



Oregon Local Program Quick Reference Guide

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Chapter 1 Introduction

This guide provides a reference about Oregon's statewide local agency program. The guide includes:

- Chapter 1 - Introduction
- Chapter 2 - Local Program Process Overview
- Chapter 3 - Local Program Roles & Responsibilities

This guide provides an overview of the process and timelines to develop a federally funded local agency project. Detailed policy and procedural guidance for local agency project delivery is located in the **Local Agency Guidelines (LAG) Manual** which can be found at <http://www.oregon.gov/ODOT/HWY/LGS/Certification.shtml>.

1.1 Introduction

The Federal-aid Highway Program is a cost-based reimbursement program administered by the Federal Highway Administration (FHWA) and Oregon's Department of Transportation (ODOT). ODOT's Local Program supports local agencies in applying for federal funds and meeting federal requirements to use those funds. ODOT then reimburses federal funds to local agencies that successfully develop and construct federally funded local agency projects.

Local agencies can utilize federal-aid funding through the following methods:

- Acting as a non-certified agency, working with and through ODOT to perform the project related work
- As a certified local agency
- Contracting with another local agency that is already a certified local agency

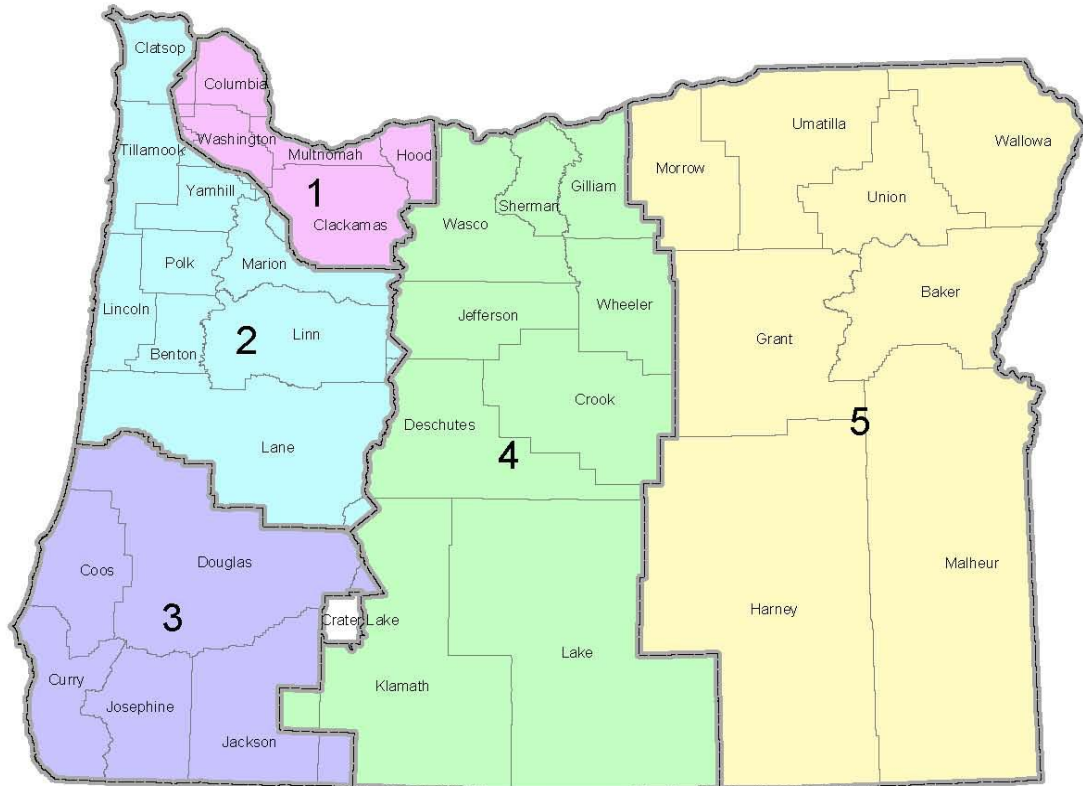
This Quick Reference Guide discusses the process for a non-certified local agency to work with and through ODOT to develop its projects.

The main ODOT points of contact for local agencies are the ODOT Regional Local Agency Liaisons (LAL). The LAL's role is to assist local agencies through all phases of project development and delivery for federally funded projects. For additional information regarding non-certified agency project delivery contact the appropriate ODOT Regional LAL.

Figure 1 illustrates the location of ODOT Regions, links to individual regional websites and ODOT Local Program contact information.

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Figure 1: ODOT Regional Web Sites
Regions 1 -5



Region 1 - http://www.oregon.gov/ODOT/HWY/LGS/Region_1page.shtml

Region 2 - http://www.oregon.gov/ODOT/HWY/LGS/Region_2page.shtml

Region 3 - http://www.oregon.gov/ODOT/HWY/LGS/Region_3page.shtml

Region 4 - http://www.oregon.gov/ODOT/HWY/LGS/Region_4page.shtml

Region 5 - http://www.oregon.gov/ODOT/HWY/LGS/Region_5page.shtml

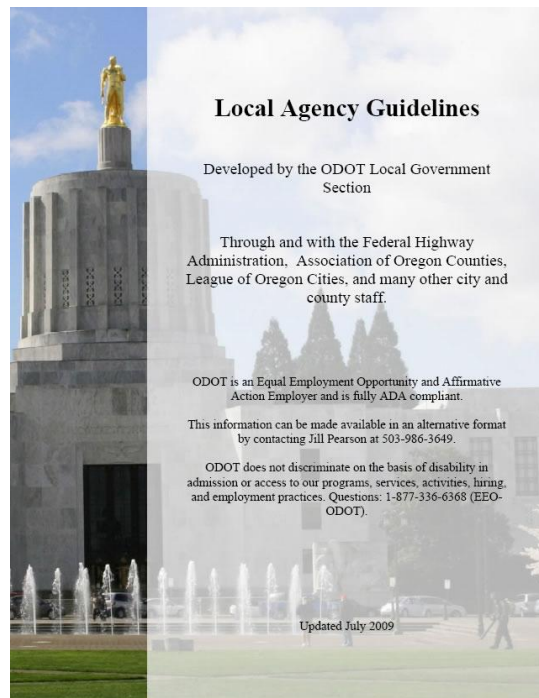
ODOT Local Program contact information -
http://www.oregon.gov/ODOT/HWY/LGS/contact_us.shtml

