



Kentucky Transportation Cabinet

&

Federal Highway Administration

STEWARDSHIP PLAN

July 2, 2008



**Letter of Agreement
between the Kentucky Transportation Cabinet
and the Federal Highway Administration**

Pursuant to 23 USC 106(c), the Federal Highway Administration (FHWA) and Kentucky Transportation Cabinet (KYTC) agree to follow the procedures set forth in the KYTC and FHWA Stewardship Plan (Stewardship Plan), dated July 2, 2008, which is attached to and made a part of this Agreement, to carry out their respective oversight responsibilities in the delivery of Federal-aid projects. This Letter of Agreement supersedes all past agreements.

The Stewardship Plan accomplishes a major goal of the respective agencies, in partnership, to further improve program and project delivery in the state of Kentucky. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the Transportation Equity Act for the 21st Century (TEA-21), and the Safe, Accountable, Flexible, and Efficient Transportation Equity Act; A Legacy for Users (SAFETEA-LU) increased the role of State Transportation Agencies (STAs) in project approvals. ISTEA, TEA-21, and SAFETEA-LU provided flexibility to the states in determining how to ensure that all project actions would be carried out in accordance with laws, regulations, and policies. TEA-21, Section 1305 (a) requires that FHWA and each state enter into an agreement showing the extent of the state's assumption of the U.S. Secretary of Transportation responsibilities.

Since ISTEA and TEA-21, FHWA relationship with the STAs has changed from full project oversight and approval of every federal-aid project or activity funded with FHWA funds to program oversight and some project-level oversight and approval. The program and project assumptions made possible under Section 1016 of ISTEA and Section 1305 of TEA-21 require that the FHWA shares oversight responsibilities with KYTC to a much greater extent than in the past. KYTC's acceptance of these assumptions requires greater program accountability due to less federal involvement in certain projects and programs.

Although stewardship roles have changed, accountability has not changed. FHWA remains responsible and accountable to Congress and the public for the administration of the federal-aid program.

KYTC is also committed to being accountable and responsive to the citizens of Kentucky. A key value, of both FHWA and KYTC, is to be responsive to customer needs and consider what KYTC does in terms of how it benefits its customers. This Stewardship Plan assists KYTC in fulfilling its three strategic tenets: 1) Safety, 2) Reliability, and 3) Economic Opportunity. Kentucky's Statewide Transportation Plan implements these strategies to reflect the priorities of Kentucky citizens and effectively manage the state's transportation resources.

In Kentucky, a joint FHWA and KYTC multi-disciplinary team was created to develop this Stewardship Plan. The Team reviewed legislation, identified process improvements, and developed a consensus Plan. The primary contact for FHWA is the Division Administrator and the primary contact for KYTC is the Secretary and Commissioner of Highways.

Narrative, matrix tables, and flow charts in the Stewardship Plan outline responsibilities and accountability for FHWA and KYTC. The purpose of the Plan is to clarify actions, prevent misinterpretations, and assure timely actions.

The Stewardship Plan is conceived as a living document that can be modified to incorporate additional legislation and other processes or changes that impact the oversight responsibilities. It is the mutual objective of FHWA and KYTC to work toward providing the state the maximum flexibility as permitted by the law. The Division Administrator of FHWA or the Commissioner of KYTC can initiate changes to this Stewardship Plan. Both parties, FHWA and KYTC, shall mutually agree upon all future changes.



José M. Sepúlveda
Division Administrator
Federal Highway Administration

July 2, 2008
Date



Joseph W. Prather
Secretary and Commissioner of Highways
Kentucky Transportation Cabinet

July 2, 2008
Date



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I. INTRODUCTION

This Stewardship Plan clarifies the roles and responsibilities of both the Federal Highway Administration (FHWA) and Kentucky Transportation Cabinet (KYTC) in implementing the Federal-aid Highway Program. In situations where the KYTC has accepted the responsibility for project oversight through the delegation of authority provided in Title 23 USC 106, the KYTC is expected to fill the prior role of FHWA. The Stewardship Plan is intended to result in the efficient and effective management of public funds and to ensure that the Federal-aid Highway Program is delivered consistent with laws, regulations, policies, and good business practices.

Since 1991, Federal highway legislation has allowed the delegation of project level responsibilities to States for actions in design, plans, specifications, estimates, contract awards, and inspections of projects. This Stewardship Plan is the documentation of the delegation of authority, under Section 106 of Title 23, from direct Federal oversight that is desired and accepted by KYTC and recognized by FHWA. The delegation of authority options of Section 106 are desirable for KYTC for the streamlining of processes. Delegation of authority is desirable for FHWA because reduced project-level involvement allows for more effective application of resources. Notwithstanding the Letter of Agreement and Stewardship Plan, FHWA retains overall responsibility for all aspects of Federal-aid programs and this Plan does not preclude FHWA's access to and review of a Federal-aid project at any time. This Stewardship Plan does not replace the provisions of Title 23, USC. While Federal law allows a State Transportation Agency (STA) to assume certain project approvals and authorities, the FHWA is ultimately accountable for ensuring that the Federal-aid Highway Program is delivered consistent with established requirements.

