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# SECTION A

# INTRODUCTION

## Chapter 8 Certified Local Agency Oversight Plan

### A. BACKGROUND

This oversight plan describes how ODOT will ensure that federal aid projects developed and delivered by local agencies, will be administered with financial integrity comply with federal, state requirements and follow ODOT's Local Agency Guidelines ([LAG Manual](#)). ODOT is committed to the Certification Program and will provide the necessary leadership and technical support for local agencies to meet state and federal requirements and maintain a successful program. ODOT's Local Government Section provides the major support to local agencies through Certification Program staff and Regional Local Agency Liaisons. The Local Government Section, Regional Local Agency Liaisons, and Regional local program units have functionally aligned responsibilities and duties to provide adequate support and coordination for the Certification Program.

ODOT will commit ongoing sufficient staff, resources and training to manage and administer the Certification Program's processes and procedures to meet federal regulations and requirements.

ODOT has created this comprehensive Certified Local Agency Oversight Plan which will emphasize local agency oversight with particular emphasis on the following issues:

- Civil Rights (e.g. Disadvantaged Business Enterprises Program, Title VI etc)
- Eligibility/Improper Payments
- Consultant Procurement
- Plans, Specifications, and Estimates (PS&E) Quality
- Ad, Bid and Award
- Construction Contract Administration
- Quality Assurance

### B. LEGAL AND REGULATORY AUTHORITY

Under the definition of grantee in [49 CFR 18.3](#), ODOT is accountable to the Federal Highway Administration (FHWA) for the use of federal funds, and shall be responsible for determining whether to delegate federal funds to sub-recipients who have adequate project delivery systems, staffing and sufficient accounting controls to properly manage federal funds under 23 U.S.C.106(g)(4)(A). ODOT will review the local agency's ability to administer federal aid projects before delegation of any activities. All federal

requirements including those prescribed in 23 CFR 635 shall be met on work performed under a contract awarded by a certified local agency. This plan is subject to the FHWA Division Administrator's concurrence. It does not relieve ODOT of overall accountability for the projects as stated in 23 CFR 1.11(e). Further, the roles and responsibilities between ODOT and the local agency are outlined in detail within the Master Certification Agreement.

It should be noted that the following program elements will not be delegated to local agencies. For additional details see the Authority Matrix within this LAG Manual, Section A, Chapter 2.

- NEPA Approval
- Sole Source Approval (i.e. Public Interest Findings)
- Approval of State or Local Force Orders
- Design Exception Approval(unless otherwise delegated per Authority Matrix)
- Buy America
- Approval of Right of Way Certification
- Approval of Engineering Plans
- Setting and Approval of DBE and other Civil Rights goals and utilization
- Approval of Labor Compliance
- Final Inspection
- Project Acceptance

### **C. QUALIFICATIONS**

ODOT has developed a series of interview forms designed to examine the local agency's ability to manage federally funded projects. Each interview form outlines specific criteria that are used to determine the ability of the local agency to adequately administer those elements, including staffing and process development. Certified local agency staffing that supports project delivery must be appropriate to fulfill the requirements of the Master Certification Agreement. ODOT will review staffing capacity prior to approving an agency to move into the test project phase and will review during the biennial local agency reviews. It is the responsibility of the local agency to update the information in the interview forms concurrently with changes at the local agency level in staff, processes, procedures and resources. The interview forms are available at the Local Government Section [Certification Program website](#).

Upon completion of the interview process, the Certification Program Manager in consultation with appropriate FHWA and ODOT staff will ascertain the readiness of the local agency to commence test projects and will provide recommendations as needed.

### **D. AGREEMENTS**

The Master Certification Agreement lays out the roles and responsibilities of the certified local agency and ODOT. Other agreements required include the Supplemental Project Agreements for each project and the Non-discrimination Agreement or Title VI Plan, required for Title VI compliance.