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Chapter 2 Local Program Process Overview

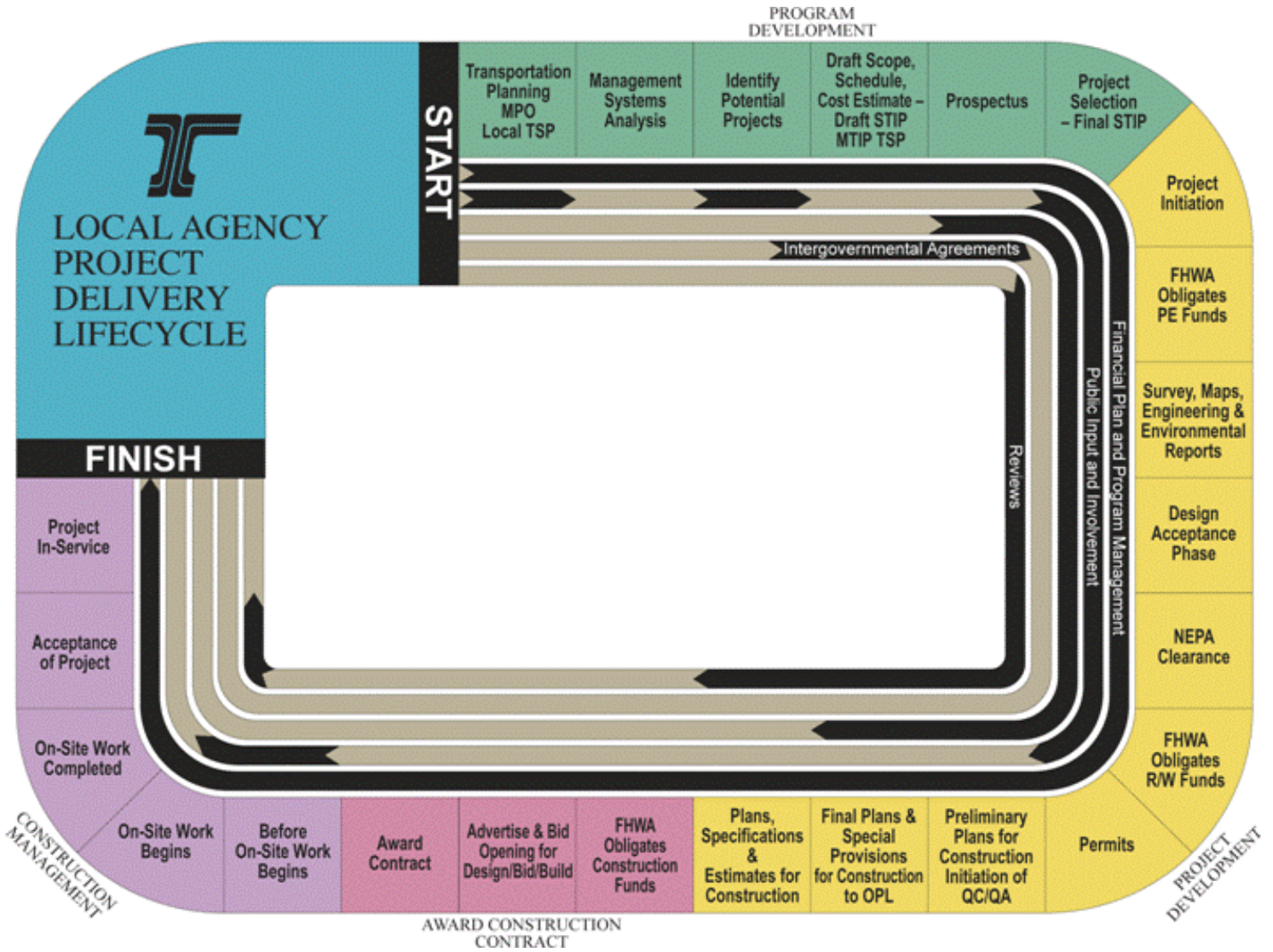
The Local Program Process consists of four main phases: Program Development; Project Development; Advertising, Bid and Award; and Construction. The majority of funds used for local agency projects are spent during the construction phase; however, a project may receive Federal funds for one or more of its phases.

- **Phase I Program Development** - In order for a project to be developed with federal transportation funds it must be awarded funds from a specific program and be accepted into the Statewide Transportation Improvement Plan (STIP).
- **Phase II Project Development** - In this phase: projects are cleared for environmental impacts; necessary permits are attained; right of way is acquired; utilities are authorized for relocation; quality control (QC) occurs; and plans, specifications and estimates (PS&E) are completed.
- **Phase III Advertising, Bid and Award** - During this phase final PS&E goes through quality assurance (QA) review and, after FHWA approval, is advertised for bid and award.
- **Phase IV Construction** – Project construction begins after the construction contract is awarded and ODOT gives formal “Notice to Proceed”. Project closure occurs at the end of this phase.



