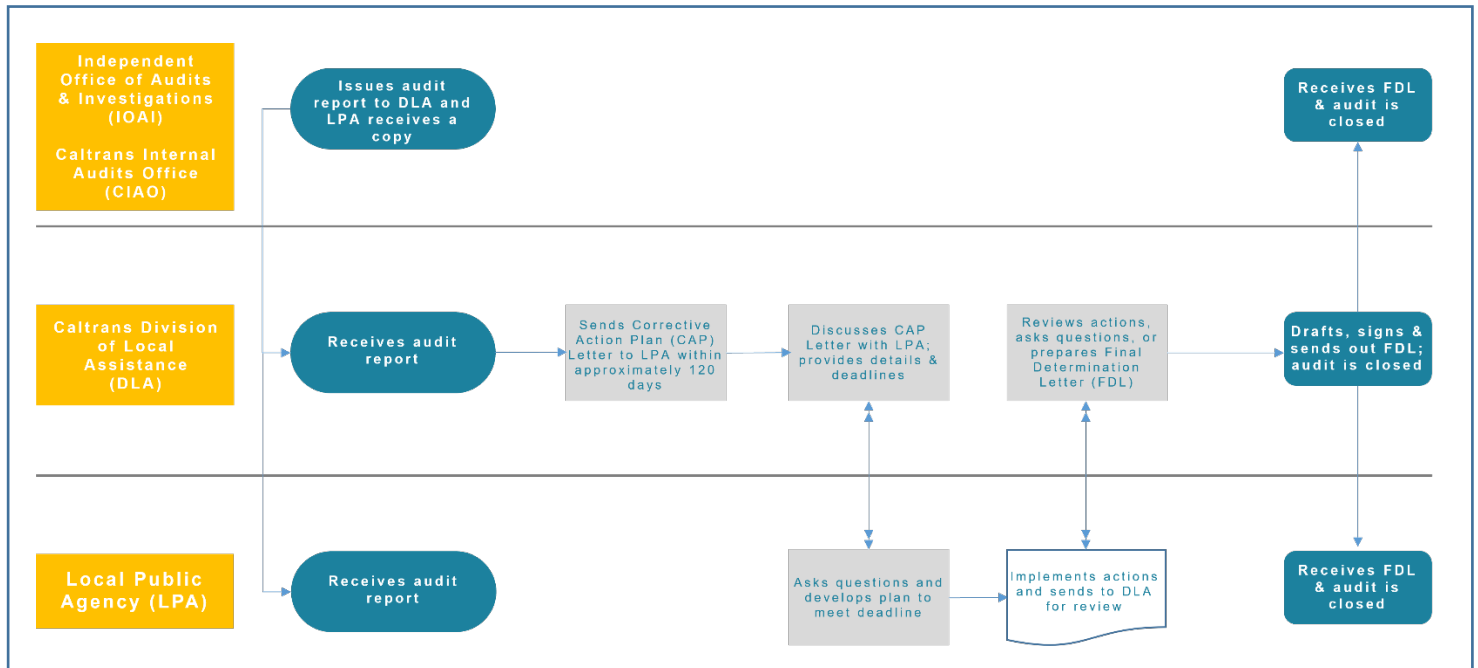


Figure 20-2: Corrective Action Flowchart

Single Audit Report (SAR) Management Decisions

If IOAI/CIAO determines a SAR has unresolved findings, IOAI/CIAO will issue a Management Decision to determine if the findings have been resolved in accordance with [2 CFR 200.521](#). It is the responsibility of Caltrans to follow-up with the LPA in order to resolve the finding.

DLA will send a CAP letter to the LPA within about two months of receiving the Management Decision letter. Corrective actions are typically due within three to five months from the date of the CAP letter dependent upon the complexity and the number of unresolved findings.

If the LPA does not make a good faith effort to submit corrective actions as required within the CAP Letter, Caltrans may invoke sanctions as prescribed in Section 20.7 of this chapter. Once all corrective actions and deficiencies have been corrected and implemented, a Final Determination Letter is sent to the LPA, sanctions (if applicable) will be removed, and the audit is closed.

20.7 Sanctions

The LPA may be subject to sanctions dependent upon the severity of the audit findings. Failure to submit required corrective actions and correct the deficiencies by the deadline stated in the CAP letter may also result in Caltrans imposing a sanction. Failure to submit a SAR package or exemption letter will result in a sanction. Caltrans will be responsible for notifying the LPA of sanctions imposed in writing and the steps for removing these sanctions. As stated in Section 20.6 of this chapter, whether or not sanctions are imposed against the LPA, the LPA is responsible to develop and implement corrective actions in an effort to mitigate all deficiencies identified in the CAP Letter. There will be no appeals for any sanction applied.

Sanctions may consist of those available within [2 CFR 200.339](#) and the following examples including, but not limited to:

LAPG C.6 HIGHWAY BRIDGE PROGRAM

LAPG C.6 Highway Bridge Program

Section / Exhibit	Description of Changes
<p>6.1 Terms and Definitions</p>	<ul style="list-style-type: none"> • Mid-Level Cost Bridge Project – replaced “but below” with “and”. • Structurally Deficient – clarified phasing out of term, and its replacement classification: Poor Condition. • Sufficiency Rating – this term is retired by FHWA. • Value Engineering Analysis – clarified when a Value Engineering Analysis must be performed. • Voluntary Seismic Retrofit Program – clarification on eligibility.
<p>6.1 Eligibility Requirements for HBP Funds</p>	<ul style="list-style-type: none"> • Structurally Deficient term replaced with “poor condition” classification.
<p>6.2 Caltrans, Structures Local Assistance</p>	<ul style="list-style-type: none"> • Note removed.
<p>6.3 Bridge Inspection Program</p>	<ul style="list-style-type: none"> • Added “structural” to third bullet • Deleted unneeded sentence at the end of third paragraph.
<p>6.3 Local Bridge Seismic Retrofit Program</p>	<ul style="list-style-type: none"> • Replaced “programmed” with “eligible for programming”.
<p>6.3 Bridge Rehabilitation and Replacement</p>	<ul style="list-style-type: none"> • Clarification on eligibility to reflect removal of Sufficiency Rating term.
<p>6.4 Approach Roadway Work</p>	<ul style="list-style-type: none"> • Deleted “consistent with current design standards” in first sentence.
<p>6.5 HBP One Lane Bridge Policy</p>	<ul style="list-style-type: none"> • Clarification on project requirements to reflect removal of Sufficiency Rating term.
<p>6.6 Optional SLA Review of Application</p>	<ul style="list-style-type: none"> • Deleted sentence regarding optional field reviews; field reviews are mandatory for all HBP projects.
<p>6.6 Project Prioritization Policy</p>	<ul style="list-style-type: none"> • Priority 6 no longer applies based on retiring of Structurally Deficient and Sufficiency Rating terms.

LAPG C.6 HIGHWAY BRIDGE PROGRAM

6.7 Project Ranking Policy for Construction Programming	<ul style="list-style-type: none">• “SR” term replaced with condition rating.
6.7 High Cost Projects Programming Policy	<ul style="list-style-type: none">• OB #22-02: new language added for limits of reimbursement on High Cost Bridge Projects.
6.8 Mandatory Strategy Meetings for Local Seismic Retrofit Projects	<ul style="list-style-type: none">• Sufficiency Rating term removed.

Local Assistance Procedures Manual (LAPM) - The processes, procedures, documents, authorization, approvals and certifications, which are required in order to receive federal-aid and/or state funds for many types of local public transportation related projects.

Local Bridge Seismic Retrofit Program (LBSRP) - All seismic retrofit projects, including mandatory Prop-1B seismic projects and voluntary seismic retrofit projects.

Mandatory Seismic Retrofit Program - The 1989 Mandatory Seismic Safety Retrofit program is a finite list of projects established under the Proposition 1B (Prop 1B) funding program.