The Stewardship Plan contains chapters on eighteen broad program areas that address most of the main elements of the Federal-aid highway program, based on regulations and national policies. These program area chapters are arranged in alphabetical order based on a representative name given to the program area. Most of these program names reflect common divisions of work related to highway projects, such as planning, design, construction, and maintenance.

II. DELEGATED AUTHORITY UNDER TITLE 23 SECTION 106

Only certain actions and authorities rooted in Title 23 USC are able to be delegated under 23 USC 106 to streamline the delivery of the Federal-aid program. However, non-Title 23 actions and authorities such as those under the Clean Air Act; Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; the Civil Rights Act of 1964, and the National Environmental Policy Act of 1969 (except as permitted under SAFETEA-LU Sections 6004 and 6005) cannot be delegated when a State requests to be delegated the responsibility under 23 USC 106. These non-Title 23 requirements apply to all Federal-aid projects and require FHWA involvement.

In addition to the provisions of this Stewardship Plan, the FHWA and KYTC have established a number of administrative agreements relating to the extent to which KYTC assumes the responsibilities of the U.S. Secretary of Transportation per 23 USC 106(c)(3) as indicated below. These agreements are listed in Appendix C.

Project Oversight

Type of Project*	Primary Oversight Responsibility
Interstate	FHWA
Non-Interstate NHS	KYTC
Non-NHS	KYTC
Appalachian Developmental Highway System (new construction only)	FHWA

- * In addition, other projects may be selected by mutual agreement of the FHWA & KYTC for FHWA oversight.

Examples of projects likely to be selected are:

- Complex Emergency Relief Projects
- Complex Local Public Agency (LPA) Projects
- Complex Urban Reconstruction Projects
- Future Interstate Corridors – NHS
- Major or Complex Highway Projects
- Major or Complex Structure Projects

FHWA may become actively involved in any Federal-aid project (including those which are delegated to KYTC) that has high costs, complexity, or controversy, unique features, high-risk elements, unusual circumstances, or if the project is included in a process review.

For additional information on oversight responsibility by the FHWA and KYTC, see the discussion and charts in the various program area chapters.

Delegated Program and Project Responsibilities

KYTC Responsibilities

- a. For all delegated projects or programs, KYTC shall comply with Title 23 and certain non-Title 23, USC Federal-aid program requirements, such as metropolitan and statewide planning, environment, procurement of engineering and design-related service contracts, Title VI of the Civil Rights Act, participation by disadvantaged business enterprises, prevailing wage rates, and acquisition of right-of-way.
- b. For all delegated projects or programs, KYTC shall assure that right-of-way approval; utility approval; environmental approvals; railroad approval; design approval; design exceptions (NHS); PS&E approval; concurrence in award; and construction-related activities are performed in accordance with State policies, practices, and standards, and in accordance with all requirements of Title 23, USC.
- c. For delegated projects or programs that are developed and administered by local agencies, KYTC shall provide the necessary review and approval to assure compliance with Federal requirements. KYTC will be responsible for determining that sub-recipients of Federal funds have adequate staffing, project delivery systems, and sufficient accounting control. KYTC is responsible for the effective and efficient use of all Federal funds in Kentucky and is ultimately accountable to FHWA for ensuring compliance with Federal-aid requirements on such projects.
- d. For Design-Build projects, KYTC assumes the FHWA Title 23 responsibilities for Design-Build projects, based on the system and type of project.

FHWA Responsibilities

For projects or programs delegated to KYTC, FHWA retains authority for the following actions and approvals:

- a. All Federal responsibilities for planning and programming oversight specified in 23 USC 134 and 135
- b. Federal air quality conformity determinations required by the Clean Air Act
- c. Obligation of funds
- d. Waivers to Buy America requirements
- e. SEP-14/SEP-15 methods
- f. Civil Rights program approvals
- g. Environmental approvals, except those administratively delegated under programmatic agreements
- h. Addition of access points on the Interstate System
- i. Use of Interstate airspace for non-highway related purposes
- j. Hardship acquisition and protective buying
- k. Modifications to project agreements
- l. Final vouchers

Major Projects

The “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU) Section 1904(a) requires Project Management Plans and an Annual Financial Plan for projects with an estimated cost of \$500 million or more. In addition, SAFETEA-LU requires that Annual Financial Plans be prepared and submitted to FHWA for projects with an estimated cost from \$100-\$500 million.