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Figure 2: Local Program Process



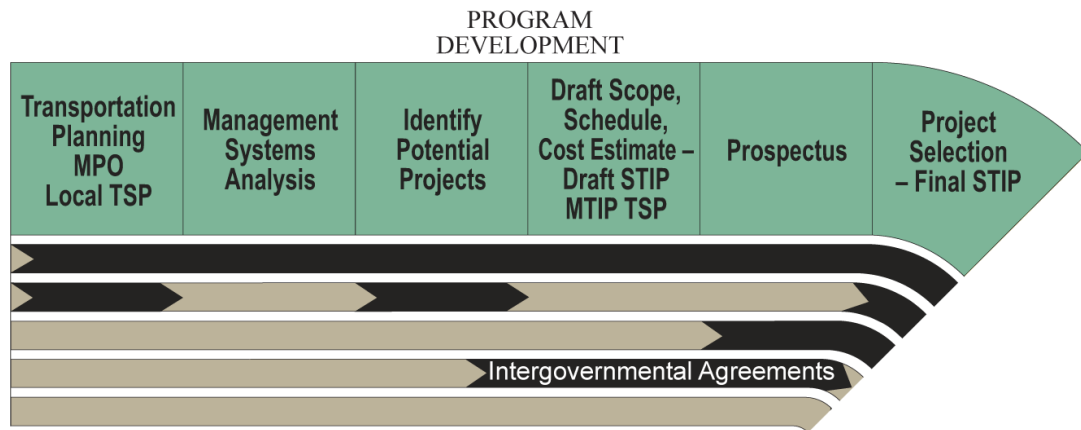
2.1 Program Development Phase

OVERVIEW

The objective of the Program Development Phase is to identify, scope, develop the prospectus and approve the project. Program Development occurs before starting a project, beginning with transportation planning and ending when the Oregon Transportation Commission (OTC) and federal agencies approve the Statewide Transportation Improvement Program (STIP). The identification and planning of transportation needs is a continually ongoing process, and the STIP is updated on a two-year cycle. Refer to the ODOT STIP website for additional information regarding STIP development processes. <http://www.oregon.gov/ODOT/HWY/STIP/>

Note that some planning needs can extend into the Project Development phase, such as the possible need to address land use planning issues, including plan amendments and exceptions.

Figure 3: Program Development Track



PROJECT IDENTIFICATION & SELECTION

Potential local agency transportation projects can be identified and selected:

- Through the Metropolitan Planning Organization (MPO) by placement in the Metropolitan Transportation Improvement Program (MTIP).
- That are in or consistent with the local agency's Local Transportation System Plan (TSP).
- Through management systems, such as the Bridge Management System or Safety Management System.
- Through competitive state programs such as the Transportation Enhancement (TE), Safe Routes to Schools or the Bicycle/Pedestrian programs.

PROJECT SCOPING

The purpose of project scoping is to develop accurate project scope, schedule and budget for placing project in the Metropolitan Transportation Improvement Program (MTIP), the Draft Statewide Transportation Improvement Program (DSTIP) and ultimately in the STIP.

PROJECT PROSPECTUS

The prospectus codifies information developed during the scoping process and documents the project plan. Parts 1 and 2 of the project prospectus describe the proposed project and serve as the support document for FHWA's authorization of federal funds. Part 3 of the prospectus presents a project's environmental classification information. The prospectus also provides a schedule that indicates to ODOT and FHWA timelines for obligation of federal funding and project construction.

Note that project scoping and development of the project prospectus is a collaborative effort between ODOT and the local agency.

PROJECT APPROVAL

After a project has been scoped and the prospectus has been developed, it is submitted to the Oregon Transportation Commission (OTC) for final approval and placement in the STIP.

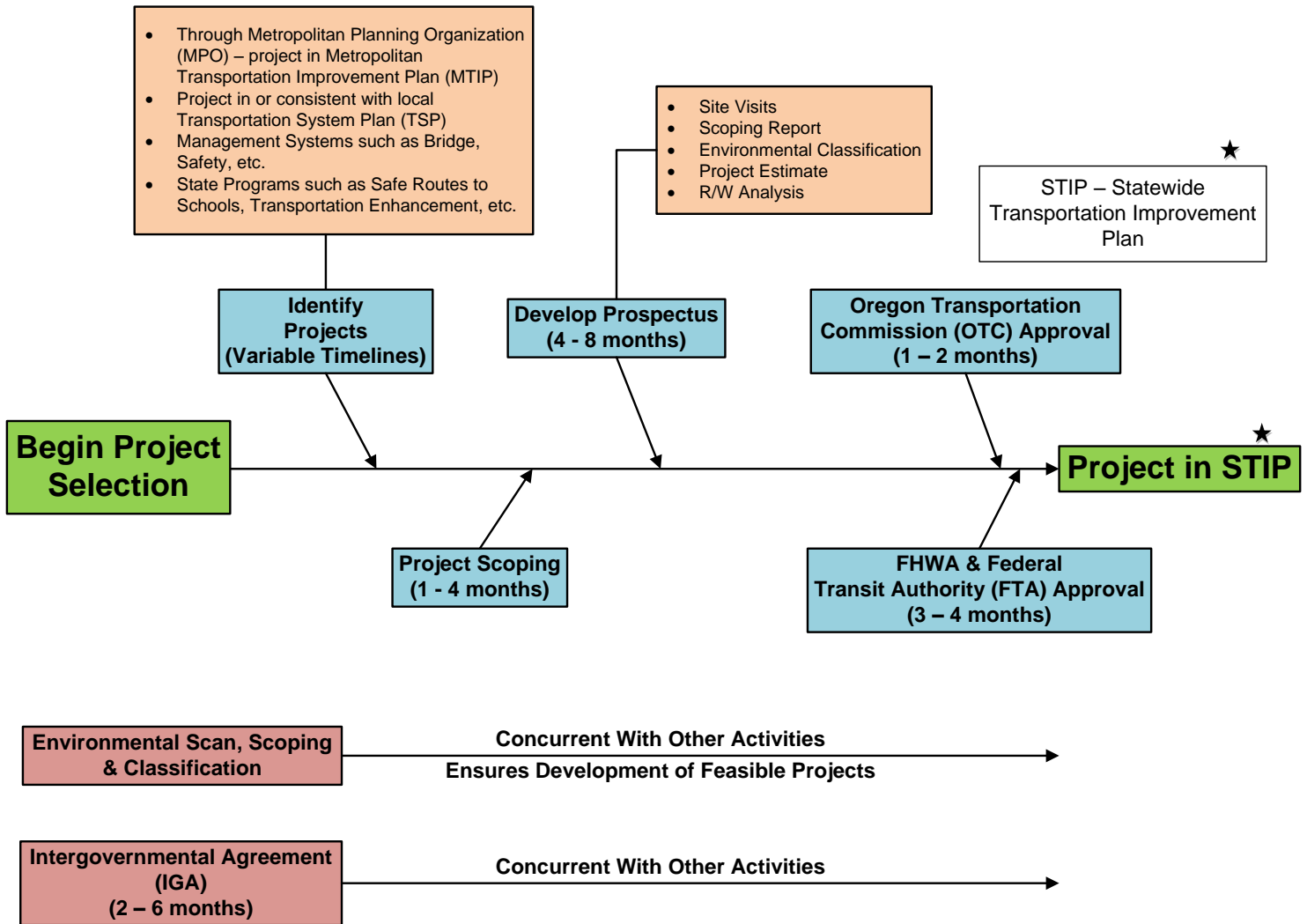
INTERGOVERNMENTAL AGREEMENT (IGA)