Mid-Level Cost Bridge Project – A bridge project with a construction phase total cost between \$15 million ~~but below~~ and \$35 million.

National Association of City Transportation Officials (NACTO) - An association of 86 major North American cities and transit agencies formed to exchange transportation ideas, insights, and practices and cooperatively approach national transportation issues. NACTO produces the "Urban Street Design Guide" and the "Urban Bikeway Design Guide", which may be referenced for urban environments.

National Bridge Inventory (NBI) - This is an FHWA database containing bridge information and inspection data for all highway bridges on public roads, on and off Federal-aid highways that are subject to the National Bridge Inspection Standards.

National Cooperative Highway Research Program (NCHRP) - Administered by the Transportation Research Board (TRB) and sponsored by the member departments (i.e., individual state departments of transportation) of AASHTO and FHWA. The NCHRP was created in 1962 to conduct research in acute problem areas that affect highway planning, design, construction, operation, and maintenance nationwide.

National Environmental Policy Act (NEPA) - Federal environmental law requiring federal agencies to consider the environmental impacts of their action, evaluate least damaging 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.

National Highway System (NHS) - Legislative designation of highways that are of national importance.

National Register of Historic Places (NRHP) - A listing of historically or archaeologically significant sites maintained by each state. The NRHP does not contain all significant sites. It only lists those currently identified and that the owner has allowed to be listed. There are many eligible sites that have not been registered, either because they have not been found or they have not yet been nominated.

Nearly Ready to Advertise - A project is considered "nearly ready to advertise" when NEPA is clear, R/W will be certified prior to or less than 6 months of an HBP financially constrained program list, and completion of final design plans are at 95% or greater. The R/W certification must be verified with Caltrans R/W staff.

Non-Participating Cost - A cost that is included in the project but is not eligible for Federal reimbursement.

Off System - Functional classification given to rural and urban local streets and roads, and rural minor collectors. These routes are off the federal-aid system.

On System - Functional classification given to all roadways that are on the federal-aid system.

Paint Condition Index (PCI) - Paint Condition Index is a 0–100 ranking system that utilizes the current paint condition of the various painted steel elements on a bridge. The PCI weighs the quantity and condition states of the various painted elements as well as the importance of that element in the bridge.

Participating Costs - A participating cost is an actual project cost paid for by the sponsoring LPA that is eligible for federal reimbursement in compliance with laws, regulations and policies.

Preliminary Engineering (PE) - Preliminary Engineering phase includes all project initiation and development activities undertaken after its inclusion in an approved FSTIP through the completion of PS&E. It may include preliminary R/W engineering and investigations necessary to complete the environmental document.

Poor Condition - When the lowest rating of the 3 NBI items for a bridge (Items 58-Deck, 59-Superstructure, 60-Substructure) is 4, 3, 2, 1, or 0, the bridge will be classified as Poor. When the rating of NBI item for a culvert (Item 62-Culverts) is 4, 3, 2, 1, or 0, the culvert will be classified as Poor.

Prop 1B - Proposition 1B Bond funds to be utilized as local match to HBP for mandatory seismic projects.

Post Programming - Cost increases to a phase that has already been authorized to proceed and that has received federal funding.

Public Road - Any road or street under the jurisdiction of and maintained by a public authority and open to public travel.

Ready to Advertise - A project that has an approved NEPA document, approved R/W Certification and completed PS&E package.

Scour Critical - A bridge with a foundation element that has been determined to be unstable for the observed or evaluated scour condition. When the NBI item 113 is 3 or less.

State Highway System (SHS) - The network of public highway systems that is owned and maintained by the Department.

Structurally Deficient (SD) - A classification given to a bridge which has any component in Poor or worse condition (23 CFR 490.405). [This term is in the process of being phased out by FHWA. The replacement classification of this metric is Poor Condition.](#)

~~**Sufficiency Rating (SR)** - A method of evaluating highway bridge data by a complex formula defined in Appendix B of the National Bridge Inventory Coding Guide.~~

State Transportation Improvement Program (STIP) - A 5-year list of projects proposed in the Regional Transportation Improvement Program. The proposed STIP that are approved and adopted by the California Transportation Commission.

United State Code (U.S.C.) - The U.S.C. is the codification by subject matter of the general and permanent laws of the United States. Title 23 relates to Highways.

Value Engineering Analysis (VA) - The systematic process of review and analysis of a project during the concept and design phases, by a multi-disciplined team of persons not involved in the project. For local HBP projects, a VA must be done when ~~either~~ the [estimated total project cost is R/W or construction phase exceed \\$40 million or more of federal funds](#). [This applies to both NHS and non-NHS HBP projects. See LAPM Chapter 12: Plans, Specifications, & Estimate \(Section 12.5\) for further procedures.](#)

Voluntary Seismic Retrofit Program - Self-funded seismic analysis calculations that shows a potential for collapse of the bridge under a maximum credible earthquake. If Caltrans determines that the bridge is susceptible to collapse under a maximum credible earthquake the project may be eligible for HBP funding. ~~The analysis must have Caltrans concurrence for collapse potential.~~

Acronyms and Descriptions

The acronyms table is a compilation of the acronyms that you will find throughout the guidelines.

Table 6-1: Acronyms

Acronyms	Description
AASHTO	American Association of State Highway and Transportation Officials
ADT	Average Daily Traffic
BIC	Bridge Investment Credit
BIR	Bridge Inspection Report
CTC	California Transportation Commission
CCO or CO	Construction Change Order or Change Order (terms used interchangeably)
CE	Construction Engineering
CFR	Code of Federal Regulations
CON	Construction
DES	Division of Engineering Services
DLAE	District Local Assistance Engineer
E-76	Electronic Authorization to Proceed
EPSP	Expedited Project Selection Procedures
FAST	Fixing America's Surface Transportation Act
FHWA	Federal Highway Administration
LBSRP	Local Bridge Seismic Retrofit Program
LPA	Local Public Agency
MPH	Miles Per Hour
MPO	Metropolitan Planning Organization
MASH	Manual for Assessing Safety Hardware
NBIS	National Bridge Inspection Standards
OA	Obligation Authority
OFP	Office of Federal Programs
OPI	Office of Project Implementation (North & South)
PM	Preventive Maintenance
PS&E	Plans, Specification and Estimate
RFA	Request for Authorization
RTPA	Regional Transportation Planning Agency
R/W	Right of Way
SEP	Senior Environmental Planner
SI&A	Structure Inventory and Appraisal
SLA	Structure Local Assistance
STBGP	Surface Transportation Block Grant Program
TL	Test Level

HBP Website

The HBP website provides information and references for local bridge owners. The website contains training opportunities, links to LPA bridge list, the HBP FTIP/FSTIP Program Lists, various reports, as well as the HBP and BPMP guidelines. The HBP website can be accessed at: <https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/highway-bridge-program>

Eligibility Requirements for HBP Funds

To be eligible to receive HBP funds, a bridge must be owned and maintained by a California LPA, be open to public travel, in the NBI, ~~be in poor condition structurally deficient and have a SR less than or equal to 80~~, be seismically vulnerable, scour critical or have a PCI below 70%. The information must be obtained from the most current BIR at the time of the application submittal. If the LPA needs to obtain a copy of a BIR, they must contact their DLAE.

Applying for HBP Funds

The steps to initiate and develop an HBP project are discussed throughout this chapter. The LPA must be knowledgeable about their bridge inventory and utilize an asset management system to prioritize their bridges for inclusion into the HBP or BPMP.

LPAs that have executed or have the authority to execute State/Local Federal-Aid Master Agreements with Caltrans may apply for HBP funds. Federal funds provided under these guidelines may only be spent on bridges carrying public highways (including local streets and roads) not included in the State Highway System and not owned by Caltrans.