## **E. MONITORING**

ODOT is responsible to FHWA for ensuring that local agencies are well-qualified and suitably equipped to carry out federal aid projects which are not on the National Highway System in accordance with all applicable laws, regulations, policies, and within the provisions of the Master Certification Agreement and Supplemental Project Agreement(s). ODOT's monitoring of certified local agencies will include continual program and process evaluations and suggestions for improvement and training. ODOT's Local Program staff will also provide ongoing project quality control assistance until the agency has completed the conditional process of certification and is fully certified. As needed, ODOT will actively provide engineering expertise, technical assistance, technology deployment, program assistance, program delivery and oversight to ensure accountability of federal funds. While ODOT offers the above assistance, training or advice to local agencies, it is understood that the project is controlled in the specific certified areas by the local agency. As such, if the local agency is not following prescribed requirements, ODOT may request the local agency take corrective actions in order to come into compliance. ODOT retains the right to remove federal aid funds from certified local agency federal aid projects if deemed necessary. ODOT may also remove or reduce a local agency's certification status. ODOT's local government section will also perform additional monitoring activities as described in the sections outlined below.

### **1. Transitional Review of Conditionally Certified Local Agencies**

The Certification Program will conduct reviews of two to four completed test projects in each area of certification to transition a local agency from "conditional" to "full" certification status. Through these reviews, ODOT will complete the following steps, and then assess the local agency's ability, resources and experience to be awarded full certification status.

#### **Step 1**

Perform final review of applicable interview sheets. Ensure that the local agency has complete and current information for all the areas in which the local agency is pursuing certification.

- Consultant Selection
- Design,
- Ad, Bid & Award and
- Construction Contract Administration

#### Step 2

Contact the local agency pursuing certification and confirm the status of all pertinent staff (e.g. Certification Liaison and Certification Team Members) including their qualifications and training related to the Certification Program ensure a current organizational chart is included in the local agency's Certification file.

#### Step 3

In addition to the interview forms noted in Step 1, verify that the local agency has completed and maintains the following documents in a satisfactory manner.

- Master Certification Agreement
- Supplemental Project Agreements
- Title VI Plan or Non-Discrimination Agreement
- Quality Assurance and Quality Control Plan (QA/QC Plan)

ODOT reviews and provides approval of the local agency's "final" QA/QC Plan for all areas in which the Local Agency is pursuing Certification. The local agency should identify their QA/QC coordinator and submit their draft QA/QC Plan including a process for implementing their plan, during the interview phase of Certification. For each Certification project, the local agency must forward a document signed by the Certification Coordinator or delegate, ensuring that the project complies with their QA/QC Plan.

*NOTE: The QA/QC Plan functions as a quality check necessary for the certified local agency to complete each phase of the project. This differs from ODOT's Quality Control Checklists used for non-certified local projects (e.g. PD-02).*

#### Step 4

Ensure the local agency has successfully delivered and closed the minimum amount of test projects with ODOT approval as per the Master Certification Agreement. Depending

on the area(s) the local agency is pursuing certification, the Certification Program may use the following checklists and documents for review purposes.

- Certified Local Agency A&E Consultant Selection Checklist
- Certified Local Agency Project Delivery Checklist
- Certified Local Agency Ad, Bid, & Award Checklist
- Certified Local Agency Construction Contract Administration Checklist
- Regional Assurance Specialist Reviews

#### Step 5

Verify all appropriate approvals have been obtained by using Certification checklist(s) and/or subject matter experts in all areas of Certification in which the local agency is pursuing Certification.

#### Step 6

Hold final review meeting with appropriate local agency, ODOT and FHWA staff.

#### Step 7

ODOT will inform the local agency of the outcome / recommendations upon conclusion of the review. If the local agency needs to make adjustments to achieve complete Certification, the local agency will develop and submit a plan indicating how the local agency will make such changes. If appropriate adjustments are made, ODOT and FHWA will review and approve the final changes as necessary and fully certify.