An Intergovernmental Agreement (IGA) is a legal document that defines the obligations of all parties involved in a project. A signed IGA is needed before obligation of Preliminary Engineering (PE) funds and before the project can proceed to the Project Development phase. ODOT initiates and prepares the IGA for local agency review and concurrence.

A signed IGA is needed before federal funds can be obligated. Obligation of funds by FHWA and a "Notice to Proceed" to the local agency is needed before any reimbursable work can begin on a project.

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Figure 4: Program Development Flow Chart
(9 – 18 months After Project is Identified and Selected)

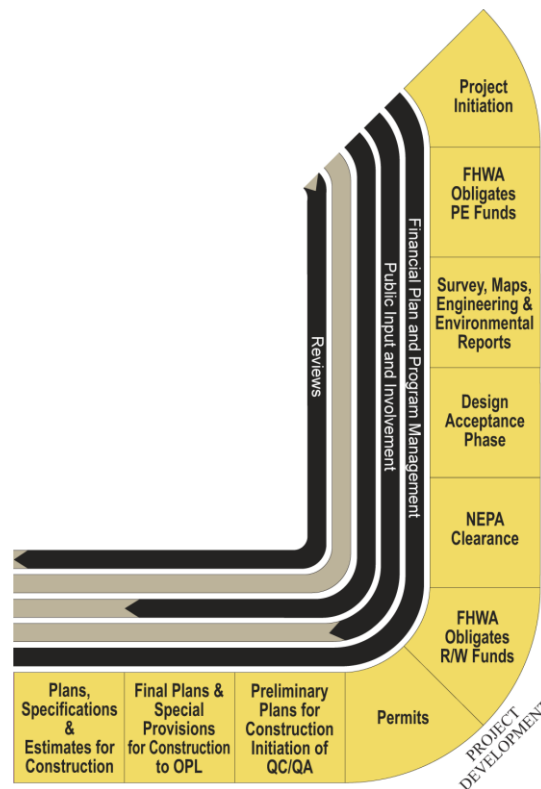


2.2 Project Development Phase

OVERVIEW

Project development begins with the assignment of a project in the STIP to a Project Leader, and ends when the project is ready to go to advertising, bid and award. As shown below, the project development process includes a number of steps. Refer to the ODOT Office of Project Letting website for manuals and additional information related to PS&E delivery requirements. http://www.oregon.gov/ODOT/HWY/OPL/manuals_forms_etc.shtml

Figure 5: Project Development Track



PROJECT INITIATION

Project initiation requires tight coordination with the ODOT Regional LAL. There are three important outcomes of Project Initiation. These outcomes are:

1. Setting up the project team and getting all necessary project development processes and procedures in place.
2. Determining project delivery method and project resource needs.
3. Selecting a consultant and developing a Statement of Work (SOW) for consultant design. The SOW process can take from 1 to 6 months so it is imperative to take this timeline into account to meet your project's delivery schedule. Consultant selection, for a project that contains

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federal funds, must follow all applicable federal laws, regulations and policies. To support local agency consultant selection, ODOT has developed a two-tiered consultant selection process that is based on the requirements of Oregon Revised Statute (ORS) 279C.125.

PROJECT DESIGN

After a SOW for design has been negotiated and a Work Order Contract (WOC) has been executed, work begins in the preliminary engineering (PE) phase to develop the project's Plans, Specifications & Estimate (PS&E). The PS&E documents are used to award and administer a construction contract. PS&E deliverables must undergo an approved quality control (QC) process and an ODOT quality assurance (QA) review before the project can be advertised for bid.

A project's design is developed during the preliminary engineering (PE) phase. Early project deliverables developed during the PE phase include:

- Field surveys & mapping
- Engineering & environmental reports
- Design Acceptance (30% PS&E) including:
 - Pavement design
 - Sign, signal, & illumination designs
 - Preliminary roadway design
- Access Management Strategy
- Preliminary R/W maps

Funding for PE must be obligated by FHWA prior to any reimbursable design work beginning on the project.