The federal/local reimbursement ratios for all new HBP projects will be revised to 80%/20% for on-federal aid system projects and 88.53%/11.47% for off-federal aid system projects. This applies to projects that do not yet have an authorization to proceed in the PE phase by March 30, 2021.

The following is an overview of the process:

1. The LPA should contact the DLAE to review the program requirements. The DLAE may schedule an optional pre-field review meeting and coordinate with SLA as needed.
2. The LPA sends an application, [LAPG 6-A: HBP Application/Scope Definition](#) for HBP funds or a BPMP plan list and certification letter for preventive maintenance funds to the DLAE.
3. The DLAE reviews the application package for minimum requirements, makes recommendations, and forwards copies of the application to HBP Managers and to SLA.
4. HBP Managers will review the candidate project. If it is eligible, the candidate project will be added to the next project prioritization list. HBP Managers will notify the DLAE if the project will be prioritized. If the candidate project is not eligible, the DLAE will be notified. The prioritization list is generated on a 2-year cycle, in even numbered years.
5. Once all new eligible candidate projects are prioritized, the funding cutoff is determined for separately on system and off system projects. The prioritized lists are taken to the Committee for the funding cutoff determination for each list. The projects above the cutoff will be accepted into the HBP. The projects below the cutoff will be returned to the DLAE. The LPA must update the application and re-apply for the next 2-year prioritization cycle, except functionally obsolete or low water crossings submitted before October 1, 2016. The LPA must notify Caltrans, in writing by June 30 of even numbered

any denial of funds to the LPA or an action on the part of Caltrans that delays the construction authorization of a local HBP project.

The DLAE is to coordinate Caltrans internal activities for local assistance projects. The DLAE is proactive in ensuring that LPAs are aware of HBP scoping issues and offering help to resolve those issues. The DLAE is to utilize the HBP Managers, Office of Project Implementation, SLA, District geometricians, District R/W and Environmental experts, and be familiar with the standards and AASHTO references identified in [LAPM Chapter 11: Design Guidance](#).

The DLAE is also responsible for ensuring that LPAs are aware of all Caltrans services available to LPAs that can improve the quality and timely delivery of HBP projects.

For current names, addresses, and email addresses, see the DLAE [website](#).

Caltrans, Structures Local Assistance

SLA provides and coordinates technical services related to bridge projects in the areas of field reviews, feasibility studies, cost estimation, inspection, design, analysis, construction, consultant selection and contracting, including expertise in explaining these program guidelines. SLA works directly with LPA staff and HBP managers after coordination with the DLAE. However, all Caltrans correspondence to LPAs is transmitted through the DLAE.

Project delivery is streamlined with SLA involvement. SLA may assist the LPA in making sure the project is scoped appropriately and meets the current design guidelines. SLA will work with HBP managers to determine eligibility of the project. SLA comments are cursory in nature and the LPA must determine if they need to be implemented. SLA reviews are intended to assist the LPAs to make sure that their projects meet the current design guidance and standards. It is under the discretion of SLA to determine what Caltrans functional units need to review the project documents. Seismic safety projects must follow the guidance outlined in Section 6.3 Local Seismic Safety Retrofit.

SLA, at the request of the DLAEs, is responsible for working with LPAs in promoting the HBP and helping LPAs identify deficient bridges. SLA, in this function, must also promote the above mentioned services to improve the quality and timely delivery of local HBP projects.

~~Note: When SLA receives questions regarding bridge inspections, SLA may forward the questions to the appropriate bridge inspection engineering staff (either Caltrans staff or LPA staff authorized to inspect bridges).~~

Caltrans, Office of Federal Programs

HBP Managers work in this office and this office is responsible for:

- Prioritizing new HBP applications according to policy
- Programming funds for eligible LPA projects
- Approving special costs identified in [LAPG 6-B: HBP Special Cost Approval Checklist](#)
- Managing the statewide Local HBP apportionment fund balance
- Establishing program policy and procedures to maximize the use of federal funds and comply with federal requirements
- Working with the DLAE and SLA to resolve difficult project related policy and eligibility issues

- Conducting program reviews to determine LPA compliance with federal and State laws, regulations, and policy
- Managing High Cost Bridge Projects and Mid-Level Cost Bridge Projects

Caltrans, Office of Project Implementation (North and South)

These offices are responsible for the actual authorization of federal funds and the development of program supplemental agreements on projects processed by the DLAE.

It is the responsibility of these offices to ensure that federal funds are authorized on projects in compliance with the LAPM. The OPI relies on information provided by the HBP Managers and the DLAE regarding the amount of participating HBP funds on a project. Funds authorized on a project must not exceed amounts programmed in the HBP lists.

6.3 Reimbursable Project Scopes

LPAs developing HBP projects are required to ensure their projects are cost-effective and that the project scope address the bridge deficiencies. The HBP funds mandated inspections of local NBI bridges. The result of the inspections is a BIR that is sent to the local bridge owner. These BIRs inform the owner the condition of their bridges and any deficiencies that may be addressed. The following project scopes participating under the HBP are bridge inspection, seismic retrofit, rehabilitation, replacement, painting, scour countermeasure, and preventative maintenance.

The HBP is a safety program to help LPAs with funding to keep their highway bridges in good condition. The HBP requires that all potential projects begin as rehabilitation or BPMP projects. Subsequent reviews of specific deficiencies will establish the eligible scope, whether its preventative maintenance, rehabilitation, or replacement.

Bridge Inspection Program

The Bridge Inspection Program is a federally mandated program established under 23 USC 144(b), 23 USC 144(d), and 23 USC 151.

The intent of the program is to:

- Establish an inventory of bridges carrying public highways
- Help LPAs manage their bridges
- Identify **structural** safety problems related to bridges

Generally, each bridge in the State carrying a public highway that has a minimum span greater than 20 feet is inspected every two years. Caltrans maintains the master bridge inventory for the State. Whenever a bridge is inspected, the owner is sent a bridge inspection report that discusses the health of the bridge including work recommendations. The BIR does not address the seismic vulnerability of the bridge. It does discuss the integrity of seismic safety items installed on bridge. For example, the BIR will discuss the condition of seismic restrainer cables but will not address if they are needed. The report also includes an SI&A sheet. The SI&A sheet provides all the detailed ratings required by federal law. These detailed ratings are sent to FHWA every year. ~~Bridge inspection reports dated on or after 5/1/2018 are no longer flagged as SD on the inspection report.~~

LPAs may request copies of the bridge inspection reports from the DLAE, SLA, or HBP managers. LPAs that inspect their own bridges should work with their own inspection departments to acquire the reports.

Local Bridge Seismic Retrofit Program

The purpose of this program is to address local bridge seismic concerns of publicly owned bridges that may be in danger of collapse under a maximum credible earthquake. There are two types of seismic retrofit projects, mandatory and voluntary.

The 1989 Mandatory Seismic Safety Retrofit program is a predetermined finite list of projects established under the Prop 1B funding program. The funds for these projects are a combination of HBP and Prop 1B as the local match. New projects cannot be added to this list. LBSRP projects not included in the 1989 Mandatory Seismic Retrofit program are considered voluntary.

LPAs may perform self-funded seismic analysis to show a vulnerability of collapse under a maximum credible earthquake. The results of this analysis can be submitted to Caltrans for review and determination of acceptance into the voluntary seismic retrofit program. If Caltrans concurs with the analysis, a voluntary seismic retrofit project may be **eligible for programming programmed** under the HBP. Once the voluntary seismic retrofit project is programmed, the process is identical to the Prop 1B retrofit projects. The local match of voluntary seismic retrofit projects is not eligible for Prop 1B funds.

