

# **Federal Highway Administration**

CRTPO Workshop

June 3, 2014

# Federal Funding Categories

- Transportation Enhancement (TE)
- Transportation Alternatives (TAP)
- Transportation, Community and System Preservation (TCSP)
- Congestion Mitigation and Air Quality (CMAQ)
- Surface Transportation Program (STP-DA)
- Safe Routes to School (SRTS)

# Common Terms

## Contract Authority

U.S. Congress: *"You (NCDOT) might be able to obligate X dollars . . ."*

## Obligation Ceiling (or Obligation Limitation)

*". . . but, based on overall budget conditions, you can only obligate Y dollars"*

## Funds programmed (not yet guaranteed)

News headline: *NCDOT outlines a "Program" to obligate funds (7-year STIP)*

## Funds obligated (safe from rescission axe)

Upon NCDOT request, FHWA agrees to reimburse for a specific project

## Final Voucher Date (the project is closed)

...but you have to keep all the project records for 5 years from this date

## Inactive Projects (no invoices have been received)

An invoice needs to be submitted on this project ASAP to be able to keep the money

## Rescission (*"Houston, we have a problem"*)

Congress decreases the State's Contract Authority

# Project Authorization / Funds Obligation

FHWA commitment that Federal funds are available for the project

1. Preliminary Engineering (PE) – (you have 10 years to construct the project – “Studies” are not a good idea)
  2. Right of Way acquisition (ROW)
  3. Construction (CON)
- **Required prior to incurring any expenses**
- Work done before the date of FHWA Division authorization is NOT eligible for reimbursement

# Inactive Projects Report

An Inactive Project is defined as any project (regardless of the dollar value) that has not had any expenditures charged to it in FHWA's system in the given timeframe.

- There's a 9-Month Report and a 12-Month Report.
- Once a project hits the 1-year report, FHWA's Finance Section is REQUIRED to deobligate the funding.
- Remember that the Municipal Agreement states that a project must be invoiced at least once every 6 months to keep the project active and eligible for Federal funding.

# FHWA NC LPA Review Findings

1. Expenditures occurred before FHWA Authorization was signed
2. Projects not competitively bid
3. No pay records/diaries
4. No weigh tickets
5. No certified payrolls
6. No wage rate interviews
7. No material received reports
8. No Buy America Certification
9. No testing/test reports
10. No DBE documentation
11. No NCDOT oversight
12. NCDOT personnel were not verifying pay quantities before approving invoices
13. Force Account by local agency
14. Municipality destroyed records before the end of the records retention date

# Locally Administered Project Reviews

- Advertisement/Bid documents
- Consultant Selection process
- Project Diaries
- Pay Record Books
- Concrete/Asphalt/ABC test results/frequencies
- Weight tickets
- Pay Estimates
- Supplemental Agreements
- Wage Rates
- DBE/Subcontractors
- Grading
- Traffic Control
- Erosion Control
- Signs
- Material Certifications
- Job-site Posters
- LPA/NCDOT Oversight
- Project Closeout

# Preliminary & Project Records Reviews

LPA Program Manager will be conducting two types of reviews:

Preliminary Reviews – Just after the project has been authorized by FHWA to ensure everyone is on the same page as far as expectations and requirements. (This review is good for municipalities who have never received Federal funds.)

Records Review – Will consist of a review of all project records and documentation for the project. (Open book test!)

**Remember:** If you don't know, please ask your NCDOT partners, they will know the answer and are there to help and keep you out of trouble!



# Questions?

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