## **2. Annual Review of Fully Certified Local Agencies (Project Review)**

The Certification Program will review one completed federal aid project per year for each fully certified local agency. Through these reviews, ODOT will assess the certified local agency's continued ability, resources and experience to deliver federally funded projects pursuant to federal and state laws as well as the LAG Manual. ODOT's Certification Program Manager will conduct these reviews on selected certified local agency federal aid projects and use the checklists noted in Step 4. These reviews will cover the following items.

- General procedural compliance items noted in OMB Circular A-133
- Compliance with the local agency's Master Certification Agreement with ODOT
- Items of special interest developed from any audit reports or recommendations from FHWA's previous process reviews
- Compliance with Civil Rights Programs such as Disadvantaged Business Enterprise and Title VI programs and
- Guidance and procedures in the LAG Manual

### **3. Biennial Review of Fully Certified Local Agencies (Program Review)**

The Certification Program will perform an in-depth certified local agency program, procedure and staffing review every two years on each fully certified local agency. The basis for this review will be the Master Certification Agreement and the initial Local Agency Interview Forms. This review will focus on local agency staff qualifications and training as well as the local agency's certification program processes and procedures.

ODOT will issue recommendations and findings to the local agency upon conclusion of any of the above reviews. The local agency must respond to any deficiencies within 30 days. The local agency will then work with ODOT to implement procedural changes and corrective actions. Corrective actions may include mandatory training courses and revisions to manuals or procedures in order to maintain certification status.

#### **F. CONSEQUENCES – A TIERED APPROACH**

If no corrective actions are identified, then the certified local agency will retain its certified status.

If ODOT finds deficiencies, corrective action will occur within a three step process. :

1. The local agency develops its own corrective action plan based on the results and recommendations of the annual review.
2. If the local agency's plan is deemed inadequate, ODOT will develop a corrective action plan for the local agency.
3. If the same or similar problem keeps reoccurring or issues are not resolved in the appropriate time frame, then ODOT may remove or reduce the local agency's certification status until the time the corrections are made and/or resolved.

#### **G. REVIEW TEAM**

In accord with the areas of Certification, members of the review team will include:

- ODOT's Certification Program Manager
- FHWA staff
- Subject Matter Experts (e.g., ODOT Procurement staff, Civil Rights staff, Design Engineers, RAS, etc.)

Reviews will be performed in coordination with the following:

- Local Agency's Certification Coordinator
- ODOT's Regional Local Agency Liaison
- ODOT's Construction Liaison
- FHWA if available

## **H. TOOLS USED IN PROJECT REVIEWS**

### **1. Documents**

ODOT will utilize the following documents throughout the review process.

- LAG Manual including Certified Local Agency Checklists
- Master Certification Agreement
- Supplemental Project Agreements
- Title VI Plan or Non-Discrimination Agreement
- Local Agency's local code, policies and procedures
- ODOT Interview Forms
  - General
  - Consultant Selection
  - Design
  - Ad, Bid & Award
  - Construction Contract Administration
- Other related documents as needed

### **2. Authority for Approvals**

- *Consultant Selection* – ODOT's Chief Procurement Officer (CPO) or delegate from procurement
- *Bridge Design* – The Local Government Section's Senior Local Bridge Standards Engineer
- *General Design* – The Local Government Section's Senior Local Roadway Standards Engineer
- *Specifications* – ODOT's Senior Specifications Engineer or the Local Government Section's delegate
- *Advertising, Bid & Award* – ODOT's Procurement Office's Procurement Oversight & Construction Manager or Construction Contract Coordinator
- *Construction Contract Administration* – ODOT's Contract Administration Specialist, Regional Assurance Specialist and Construction Liaison
- *Civil Rights* – ODOT's Office of Civil Rights staff including the Small Business Programs Manager, Title VI Program Manager and the Director
- *Financial Controls* – Certification Program Manager and ODOT's Internal Audits, including finance specialists.