Bridge Rehabilitation and Replacement

~~All bridge projects must either be BPMP or rehabilitation requesting inclusion into the HBP program. Bridges must be rated poor with an SR \leq 80 to be eligible candidates for rehabilitation or replacement.~~ All projects requesting inclusion into the HBP program as a rehabilitation or replacement project ~~will~~ **must** complete a LAPG 6-A with the scope of work as rehabilitation. **Bridges must be rated in poor condition to be eligible candidates for rehabilitation or replacement.** All deficiencies of the bridge must be reviewed to determine the project scope. The LPA must indicate if the preferred scope of work is replacement even though all projects initially are scoped as rehabilitation. The HBP managers will program the appropriate scope of work and may use SLA, District, and LPA input to help with that determination. In cases where replacement is self-evident, a detailed cost analysis may not be required. The work to produce a cost analysis is not HBP eligible unless approved by HBP Managers. The HBP will only fund projects at the most cost-effective solutions. HBP managers may approve special cases where the selected alternative is not the most cost-effective.

The LPA should consider BPMP to keep their bridges in good condition. For example, even though a bridge is eligible for rehabilitation, there may be cases where the prudent scope of work is BPMP. On a case by case basis, HBP managers may determine that the eligible scope of work for a bridge rehabilitation project is BPMP.

The HBP managers will notify the DLAE after a determination has been made whether rehabilitation or replacement scope of work is HBP eligible. If the determination that replacement is the appropriate scope of work, the HBP managers will request that a new LAPG 6-A be submitted.

Rehabilitation funding is for major reconstruction of a bridge to meet current standards anticipating the transportation needs for a minimum of 10 years into the future. The development of a rehabilitation project must correct major deficiencies which may include structural problems, load capacity improvement, bridge deck replacement, seismic deficiencies,

3. Correcting major deficiencies on a bridge is not a requirement of a scour countermeasure project. If the bridge is eligible for rehabilitation or replacement it must be considered prior to the development of a scour countermeasure project.
4. Scour countermeasure projects utilizing HBP funds must be designed to HEC-23 and SM&I must be able to change the NBI 113 code to 4 or greater.

Bridge Preventive Maintenance Program

The purpose of program is to help LPAs fund bridge preventive maintenance work to keep their bridges in good condition. There are specific requirements for the LPA to request funding for BPMP projects, but the total cost of the proposed work needs to exceed \$100,000 for programming purposes. The BPMP has separate guidance that can be found on the HBP website that layout the requirements and timelines for submittal. Once programmed, BPMP projects follow the policy found in this chapter. See [BPMP Guidelines](#) for preventive maintenance requirements and eligibility.

6.4 Eligible Costs

Participating Cost Limits

To ensure the purpose of the HBP is being fulfilled by LPA projects, certain costs and types of work have participation limits. These limits apply to all projects funded under this chapter. See [LAPG 6-B: HBP Special Cost Approval Checklist](#) for a summary of participating costs that require specific HBP Manager approval.

Approach Roadway Work

Federal participation for approach roadway must be limited to the minimum necessary to make the facility operable **consistent with current design standards**. The approach roadway length is measured from the bridge abutment to the touchdown on the existing roadway alignment. The approach length from each abutment in excess of 200ft for on federal-aid system projects and 400ft for off federal-aid system projects requires advance approval by the HBP Managers. The HBP eligible approach roadway width will match the HBP eligible bridge width.

The following quote from the CFR identifies work that is not eligible for participation under the HBP:

23 CFR 650.405(2)(c) Ineligible work. Except as otherwise prescribed by the Administrator, the costs of long approach fills, causeways, connecting roadways, interchanges, ramps, and other extensive earth structures, when constructed beyond the attainable touchdown point, are not eligible under the bridge program.

Preliminary Engineering Costs

HBP funds may not be used for general feasibility or general transportation corridor planning studies even if federally deficient bridges are on a corridor being studied for improvement. HBP participation in PE is for the development of specific HBP projects where the LPA is required to deliver a construction project.

Typical PE costs are 15-18% of bridge construction costs and Federal participation of total PE costs is limited to actual costs up to 25% of the estimated participating construction cost excluding construction engineering and contingency. Participation beyond 25% must be approved by the HBP Managers.

Minimum AASHTO Standards and NACTO Guidelines

HBP eligibility is based on minimum AASHTO standards and NACTO guidelines. Exceeding either of these is not HBP eligible. NACTO guidelines are typically used in urban environments and should not increase the eligible width or length of bridge projects.

Where proposed design solutions exceed AASHTO's A Policy on Geometric Design of Highways and Streets, the Guidelines for Geometric Design of Low-Volume Roads, NACTO's Urban Street Design Guide, or NACTO's Urban Bikeway Design Guide, the associated extra costs are not HBP participating. Minimum standards may be exceeded based on intermodal transportation considerations, serviceability issues, and good geometric design practice, but are not HBP eligible. These limits of eligibility apply to all phases of work.

Establishing Bridge Geometrics

Many areas of California are experiencing population growth and are demanding more diverse modes of transportation. Major capital projects such as bridge rehabilitation and replacement projects can involve difficult environmental problems and expensive construction. For this reason, it is important that LPAs properly plan their bridge projects from a transportation facility point of view rather than a replace in kind approach or simply rehabilitate a bridge using current ADTs.

LPAs need to work closely with their RTPA and/or MPO and consult AASHTO's A Policy on Geometric Design of Highways and Streets or the Guidelines for Geometric Design of Low-Volume Roads to ensure that their bridge rehabilitation and replacement projects will meet their needs. The design future ADT is 20 years at the completion of the project.

Bridge geometrics must be established based on future ADTs, but may also be based on other appropriate transportation planning studies involving Design Hourly Volume analysis or other rational analysis. In many cases RTPAs have adopted transportation models that should be inputted to the geometric design of new or rehabilitation bridge projects.

HBP One Lane Bridge Policy

The cost of rehabilitating one lane bridges or the new construction of one lane bridges may not be HBP participating. ~~The project must raise the bridge's sufficiency rating to greater than 80 and the bridge must not be in poor condition.~~ The bridge must not be in poor condition upon completion of the project.

Decisions based on cost-effectiveness or in the public interest of historic structures must be approved by the HBP Managers. Even when this flexibility is exercised, design decisions must be approved by the LPA in accordance with Chapter 11 of the LAPM.

Special Circumstance: Historic Bridge

A bridge that is registered or eligible to be registered in the National Register of Historic Places is exempt from the requirement that all geometric deficiencies be corrected. LPAs may consider "replacing" the historic bridge with a new bridge on the same corridor with minor roadway realignments. See Section 6.4 of the HBP Guidelines for more information.

It is strongly encouraged that historic bridges be brought up to current load capacity design standards. Where increasing the load carrying capacity of a historic bridge impacts the historic characteristics of the bridge, the scope of the rehabilitation project need only bring the bridge to as-built design standards, provided that public safety is not compromised.

Application Period

For all projects other than those considered High Cost Bridge Projects, applications will be accepted on a continuing basis. High Cost Bridge Project requirements are discussed in Section 6.7: Project Programming Policy and Procedure.

Application Requirements

The following information must be included in an HBP application package:

1. A cover letter from the LPA requesting that Caltrans program the project.
2. The HBP Application form, [LAPG 6-A: HBP Application/Scope Definition](#), and attachments must be complete. LPAs needing help with the application should contact the DLAE.
3. [Exhibit 7-B: Field Review Form](#) and [Exhibit 7-C: Roadway Data](#) from [LAPM Chapter 7: Field Review](#). The LPA should fill out only known data.
4. Applications for High Cost Bridge Projects will only be accepted by the DLAE after a solicitation for candidates has been transmitted from HQ to the DLAE's, then to LPAs.

The DLAE is responsible for ensuring the application package meets the requirements prior to forwarding it to the HBP Managers. The DLAE must identify any potential difficulties and provide recommendations.

Optional SLA Review of Application

The HBP Managers or DLAE may request SLA review of a project. This level of oversight is consistent with LAPM Chapter 7, which places the responsibility of project scoping on the LPA. ~~LPAs requesting optional technical support for project scoping may request an optional field review in the application.~~ The level of service provided by Caltrans will be dependent on available staffing.

