

Check out
the video

Federal-aid Program Overview Project Delivery Key Actions in the Cradle to Grave Process

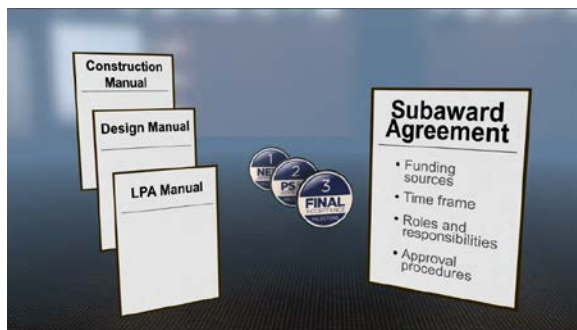
www.fhwa.dot.gov/federal-aidessentials

Agencies rely on subaward agreements and various policy manuals to meet important Federal-aid requirements



Most local public agencies, or LPAs, confidently follow State and local regulations when developing transportation solutions. On Federal-aid projects, they must also follow Federal regulations, which may generate questions.

To identify what your agency must do when working on a Federal-aid project, your State department of transportation, or State DOT, is required to prepare a subaward agreement.



Typically, a subaward agreement defines a project's funding sources, time frame, roles, and responsibilities of the LPA and State DOT, and approval procedures.

The subaward agreement also references policy and procedures manuals.

Let's see how two LPAs rely on the subaward agreement and various policy and procedure manuals to complete project milestones, including environmental requirements; plans, specifications and estimate, or PS&E; and project close out.

In our first example, the town of Desert View will use Federal funds to upgrade an existing "T" intersection. Desert View and the State DOT enter into a subaward agreement that references the LPA manual and supporting environmental and design manuals.



At the project's onset, the State DOT representative meets the city engineer and other team members at the project site.

During the introductions, the State DOT representative discovers that the city engineer is a consultant, not a city employee, and points out that the LPA manual requires a public employee be “in responsible charge” of the project. The group agrees that the city manager has the qualifications to be in responsible charge.

As they walk the site, the group finds a dry creek bed in the planned path of construction. They discuss some general approaches outlined in the environmental manual for addressing any environmental concerns.

The State DOT representative also reviews the design manual, including contract provisions required for Federal-aid projects, as well as the policy related to sidewalk ramps that comply with the Americans with Disabilities Act, known as ADA.



At the end of the meeting, the State DOT representative stresses that at each milestone, he will verify that the project is progressing in accordance with the subaward agreement and the referenced manuals.

As the project progresses and as required by the environmental manual, the Desert View team develops the intersection design and a culvert that minimizes impact to the creek bed. In accordance with the subaward agreement, various agencies review the plans, and the city manager submits a final recommendation to the State DOT. Federal Highway Administration, or FHWA, approval concludes the environmental phase.

The team follows the design manual to develop a PS&E package. The plans for the intersection detail a small concrete box culvert for the dry creek crossing and include ADA-compliant sidewalk ramps.

In addition to the material quality and traffic control specifications needed for this intersection improvement project, Desert View inserts the contract provisions required for Federal-aid projects, such as form FHWA-1273 and the Buy America specification.

The State DOT representative verifies that the PS&E package complies with the subaward agreement and concludes the milestone by authorizing the team to advertise for the construction contract.

In our second example, Sea Side County will add shoulders to three miles of a county road and upgrade drainage utilities.

This project's subaward agreement identifies Federal funds for 80 percent of the estimated construction costs, but none for the acquisition of additional right-of-way. The agreement also references the local public agency program manual and supporting right-of-way, design and construction manuals.

The Sea Side County team and the State DOT representative meet to discuss the project's management and spend most of the time determining how the various manuals will guide the project.

For example, according to the right-of-way manual, Sea Side County must follow Federal right-of-way procedures even though the county will not use Federal funds to acquire property.

According to the design manual, Sea Side County must insert additional Federal provisions into the specifications, such as Buy America and Form FHWA-1273.

And according to the construction manual, Sea Side County must comply with the Buy America policy by verifying that the cast iron manhole covers are manufactured in the United States. Additionally, the county must comply with the Davis-Bacon Act by verifying that project workers receive appropriate wages.



Before the meeting is over, the State DOT representative reviews the subaward agreement, including the approval processes at the PS&E and project closeout milestones.

The project advances according to plan, and the Sea Side County project manager submits the PS&E package to the State DOT representative for approval as agreed.

The State DOT representative verifies that the PS&E package includes the required Federal provisions and that Sea Side County followed the right-of-way manual when acquiring the right-of-way. With the milestone complete, he authorizes Sea Side County to advertise the project for construction.



During construction, the Sea Side County inspector follows the procedures in the construction manual and verifies that the contractor's work is acceptable and that Federal regulations have been followed. For example, the inspector:

- Examines the Buy America certifications prior to paying invoices for the manhole covers
- Reviews the posting of minimum wages on the project poster boards and interviews workers about wages received

Following the procedures in the subaward agreement, Sea Side County incorporates the reports, certifications, and logs into a final inspection report.

The State DOT representative then prepares the final acceptance report that concludes the milestone and allows Sea Side County to submit a final invoice for reimbursement.

As we've just seen, agencies encounter a variety of regulations on Federal-aid projects and no two projects are alike.

As you prepare for your project, carefully review the subaward agreement and use the manuals it references. If you have any questions, raise them during the kick-off and milestone meetings, or contact your State DOT as needed. The staff there can answer your questions and direct you to additional resources.

Web Resources

- Link to FHWA's Program Policy and Guidance Center for laws, policies, and guidance about Federal-aid
<http://www.fhwa.dot.gov/pgc/>
- FHWA guidance on contract provisions, administrative procedures, and policies related to Federal-aid design and construction contracts
<http://www.fhwa.dot.gov/programadmin/contracts/coretoc.cfm>

The content of this document is not a substitute for information obtained from State departments of transportation, appropriate FHWA Division Offices, and applicable laws. Scenarios have been simplified for emphasis and do not necessarily reflect the actual range of requirements applicable to the scenario or this topic. This document was created under contract number DTFH61-11-D-00025 by the Federal Highway Administration, U.S. Department of Transportation, and is offered to the public to heighten and focus awareness of Federal-aid requirements within the local public agencies community and reinforces the importance of these necessary policies, procedures, and practices.

This companion resource is the script content for the video production of the same name.