

CHAPTER 2 – PROJECT FUNDING / CONTRACT ADMINISTRATION RESPONSIBILITY

The funding for a project may come from sources other than ODOT, including FHWA or other federal sources, other state governments, local governments, Utilities, or other private organizations. The sources of funding will be specified in the Project agreement and will be provided to the Project Manager (PM) at the start of the Contract period.

2-1 PROGRAM AND FUNDING SERVICES UNIT OF FINANCIAL SERVICES BRANCH

At the start of each project, the Program and Funding Services Unit of the Financial Services Branch issues a letter that identifies the funding source(s) for all parts of the Project and identifies the Participation Indicators (sub-jobs) that must be used to charge costs to the proper funding source. The PM must enter the proper Participation Indicator (sub-job) on all payments and on all Change Orders. In the event that Work is added to the Contract, and that Work is to be funded by a different source or at a different rate than shown in the letter, contact the Contract Administration Unit (CAU) to establish a new Participation Indicator (sub-job) and activate it in the Contract Payment System (CPS).

2-2 DELEGATED (“Exempt”) PROJECTS

For projects involving Federal-Aid funds, FHWA has declared some projects as “delegated”, which means they are exempt from their direct oversight and has given ODOT the responsibility to act in FHWA’s place to assure that the contracts are administered properly. These projects are referred to as “exempt” by the Agency, but are referred to as “delegated” by FHWA. Even for exempt projects, certain major changes to the Contract require FHWA approval. Exempt projects have an “X” as the first letter in the Federal-Aid Project number.

For Federal-Aid projects that are not exempt, FHWA retains the oversight to assure proper administration. As such, the PM must involve the FHWA Area Engineer in any major changes or other significant changes or developments on the project. [**Refer to Chapter 3 - Delegation of Authority**]

2-3 CONTRACT ADMINISTRATION RESPONSIBILITY

For projects involving Federal-Aid funding, ODOT, as the State Highway Agency, has the responsibilities for construction as specified in 23 CFR 635.105. ODOT is responsible for insuring that all projects receive adequate supervision and inspection to

assure that projects are completed in conformance with approved Plans and Specifications.

ODOT must affirm that all required documentation, as well as the Contract Work and Contract administration, is properly performed. ODOT is also responsible for assuring that payments are accurately charged to the proper sources of funding.

ODOT will not request FHWA funding participation unless all Contract administration requirements have been properly and adequately performed.

ODOT has those responsibilities even though it may have authorized another agency or a Consultant to administer the project. ODOT also retains these same responsibilities on projects that may not include Federal-Aid funding.

The representatives of other entities that have funds in the Project have the authority to inspect the project and the Work, but should only communicate with the PM or the project representative (typically the project Inspector) about issues of concern regarding the Work.

For projects where the entity acting as the PM with responsibility for administering the Contract is a Local Agency or its Consultant, ODOT will assign a Local Agency Liaison (LAL) to work with the PM to insure that the Local Agency or the Consultant is properly administering its Federal-Aid projects. ODOT may enlist other ODOT persons or Consultants to assist in fulfilling that responsibility.

Certain responsibilities may not be delegated to a Local Agency or Consultant acting as the PM, including, but not limited to the following:

- Approval of Contract Change Orders, Adjustments of Contract Time, Orders For Extra Work To Be Done On Force Account Basis, and Force Orders;
- Approval of overruns or increases in Project Authorizations;
- Approval of price adjustments for non-specification Materials;
- Approval of quality and quantity documentation;
- Payments to the Contractor for Work completed; and
- Final acceptance of the Project.

Responsibility for these tasks, within the delegated authority limits, will remain with the ODOT Representative (LAL or ODOT PM) assigned to the Project.

OREGON DEPARTMENT OF TRANSPORTATION
CONSTRUCTION MANUAL