DESIGN ACCEPTANCE PHASE (DAP)

Design acceptance is the project development GO - NO GO phase. During this phase 30% PS&E is developed and the final project design is selected by the project team. During the DAP a decision is made to; move the project forward, revise the project or not continue with the project.

ENVIRONMENTAL, RIGHT OF WAY, UTILITY & RAILROAD ELEMENTS

The following project development elements need to be addressed and resolved before a project can go to bid. These elements are:

- **National Environmental Policy Act (NEPA)** - NEPA and other environmental clearances work must begin during Program Development or early in the project development process, and must be completed during the design phase.
- **Right of Way (R/W)** - ODOT has overall responsibility to FHWA for project R/W acquisition on all FHWA funded transportation projects in Oregon. Federal regulations require that

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ODOT performs the final R/W project certification and acceptance of the process used to acquire R/W. Based on ODOT concurrence, R/W is approved by FHWA.

- **Utility and Railroad** - In order to advance projects involving railroad and utility facilities, the local agency/project team must coordinate project development issues with each affected railroad and utility. During this coordination necessary permits are identified and acquired.

ADVANCE PLANS. SPECIFICATIONS & ESTIMATE (90% PS&E)

After advanced Plans, Specifications & Estimate (PS&E) documents are developed they are presented to key stakeholders for quality control (QC) review and comment. This external (QC) process is in addition to internal QC performed by the design team.

FINAL PS&E (100%)

The final PS&E package is then submitted to the ODOT Office of Project Letting (OPL) for final quality assurance (QA) review. After QA review by OPL, completion of final edits, coordination with the ODOT Procurement Office (OPO) and review/approval by FHWA the project is then ready to go to bid.

If the total estimated project cost (bid items, contingencies and engineering) exceed available funding, a letter of commitment for additional local funding must be submitted by the local agency before a project will be advanced for PS&E approval.

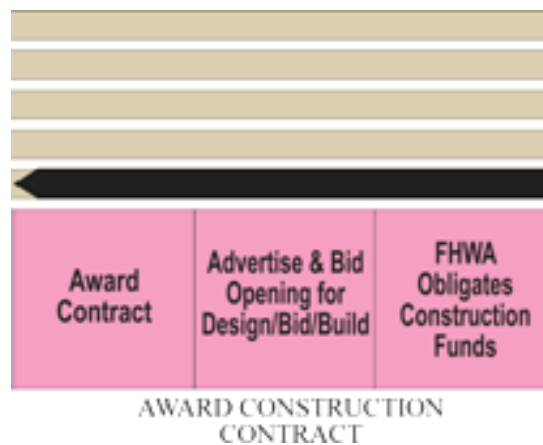


2.3 Advertising, Bid & Award Phase

OVERVIEW

The PS&E documents developed in the Project Development Phase are used to advertise, bid and award the construction contract. Non-certified local agency federal-aid projects are advertised either by a local agency certified in advertising, bid and award, or by ODOT. Refer to the ODOT Procurement Office (OPO) website for additional information related to project advertisement, bid and award. <http://www.oregon.gov/ODOT/CS/OPO/>

Figure 7: Advertising, Bid & Award Track



ADVERTISING OF BID

The Code of Federal Regulations (23 CFR 635.112(b)) require federal funded projects to have a minimum advertisement period of 3 weeks. FHWA must approve the PS&E and authorize construction funding prior to advertisement. During this time prospective bidders review project documents resolve questions, develop and submit a bid. Longer advertisement periods (4 or 5 weeks) are used for larger or complex projects and during “busy” bidding seasons to provide contractors adequate time to prepare a bid.

BID ANALYSIS

After bidding is closed, bids are opened and read publicly. The bids are then reviewed for responsiveness to the solicitation requirements. Individual bids that do not pass this review are rejected. The elements reviewed for each bid received include:

- Unbalanced bids
- Bid costs vs. engineer’s estimate
- Completeness of bid package submittal
- Compliance with Disadvantage Business Enterprise (DBE) goals

If the lowest responsive bid is more than 10% over the engineer’s estimate, ODOT’s Office of Project Letting (OPL) will review the bid to determine if there is justification to award. OPO will contact the local agency and applicable ODOT Region staff for input and to determine if adequate funding is available to award the project.

A redesign and rebid of the project may be necessary if all bids are rejected. All bids may be rejected due to a flawed procurement, bid prices exceeding available funding, or limited competition. After an apparent low bidder has been identified a formal “Notice of Intent to Award” is published on the website. This notice starts a 3 day protest period that is required prior to final award of the contract.

CONTRACT APPROVAL & AWARD

Final approval of the bid requires the concurrence of:

- ODOT’s Chief Engineer
- ODOT’s Deputy Director
- The Oregon Transportation Commission (OTC) – if bid price is 10% or more greater than the engineer’s estimate
- FHWA – if project has been designated as “full federal oversight”