When HBP Managers request SLA to review an application or scope change, a request for construction authorization must not be processed by the DLAE until SLA's review is complete. At the discretion of the HBP Managers, PE authorization may be withheld pending the results of the SLA review.

SLA must notify the DLAE and the HBP Managers of any findings as a result of the application review. The HBP Managers will also notify the DLAE and SLA of the status of the application package. Any issues raised need to be resolved by the LPA, SLA, the DLAE, District R/W or the District Environmental Reviewer. The DLAE is responsible for the coordination of the resolution of issues raised.

After the project is programmed, the DLAE will initiate the field review if required by [LAPM Chapter 7: Field Review](#), if it has not yet taken place. Field reviews should be scheduled to include the appropriate technical staff.

Project Prioritization Policy

The NBI coding from the BIR will be used to prioritize new applications. The prioritization below will be used to determine programming priorities for developing financially constrained HBP lists. The priority established will determine when the PE phase of new projects will be programmed. New projects will only be available for programming into the last two years of a new FSTIP cycle.

The lowest priority number is the highest priority.

PRIORITY 1:

Seismic retrofit projects and Scour countermeasure projects or rehabilitation and/or replacement of scour critical bridges (NBI Item 113 ≤ 2).

PRIORITY 2:

Bridges that have major structural deficiencies causing the bridge to be posted or closed. The NBI Item 41 Structure Open, Posted, or Closed to Traffic will be utilized to determine the sort order. The sort will be:

1. K = bridge closed to traffic
2. D = bridge open, would be posted or closed except for temporary shoring
3. P = bridge posted for load
4. R = bridge posted with restrictions not load.

PRIORITY 3:

Bridge Preventive Maintenance Plan Projects.

PRIORITY 4:

Scour countermeasure projects or rehabilitation of scour critical bridges (NBI Item 113=3).

PRIORITY 5:

Projects that are eligible for replacement or rehabilitation. ~~Structurally Deficient with a sufficiency rating less than 50.~~

PRIORITY 6:

~~Projects that are eligible for rehabilitation. Structurally Deficient with a sufficiency rating 80 or less.~~

PRIORITY 6:

Projects that are Functionally Obsolete with application dated prior to October 1, 2016.

PRIORITY 7:

Low water crossing projects with application dated prior to October 1, 2016.

Each of these 7 priorities, may have two additional levels of prioritization within each priority depending upon the number of projects in each priority.

The second level of prioritization will be based upon the length of bypass or detour, in miles. This is documented in NBI Item 19. The detour length will be ordered longest to shortest.

The third level of prioritization will be based upon the future ADT on the route. This is documented in the NBI Item 114. The Future ADT will be ordered highest to lowest.

6.7 Project Programming Policy and Procedure

Policy

This policy and procedure provide details for compliance with the FSTIP regulations and CTC Policy. The CTC policy is to maximize the use of federal HBP funds. CTC Resolution LBS1B-G-

- c. To avoid delivery failure, by February 1 LPAs must either submit an RFA or notify Local Assistance of an anticipated project delay.
- d. When an agency requests additional funding for an authorized phase, the funds must be obligated in the year programmed. If the LPA does not request the additional funding in the year programmed, it is considered a delivery failure and the funding will be moved to the last year of the FSTIP in the October updates. Project phases that fail to deliver will be required to wait until April 1 to advance the funding.
- e. If LPAs fail to deliver the R/W or CON phase of a project as programmed, the phase will be moved to the last year of the FSTIP and will be required to wait until April 1 to advance the funding.

2. Delivery Management

- a. Metering of the new projects will give the LPA, at a minimum, a 2-year notice of the available project start date. LPAs must authorize the PE Phase in the year programmed. Projects that fail to authorize PE, will have the project removed from the program. Re-application into the program will be under current guidelines.
- b. LPAs that have projects with PE over 10 years, with or without an approved time extension, will not have new bridge projects programmed.
- c. LPAs with HBP projects at PE greater than eight years are required to submit a detailed status report with the annual HBP status.
- d. LPAs with a project that has NEPA clearance for more than five years and R/W certification is not complete or construction authorized, will not be allowed to add new HBP projects to the program.

Exceptions to the above will require approval from HBP Managers. Projects will be evaluated regarding Project Delivery Policy during the annual HBP status. Data is processed at the end of the federal fiscal year.

Project Ranking Policy for Construction Programming

Subject to budgetary constraints, the PE phase for eligible projects is programmed only in one of the two new years of a new FSTIP cycle to facilitate the development of new projects.

Also subject to budgetary constraints, the R/W phase for eligible projects is programmed in the last year of the FSTIP. Funding for the R/W phase may be advanced to the year requested once full compliance with the provisions of NEPA has been documented and approved by Caltrans.

The ranks below will be used to determine funding priorities of the construction phase for developing financially constrained HBP program lists. After projects are ranked and funds programmed, Caltrans submits the financially constrained program lists to the MPOs for inclusion into the FSTIP.

The lowest number rank is the highest construction priority. Within each rank, projects are sorted by the NBI **SR condition rating** to reflect the general condition of the bridge. The lowest **SR condition rating** is the highest priority. This means that lower priority projects will have PE and R/W funded even though construction may be pushed out of the 4-year element of the FSTIP. When these projects are ready for construction authorization, the ranking system will allow these projects to receive a high priority for construction programming within updated statewide program lists.

currently programmed projects from LPAs. Schedule information provided from the status may be incorporated into the program lists. Failure to provide status may result in project cancellation. The programming as provided in the financially constrained lists provided to the MPOs may have different funding in a different federal fiscal year than requested by the LPA in the status. The financially constrained program lists are based upon the Rank Policy.

The annual status must not result in cost or scope changes to projects. If there are scope changes, a submission of a LAPG 6-A may be necessary. There are times the scope can be changed without the use of the LAPG 6-A, contact with the DLAE may be needed to determine if the LAPG 6-A is necessary. If there are cost increases to a phase or phases of existing projects, the submission of a LAPG 6-D is required.

High Cost Projects Programming Policy

To ensure that HBP funds are made available throughout the state on a fair and equitable basis, in compliance with federal regulations, high cost projects have additional programming policy. It has been demonstrated that a high cost project commits large sums of federal funds but cannot spend the funds in one year due to LPA contract processes, time to mobilize the contractors and the time it takes to construct a large project. These idle federal funds could be used to advance other projects. Cash management of high cost projects is critical to effective stewardship of the local HBP. The HBP Managers will identify the high cost projects and through the DLAE, will contact the project sponsors to explain the policy.

High cost bridge projects with R/W or construction totaling over \$50 million require a scoping document to be accepted into the HBP. The scoping document must be paid for by the LPA and it is not HBP eligible. The scoping document must consist of 30% plans and estimate design package developed by the LPA. Funding for high cost bridge projects over \$50 million of R/W or construction is limited to the 30% estimate. Project sponsors must present a justification to the Committee and the Committee must recommend programming beyond the 30% estimate. Programming for high cost bridge projects is capped at \$50 million of R/W or construction if the scoping document was not done at the time of original programming.

New high cost bridge projects accepted into the HBP with a R/W or Construction phase totaling over \$80 million programmed into the HBP are subject to a decreasing reimbursement rate and a total phase cap of \$250 million. The HBP participating phase reimbursement rate will be determined using a straight-line approach from \$80 million to \$250 million.

The reimbursement rate incrementally decreases in relation to the increase in total participating phase costs. This will yield diminishing HBP reimbursement amounts in relation to the increase in total participating phase costs which results in a reimbursement rate varying between 80% to 50% for On System projects and 88.53% to 58.53% for Off System projects. A graphical representation of the policy is shown in Figures 6-1 and 6-2.