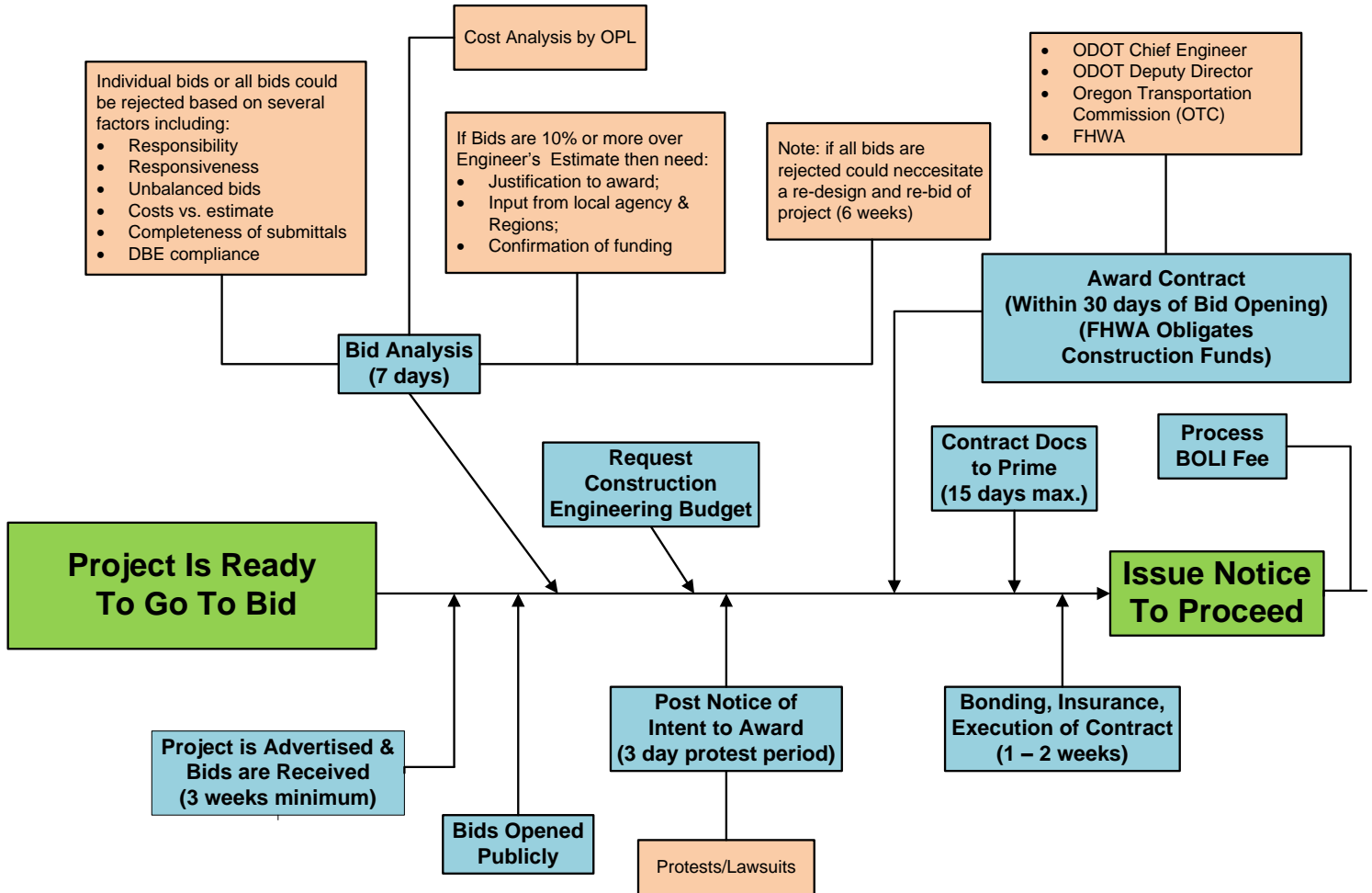
After award approval is obtained, contract documents are sent to the prime contractor. The prime contractor will return signed contracts along with insurance certificates, payment and performance bonds. After all information is verified OPO will execute the contract and issue Notice to Proceed.

Per Standard Specification, Section 00130 the contract shall be awarded within 30 days of bid opening. The contractor has 15 days to return signed contracts, insurance and bonds. Agency will execute contract within 7 days of receipt from contractor. Notice to Proceed will be issued within 5 days after contract has been executed by the agency. Total of 57 days allowed from bid opening to Notice to Proceed.

OPO will send 30 -40 copies of the contract and plans to the project manager listed in the project’s special provisions with the expectation that at least 10 copies go to the prime contractor.

OPO will process the BOLI Prevailing Wage Rate Fee payment.

Figure 8: Advertising, Bid & Award Flow Chart
(1.5 – 2 months)



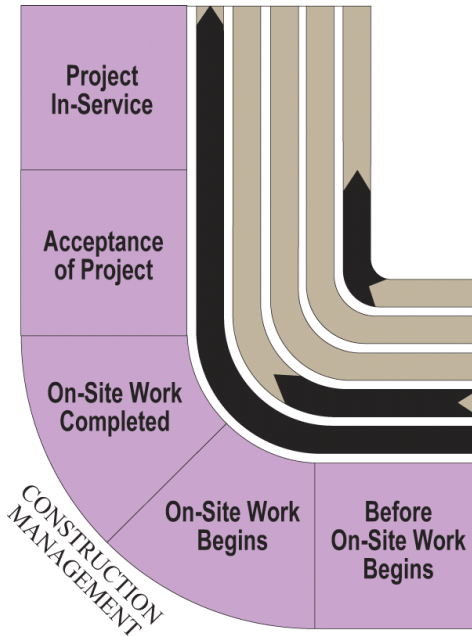
2.4 Construction Management Phase

OVERVIEW

ODOT is responsible for the proper expenditure of FHWA funds on local agency transportation projects. Per 23 CFR 635.105 ODOT is also responsible to assure that the local agency provides adequate supervision and inspection, by use of ODOT certified inspectors, to ensure that the projects are completed in conformance with the approved plans and specifications. For non-certified agencies this is handled by a qualified consultant or sometimes by ODOT. The quality of materials and workmanship on a project must conform to the contract specifications so that the public funds expended will provide a safe, economical, and fully functional transportation facility.