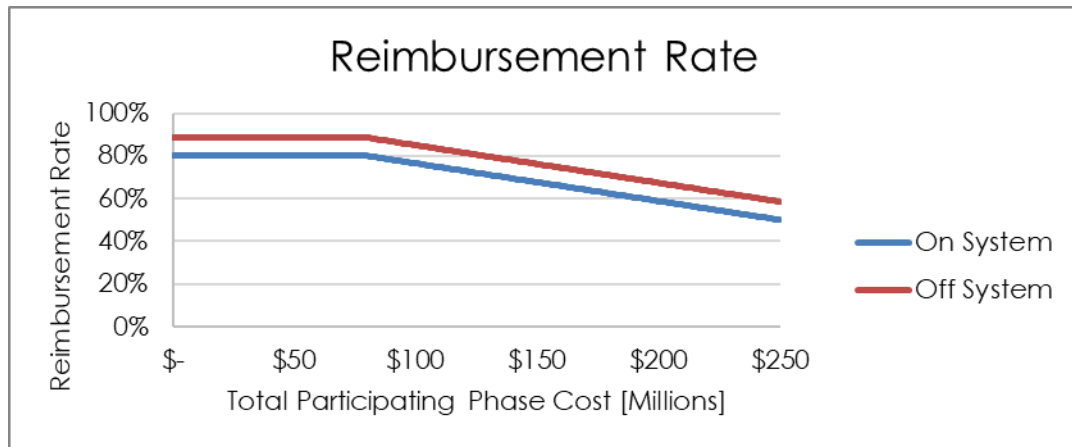


Figure 6-1: HPB Reimbursement Rate vs. Participating Phase Cost

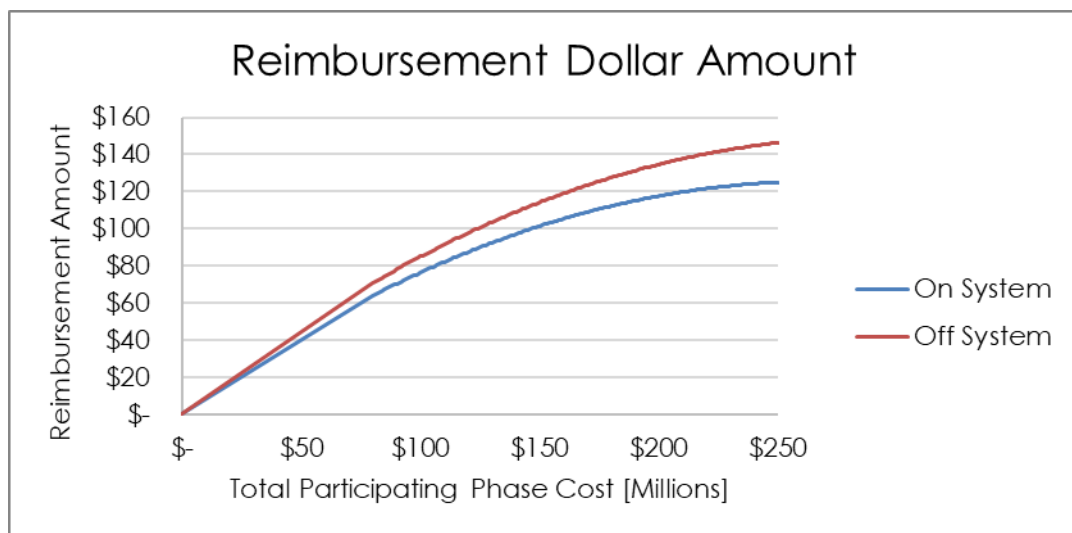


Figure 6-2: HBP Reimbursement Amount vs. Participating Phase Cost

Projects with total participating R/W or Construction costs below \$80 million will maintain the existing federal reimbursement rate as stated in LAPG Chapter 6, Section 6.1. The reimbursement rate will decrease by 0.1765 for every \$1 million of phase increase above \$80 million to \$250 million. The equations for this decrease by functional classification are:

- On System: Reimbursement Rate = $80 - 0.1765 \times (\text{phase cost} - 80)$
- Off System: Reimbursement Rate = $88.53 - 0.1765 \times (\text{phase cost} - 80)$

In the above equations, “phase cost” is in units of million dollars and the reimbursement rate is in percentage. For example, an On System phase cost of \$85 million yields a reimbursement rate of $79.12\% = 80 - 0.1765 \times (85 - 80)$.

The HBP reimbursement amount is the product of the calculated reimbursement rate and the total participating phase cost. All projects will be capped at a \$250 million amount of total participating costs for the high cost phase, which results to a maximum of \$125 million of HBP contribution for On System projects and \$146.33 million for Off System projects.

The following tables provide examples for On and Off System reimbursement rate calculations:

Table 6-3: On System Calculation Examples

Example Number	Participating Phase Cost, \$ Million	Reimbursement Rate Calculation	Reimb. Rate, %	HBP Reimb. Amount, \$ Million	Local Match Amount, \$ Million
1	25	N/A	80	20	5
2	80	N/A	80	64	16
3	100	$=80 - 0.1765 \times (100 - 80)$	76.47	76.47	23.53
4	250	$=80 - 0.1765 \times (250 - 80)$	50	125	125
5	300	N/A	N/A	125	175

Table 6-4: Off System Calculation Examples

Example Number	Participating Phase Cost, \$ Million	Reimbursement Rate Calculation	Reimb. Rate, %	HBP Reimb. Amount, \$ Million	Local Match Amount, \$ Million
1	25	N/A	88.53	22.13	2.87
2	80	N/A	88.53	70.82	9.18
3	100	$=88.53 - 0.1765 \times (100 - 80)$	85	85	15
4	250	$=88.53 - 0.1765 \times (250 - 80)$	58.53	146.33	103.67
5	300	N/A	N/A	146.33	153.67

Once reimbursement rates for project phases are determined, they cannot be changed. The HBP reimbursement rate of a high cost R/W phase will be determined at time of R/W authorization. The HBP reimbursement rate for a Construction phase will be determined at contract award.

When a high cost project phase is ready to be programmed in the 4-year element of the FSTIP, the LPA will notify the DLAE and discussions on programming the phase will begin.

- A funding commitment letter will be issued when a high cost phase of work needs to be programmed in the 4-year element of the FSTIP or as needed for an FHWA Project Financial Plan. NEPA and/or R/W clearance along with status of the PS&E package will play a role in determining the need for the funding commitment letter.
- The HBP Managers will issue a funding commitment letter, [Exhibit 6-E: Sample Funding Commitment Letter](#), and associated funding sheet, [Exhibit 6-F: Sample Funding Sheet for Commitment Letter](#), to the LPA for a high cost project that commits the Department, subject to state and federal budget legislation and other limitations, to specify HBP in the FSTIP over a multiple year period. The Department will program the HBP funds in the FSTIP after the LPA executes the AC Commitment Block included in Exhibit 6-E.
- LPAs will need to secure the availability of local funds (budget authority) to back the AC commitment.
- LPAs that cannot obtain a source of local funds for AC will not have R/W or construction programmed within the 4-year element of the FSTIP using HBP funds. These LPAs may appeal this policy and request a meeting with the Department for review the specific situation. Members of the Local Assistance HBP Committee representing the League of California Cities and the California State Association of Counties may be invited to the

- SLA
- DLAE

The designer or project engineer is expected to have performed the diagnostic analysis using the appropriate static and dynamic analysis, summarized the condition of columns, restrainers/hinges and abutments, and a proposed solution prior to scheduling a strategy meeting. The designers should be prepared to discuss solutions considered and reasons for rejection of alternatives. At a minimum, a General Plan employing a legend of retrofit work and location of work, along with a table outlining the controlling design ductility ratios, should be presented. Additional tables and proposed details may be necessary.