Refer to the ODOT Construction Manual for complete information regarding project construction management processes. <http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/CM.shtml>

Figure 9: Construction Management Track



BEFORE ON-SITE WORK BEGINS

Oregon Standard Specifications Section 00180.40(b) specifies the items a Contractor must receive or provide prior to beginning on-site work. These items include:

1. Notice to Proceed - written notice authorizing the Contractor to begin performance of the work
2. Pre-construction conference, or separate meetings, to discuss:
 - An approved project work schedule
 - An approved Traffic Control Plan
 - An approved Pollution Control Plan
 - An approved Erosion and Sediment Control Plan
 - Communications and working relationships
 - Utility coordination
3. Assembly of all materials, equipment, and labor on the project site, or reasonable assurance that they will arrive on the project site, so the work can proceed according to the project work schedule.

FIRST NOTIFICATION – ON-SITE WORK BEGINS

First Notification is written acknowledgment by the Project Engineer of the date on which workers employed by the Contractor or a Subcontractor have begun performance of the Contract, including Aggregate source development or erection of a plant, but not including installation of covered temporary signs according to Section 00225.

First Notification *starts contract time* and occurs when on-site work begins. First Notification is the date when the contractor or subcontractor begins one or more of the following:

- Installing construction signing
- Setting up a materials plant
- Developing aggregate sources
- Doing construction work

Contractor commences to build project according to the contract plans and specifications

SECOND NOTIFICATION – ON-SITE WORK ENDS

Second Notification is written acknowledgment by the Project Engineer according to 00180.50(g) of the Standard Specifications, of the end of contract time and completion of all On-Site work including change order work. Second notification will list:

- The date that contract time charges stop for one or all of the completion dates.
- Any final trimming and cleanup (punchlist) tasks remaining, equipment to be removed, minor corrective work to be performed, and any missing project documentation are required to be provided before Third Notification can be issued.

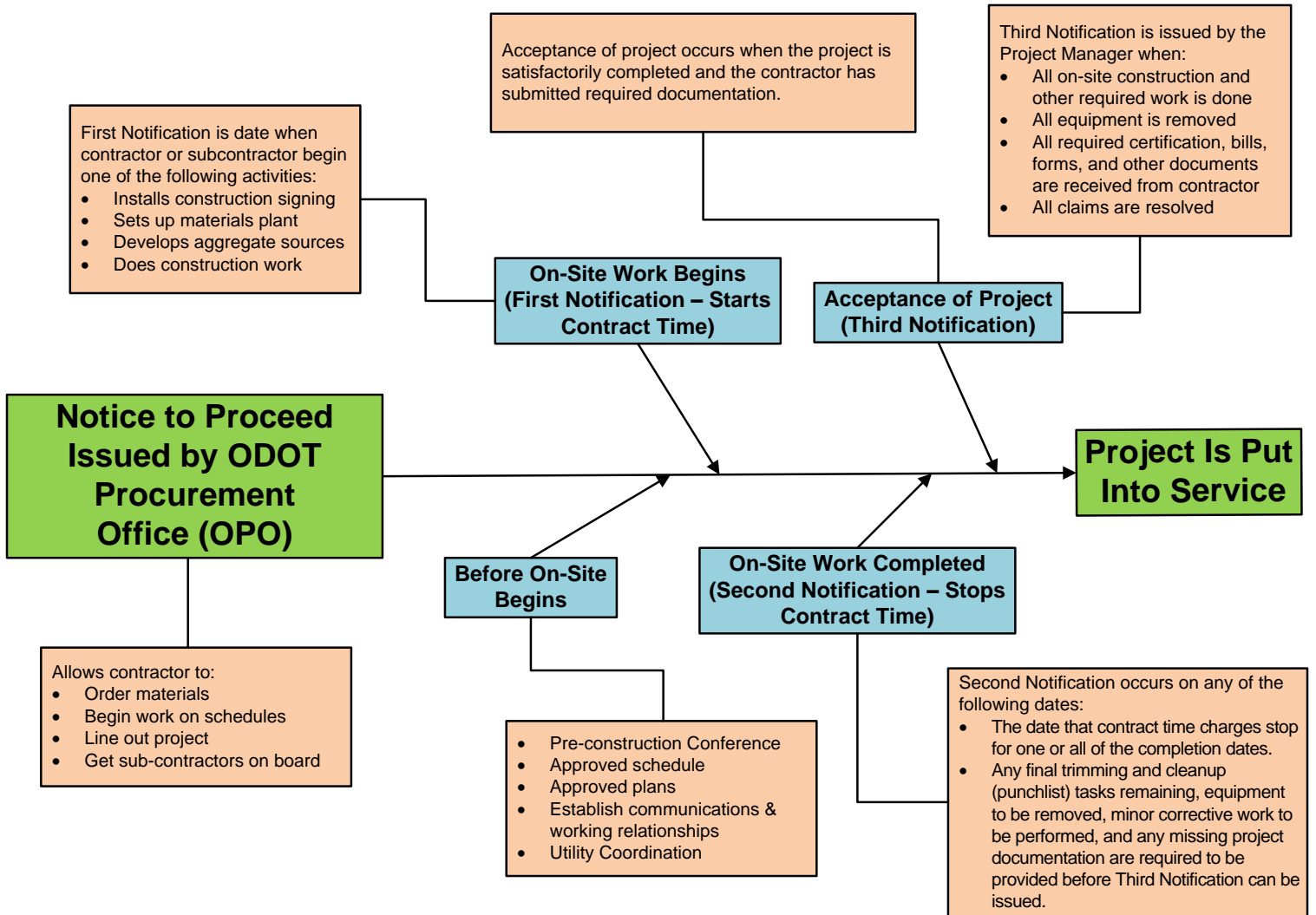
THIRD NOTIFICATION – ACCEPTANCE OF PROJECT

Third Notification is written acknowledgment by the Project Engineer, subject to Final Acceptance, that as of the date of the notification the Contractor has completed the Project according to the Contract, including without limitation:

- Completion of all minor corrective work
- Equipment and plant removal, site clean-up
- Submittal of all certifications, bills, forms and documents required under the Contract

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Figure 10: Construction Management Flow Chart



Chapter 3 Local Program Roles and Responsibilities

This chapter discusses the roles and responsibilities for local agencies, ODOT and FHWA for the delivery of federally funded local agency projects.

3.1 Local Agency Roles and Responsibilities

The Association of Oregon Counties (AOC), League of Oregon Cities (LOC) and ODOT entered an agreement entitled “*Federal-Aid Project Guidelines and Working Agreement*”. This Working Agreement details the roles and responsibilities for both ODOT and local agencies.

Section II G of the Working Agreement states:

“Cities and counties certified to administer federal-aid projects that are not on the National Highway System (NHS) shall follow the guidelines set forth in the individual IGAs written for certification. All non-certified cities and counties are required to follow the guidelines set forth in this working Agreement and must contract with the STATE or another certified agency to secure services to perform plans, specifications and estimates (PS&E), contract advertisement, bid, award, contractor payments and contract administration.”

PROJECT IMPLEMENTATION

Local agencies have the primary responsibility for utilizing federal-aid funding for specific projects in accordance with state law, federal law and program requirements. Local agencies must ensure that their staff members, consultants and contractors comply with the applicable state and federal laws, regulations and procedures in developing and constructing their projects.

Non-certified local agencies must contact their ODOT Regional Local Agency Liaisons prior to commencing any federal-aid project implementation activity. It is recommended that a non-certified local agency seek the services of a qualified consultant or a certified local agency to assist them with the project delivery process. Certified local agencies have optimum decision-making authority for the project delivery activities of federal-aid projects for which they have been certified. For further details regarding local agency certification, see Section C of the LAG Manual.

3.2 ODOT Roles and Responsibilities

ODOT and FHWA have also entered into a Stewardship Agreement. This agreement determines the process by which federal funds are passed through ODOT, to local agencies, for their transportation projects.

With the FHWA/ODOT Stewardship Agreement, ODOT has received major delegations of authority and responsibility from FHWA. ODOT is responsible to FHWA for administering the successful implementation of federal-aid programs and projects. These responsibilities can be categorized as Policy and Procedures, Program Management and Project Implementation.

POLICY AND PROCEDURES

As a part of ODOT's obligation to ensure compliance with state and federal laws, ODOT outlined the basic requirements for local agency policy and procedures. In this way, ODOT supports local agencies as they develop their own local policy and procedures to assure that they comply with state and federal requirements. By doing this, ODOT avoids prescribing uniform policies and procedures upon local agencies which allows greater flexibility for individual agencies.

ODOT, in collaboration with FHWA, interprets federal and state laws, rules and regulations and provides guidance in the form of manuals, guidebooks, handbooks, reference materials and service and training to assist the agencies in planning, designing, constructing and maintaining their transportation systems.

PROGRAM MANAGEMENT

Each specific local assistance program provides funding which requires distribution, management and oversight control to ensure that the funds are expended to meet the program goals and that allocations and budget authority are not exceeded.

ODOT distributes both state and federal fund allocations to the local agencies as specified by law and program requirements. Once the distributions are established, ODOT provides program guidance for their expenditure. Some funding programs may require annual or periodic project application and selection to establish eligibility lists. ODOT also monitors project implementation to ensure that the projects are implemented in a timely manner to achieve program goals. For details regarding federal funding programs, refer to Section A - Chapter 3 of the LAG Manual.

PROJECT IMPLEMENTATION

Some activities delegated by FHWA to ODOT cannot be further delegated to local agencies and remain ODOT's responsibility. These include the following activities:

- Approval of authorization to proceed using Federal funds
- Preparation of federal agreements
- Pre-award audit review of consultant contract over \$250,000
- Approval of Utility Relocation Agreements involving federal reimbursement
- Approval of Specific Authorization for Utility Relocation involving federal reimbursement
- Independent Assurance Sampling and Testing (IAST) for National Highway System (NHS) projects
- Approval of payments from ODOT to local agencies
- Right of Way Certification
- Issuance of rail grade crossing orders

Refer to individual LAG Manual chapters covering these topics for further details. Where FHWA has not delegated final approval, ODOT monitors local agency activities, reviews or prepares documents and makes recommendation to FHWA. For example, ODOT will review all environmental documents for completeness and sufficiency before they are submitted to FHWA for approval.

3.3 FHWA Roles and Responsibilities

FHWA has the authority and responsibility for implementing and monitoring federal laws, regulations and executive orders affecting highway transportation projects undertaken with federal funding. When a project involves FHWA funding, FHWA is involved according to these responsibilities, delegations of authority and FHWA's Stewardship Agreement with ODOT. For local agency projects involving federal funding, FHWA's responsibilities typically involve project implementation and process review activities.

PROJECT IMPLEMENTATION

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

- Obligation of federal funds
- Buy America waivers
- Approval of NEPA and other federally required environmental documents except for projects that qualify for Programmatic Categorical Exclusion
- Approval of experimental features

For projects that are under FHWA "Full Oversight" (e.g. projects over \$5 million on the National Highway System) per the Stewardship Agreement, FHWA is also responsible for the following activities:

- Authorization to proceed
- Approval of additional access points on the Interstate
- Any major changes to the project
- Final inspection

The combined and collaborative efforts of federal, state and local stakeholders are necessary for the selection, development and construction of safe, efficient and effective federally funded local agency transportation projects.