The following materials are required for the Mandatory Strategy Meeting:

- Draft Strategy Report, including the General Plan, ~~Sufficiency Rating~~, as-built plans, photographs, and an estimate of costs (capital and engineering). These materials must be submitted to the DLAE. The DLAE must forward the package to SLA two weeks prior to the scheduled strategy meeting.
- Any plans or reports pertinent to the proposed work such as utility layout, right-of-way maps, etc.

The strategy meeting should result in a consensus regarding the acceptable analysis and retrofit approach should be reached by the strategy meeting attendees. Additional strategy meetings should not be necessary if all the information noted above is provided prior to and during the meeting. The conclusions reached must be outlined and summarized by the agency responsible for seismic design in strategy meeting minutes and documented in the Final Strategy Report. A copy of the minutes must be sent to all attendees. A copy of the Final Strategy Report will be kept on file in SLA.

Mandatory PS&E Review for Local Seismic Retrofit Projects

PS&E reviews at 100% completion are required for all LBSRP projects. SLA will perform a cursory review of the 100% PS&E package of all seismic retrofit projects for concurrence with the Final Strategy Report. Concurrence must be in the form of a memorandum initialed by SLA and may include advisory comments.

Cost/Scope/Schedule Changes

If a cost/scope/schedule change occurs, the LPA must notify the DLAE immediately of the changes. A cover transmittal letter must be sent to the DLAE with the following attachments:

- An updated application with attachments, if there is a major scope change; LPAs should contact the DLAE for advice on whether an updated application is needed.
- A cost/scope/schedule change form ([LAPG 6-D: Scope/Cost/Schedule Change Request](#)).

The DLAE will forward copies of the scope change request package to the HBP Managers and SLA. The HBP Managers and SLA will process the package the same way a new project application is handled.

LAPG C.25 STATE PROGRAMS FOR LOCAL AGENCY PROJECTS

LAPG C.25 State Programs for Local Agency Projects

Section / Exhibit	Description of Changes
Section 25.3 Funding	<ul style="list-style-type: none">• Added language regarding non-proportional spending at the beginning of the section; removed duplicate information from subsequent sub-sections.

general-purpose lanes. In addition, the benefits and impacts of the eligible and ineligible components must be clearly separated and defined in the application. Further, if the project is programmed in the SCCP, the recipient agency must track and report project benefits for both components, including the reporting of the net overall project benefits/impacts.

- Projects on railroad corridors that do not serve passenger rail are **NOT** eligible for funding.

Beginning with the 2022 Program, all projects nominated for SCCP must be included in a comprehensive multimodal corridor plan. The comprehensive multimodal corridor plan must be prepared consistent with the approved [Comprehensive Multimodal Corridor Plan Guidelines](#).

25.3 Funding

Article XIX of the California Constitution permits the use of State revenues in the State Highway Account (SHA) only for State highways, local roads, and fixed guideway facilities. Proposition 1B authorized the issuance of \$19.925 billion in State general obligation bonds for specific transportation programs such as TCIF, SLPP and TLSP. Created by SB 1, the Road Maintenance and Rehabilitation Account provides funds to and/or augments many State programs, which include STIP, ATP, LPP, TCEP, and SCCP.

Where required in the program guidelines, matching funds must be applied in accordance with this section. For purposes of calculating the required match, funds that are not allocated by CTC will be counted towards the match, with exception of State Transportation Improvement Program funding. See STIP guidelines for more details on matching funds. See LAPM Chapter 3: Project Authorization for match types and requirements. Costs incurred prior to project adoption will not be counted towards the match. The matching funds must be expended concurrently and proportionally on the project component programmed with respective program funds, except for project components that have been approved for non-proportional spending by the Commission. For projects receiving federal funds, the non-proportional spending must be approved by the FHWA prior to allocation.

25.3.1 State Transportation Improvement Program (STIP)

STIP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
5 years	SHA, PTA	PA&ED, PS&E, R/W, CON	11.47% for Federal funds	Local, Private and/or State	Yes

Funding Source

STIP is a biennial five-year plan program. The funding sources of STIP are the State Highway Account (SHA), which includes both state revenues and federal revenues, and the Public Transportation Account (PTA). Unless the fund estimate specifies otherwise, a region may propose, in its RTIP, projects to be funded from any of these funding sources, or a combination of them. The Commission will provide and calculate STIP county shares without regard to the individual STIP funding sources.

The STIP Program funds may be used for any capital project component: 1) Project Approval and Environmental Document (PA&ED), 2) Plans, Specifications, and Estimates (PS&E), 3) Right of Way (R/W), and 4) Construction.

Funding Distribution

STIP consists of two broad programs: the regional program funded from 75% of new STIP funding and the interregional program funded from 25% of new STIP funding. The 75% regional program is further subdivided by formula into county shares. County shares are available solely for projects nominated by regions in their RTIPs. The Caltrans ITIP will nominate only projects for the interregional program. Under restricted circumstances, an RTIP may also recommend a project for funding from the interregional share.

Planning, Programming, and Monitoring Funds (PPM): Section 14527 of the Government Code and the CTC STIP Guidelines allow the programming of up to 5% of the county share of STIP funds for project planning, programming, and monitoring activities by the regional transportation planning agency. Programming of these funds comes from county shares and can be programmed for each year of the STIP. Agencies will receive state-only funding for eligible PPM activities. Caltrans has prepared standard agreements for the distribution of these funds. Each agency receiving PPM funds is required to prepare a PPM work plan to be included as part of the standard agreement. Agencies are required to submit a final report of expenditures within 60 days from the completion of the PPM work plan. Planning agencies must request allocations and agreements for the upcoming year as they near completion of PPM expenditures for the current year.

Matching Requirements

CTC does not require a funding match for STIP. Since one of the funding sources of STIP is the Federal Highway Trust Fund, the federal government requires California provide an 11.47% matching funds to any federal STIP funding.

If an implementing agency does elect to supply matching funds to the federal funding, the source of the matching funds may be any combination of local, private, or state. The CTC STIP Guidelines allow a reserve of state funds in the STIP to provide matching funds for federal funds. These state-only funds are reserved from the regions' county shares for each year of the STIP. The reserves of state matching funds are available for any eligible federal projects that are also permissible under Article XIX of the California Constitution. The state-match amount must also be less than or equal to the required minimum nonfederal-match of federal participating costs. Since Timely Use of Funds rule applies, the RTPAs must monitor the allocation of the reserves each year to ensure that all reserves programmed have been allocated before the end of the fiscal year.

~~See LAPM Chapter 3: Project Authorization for match types and requirements. Costs incurred prior to project adoption will not be counted towards the match.~~

In the event of project cost savings, local contribution and STIP funds will be reduced proportionally. Matching funds may be proportionally adjusted before or shortly after contract acceptance to reflect any substantive change after construction completion.

Funding Restriction

In accordance with federal statutes and regulations, federal highway funds programmed for transit projects must be transferred from the Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA) for administration when the project or project component is ready to be implemented.

Except for project planning, programming, and monitoring, all STIP projects will be capital projects (including project development costs) needed to improve transportation in the region. Non-capital costs for transportation system management or transportation demand

Funding Source

The ATP is funded from federal funds, State Highway Account (SHA) and Senate Bill 1 (SB1) funds. Each ATP programming cycle will include four years of funding.

ATP Program funds may be used for any capital project component: PA&ED, PS&E, R/W and Construction, including Construction Non-infrastructure.

Funding Distribution

State and federal law segregate ATP into multiple, overlapping components. The ATP Fund Estimate must indicate the funds available for each of the program components. Consistent with these requirements, the ATP funds must be distributed among statewide selection, MPOs in urban areas, small urban and rural areas, and certified conservation corps including California Conservation Corps. For more details, see Section 6 (Distribution) of CTC's ATP Guidelines.

Leveraging Funds

CTC encourages applicants to leverage additional non-ATP funds for their projects. For Leveraging Requirements, see Section 8 (Leveraging Funds) of CTC's ATP Guidelines.

Matching Requirements

While CTC does not require a funding match for ATP, large MPOs administering a competitive selection process may require a funding match for projects selected through their competitive process. In addition, the federal government does require California provide an 11.47% matching funds to any federally funded ATP projects.

If an implementing agency does elect to supply matching funds to the federal ATP funding, the source of the matching funds may be any combination of local, private, or state. Federal Highway Administration (FHWA) funds may not be used to match ATP FHWA funds. Implementing agencies may use Toll Credits in lieu of non-federal funds, and when Toll Credits are used, MPOs and implementing agencies must identify the Toll Credits in the FTIP. For a federally funded ATP project providing less than the required 11.47% match, the project should be programmed by project phase, and:

- (1) show 11.47% of the federal ATP funds as Toll Credits, with the non-ATP, non-federal funds shown as non-participating; or
- (2) request Caltrans meet the 11.47% match requirement with a combination of the implementing agency's non-ATP funding and State-ATP (SHA or SB1) funding.

~~See LAPM Chapter 3: Project Authorization for match types and requirements. Costs incurred prior to project adoption will not be counted towards the match.~~

In the event of project cost savings, local contribution and ATP funds will be reduced proportionally. Matching funds may be proportionally adjusted before or shortly after contract award to reflect any substantive change in the bid compared to the estimated cost of the project.

State-Only Funding

Some of the funds in the ATP are federal funds. Projects must be federal-aid eligible unless the project is designated as "State-Only Funded" (SOF) at the time of programming. ATP projects that are not designated as SOF; and are (1) awarded as part of the Statewide and Small Urban and Rural competitions and (2) with capital construction values of \$1,000,000 or more in ATP funding must maintain federal eligibility. Since projects programmed in Quick-Build Pilot Program are relatively small, all programmed quick-build projects will be designated for state-

25.3.3 Local Partnership Program (LPP)

LPP Formulaic Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	PA&ED, PS&E, R/W, CON	1:1	Local, Private and/or State	Yes

LPP Competitive Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	CON	1:1	Local, Private and/or State	No

Funding Source

The LPP receives \$200 million annually from the Road Maintenance and Rehabilitation Account (SB1). New cycles will be programmed at intervals determined by CTC.

Funding Distribution

The Formulaic Incentive Funding of \$20 million will be set-aside each year from LPP, leaving \$180 million to be distributed 60% via Formulaic and 40% via Competitive. All taxing authorities eligible for formulaic funding will receive a minimum annual amount of \$200,000. CTC may adjust this minimum funding in future programming cycles.

To recognize new or renewed voter approved self-help efforts and to incentivize jurisdictions to pursue future sales tax measures, tolls, or fees, one-time incentive funding will be provided to jurisdictions that seek and receive voter approval of new or renewed sales tax measures, tolls, or fees, if those tax measures, tolls, or fees have a minimum period of ten years, are dedicated solely to transportation, and for sales taxes are equal to or greater than one quarter cent. Incentive funding amounts will be a minimum of \$200,000 and up to a maximum of \$5,000,000 for each jurisdiction. The incentive funding amount will be \$200,000 if the projected tax revenue is less than \$200,000. For jurisdictions that generate tax revenues above \$200,000, the incentive funding amount will not exceed \$5,000,000.

Matching Requirement

LPP requires at least a one-to-one match of private, local, federal, or state funds with the following exceptions:

- Taxing authorities with a voter-approved tax, toll, or fee which generates less than \$100,000 annually are only required to provide a match equal to 25% of the requested LPP- Formulaic funds and must be in the same phase as the LPP funds.
- For sound-wall only projects, the expenditure of local funds to complete PA&ED, PS&E, and R/W components may be used to meet the one-to-one match for the construction component.

~~For purposes of calculating the required match, funds that are not allocated by CTC will be counted towards the match, with exception of State Transportation Improvement Program funding.~~

~~See LAPM Chapter 3: Project Authorization for match types and requirements. Costs incurred prior to project adoption will not be counted towards the match.~~

The matching funds must be expended concurrently and proportionally on the project component programmed with LPP funds, except that the project component has been approved for non-proportional spending by the Commission. ~~For projects receiving federal funds, the non-proportional spending must be approved by the FHWA prior to allocation.~~

Funding Restriction

LPP-Formulaic funds may be used for any capital project component: PA&ED, PS&E, R/W and Construction. LPP-Formulaic projects must commence right of way acquisition or construction within ten years of receiving pre-construction funding through the LPP Program, or the implementing agency must repay the LPP funds. Repaid funds will be redistributed in the subsequent programming cycle.

A taxing authority may nominate an existing project for supplemental funding, if the project meets the requirements for the supplemental LPP-Formulaic funding. Refer to Section 3A (Funding Restrictions) of CTC’s LPP Guidelines.

LPP-Competitive Program will only fund the construction component of a project, and the program will only fund projects, or segments of projects that are fully funded, have independent utility, and will be ready to start construction by the timeframe provided in the CTC's LPP Guidelines.

- A project will be considered for funding if at time of adoption, the project has completed a project level environmental process in accordance with California Environmental Quality Act (CEQA) and, if the project is federalized, the National Environmental Policy Act (NEPA).
- A project will be considered for funding if at time of adoption, it has completed the final draft of a project level environmental document in accordance with CEQA and if applicable, NEPA. Environmental clearance must be completed within six months of program adoption.
- Funds will not be allocated without completed environmental process.
- The maximum request for LPP-Competitive funds is \$25,000,000 per project.

LPP- Competitive funds must not supplant other committed funds, and it will not participate in cost increases to the project. Any cost increases must be funded from other fund sources.

25.3.4 Trade Corridor Enhancement Program (TCEP)

TCEP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	PA&ED, PS&E, R/W, CON	At least 30%	Local, Private, Federal and/or State	No

~~For purposes of calculating the required match, funds that are not allocated by CTC will be counted towards the match, with exception of State Transportation Improvement Program funding.~~

~~See LAPM Chapter 3: Project Authorization for match types and requirements. Costs incurred prior to project adoption will not be counted towards the match.~~

The matching funds must be expended concurrently and proportionally on the project component programmed with LPP funds, except that the project component has been approved for non-proportional spending by CTC. ~~For projects receiving federal funds, the non-proportional spending must be approved by the FHWA prior to allocation.~~

Leveraging Funds

CTC encourages applicants to leverage Nationally Significant Freight and Highway Project Funds for their projects, and CTC will program up to 50% of the applicable regional corridor target to match a project that has been awarded federal funds in the 2020 Nationally Significant Freight and Highway Projects (INFRA Grant) program, if the project is eligible under TCEP. For Leveraging Requirements, see Section 7 (Leveraging Federal Discretionary Funds) of CTC’s TCEP Guidelines.

Funding Restriction

TCEP funds must not be shifted between programmed project components and must not supplant other committed funds. TCEP funds will not participate in cost increases to the project; any cost increases must be funded from other fund sources. For projects jointly nominated by Caltrans and a local agency, CTC expects the responsibility for payment of cost increases will be negotiated and agreed upon through a funding agreement between both agencies prior to nomination

Projects must commence right of way acquisition or actual construction within ten years of receiving pre-construction funding through TCEP, or the implementing agency must repay TCEP funds. Repaid funds will be made available for redistribution in the subsequent programming cycle.

Projects on the State Highway System and/or projects implemented by Caltrans require a Caltrans approved Project Initiation Document if requesting funds for PA&ED component, and a Caltrans approved Project Report for all other components.

Project nominations requesting funds for PA&ED component, will not be considered for funding for PS&E, R/W, or Construction in that program cycle. However, this does not preclude an entity from requesting TCEP Funds for another component in a future program cycle.

A project that is already fully funded or a project that requires private development approval or permits is not eligible for funding from TCEP.

25.3.5 Solutions for Congested Corridors Program (SCCP)

SCCP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	CON	No	N/A	No