Project Management Plans document 1) the procedures and processes that are in effect to provide timely information to the project decision makers to effectively manage scope, costs, schedules, and quality of, and the Federal requirements applicable to, the project; and 2) the role of the agency leadership and management team in the delivery of the project. Financial Plans are 1) based on detailed estimates of the cost to complete the project; and 2) provide for the annual submission of updates to the FHWA that are based on reasonable assumptions of future changes in revenues and the cost to complete the project.

Project Management Plans and Financial Plans

For projects estimated at between \$100M < \$500M, the KYTC will submit an annual Finance Plan for review by the FHWA no later than prior to requesting authorization of Federal-aid funds for construction. For Design-Build projects, the Finance Plan must be approved prior to award of the Design-Build contract. Finance plan updates shall be submitted annually until construction is substantially complete.

For projects \geq \$500M, the KYTC will submit a draft Project Management Plan (PMP) in accordance with *FHWA Major Project Guidance* to FHWA for review and approval prior to issuing a ROD, FONSI or CE determination. A final PMP shall be submitted to FHWA within 90 days after the ROD, FONSI or CE determination.

An Initial Finance Plan (IFP) with annual updates will be required for review and approval by FHWA, prior to requesting Federal-aid funds for construction.

Summary

FHWA and KYTC mutually agree to the assignment of responsibilities defined in this section of the Stewardship Plan as allowed by Title 23 Section 106 and further agrees to abide by the procedures, practices, and business standards outlined throughout this Stewardship Plan.

This Stewardship Plan may be modified upon mutual agreement of both parties.

III. STEWARDSHIP AND OVERSIGHT METHODS

The FHWA and KYTC will utilize a balanced approach involving several stewardship and oversight techniques to ensure Federal-aid funds are used efficiently and effectively in Kentucky. The Kentucky stewardship and oversight initiatives consists of the following components: risk assessments and program assessments; project reviews; quality improvement reviews (QIR); quality assurance reviews (QAR); Financial Integrity Review and Evaluation program; peer reviews; partnering activities; task force activities; as well as other techniques such as performance plan development, reviewing KYTC reports, participation in project/program meetings, certification reviews, and day-to-day interactions.

Risk Assessment and Program Assessment

Risk Assessments are performed annually by FHWA staff for the various program areas (e.g. planning, environment, design, construction, etc), and it identifies the level of risk (high, medium, and low) for each area. Once drafted, the Risk Assessments are coordinated with appropriate KYTC program staff. The Risk Assessments provide key input in identifying the FHWA's major initiatives and activities in its Performance Plan, including the selection of the FHWA's Quality Improvement Reviews. In addition, it assists the FHWA with resource planning (e.g. personnel, budget, priorities, etc).

Program Assessments are conducted in conjunction with the Risk Assessments for the various program areas. FHWA staff, in coordination with KYTC program staff, is responsible for preparing the program assessments, and the primary purpose of the assessments is to identify the strengths and opportunities for improvement of the various program areas (i.e. provide the current state of the various programs). In addition, the assessments document the risk rating for the established risk criteria, and discuss the future direction and goals for the programs.

Project Reviews

Project reviews are designed to focus on evaluating and improving current activities and following up on unresolved issues from previous reviews. If possible, issues should be resolved during the time of the review. Each Transportation Engineer and FHWA Program Specialist will devise a method of ensuring proper follow-up. The degree of project review activity is established by the FHWA Project Delivery Team Leader, in discussions

with the individual Transportation Engineer and appropriate Program Specialist, based on risk, comfort level, and resources to conduct reviews.

Project reviews also give the FHWA a general understanding of individual KYTC Districts' oversight. In addition, project reviews help feed the selection process for future QIRs. The FHWA may also utilize various other project review techniques, including participation in project-related meetings, participation in value engineering teams, partnering activities, and telephone contacts.

Quality Improvement Reviews (QIR)

The FHWA utilizes a QIR Program to evaluate all phases throughout the life of a project. The primary purpose of the QIR program is to provide the FHWA with a control technique that documents and assures FHWA that Federal-aid funds are being spent in accordance with Federal laws, regulations, and policies. In addition, QIRs will evaluate the effectiveness of the processes, procedures, and products developed by KYTC in all phases of a project, as well as the internal operations of the FHWA. Based in part on these reviews, assurances can be made that a program is being implemented as intended and is producing a quality product.

FHWA staff lead QIRs in their respective program areas, and participation by KYTC staff is expected. QIRs are selected as a result of the FHWA annual risk assessment process (those generally rated High Risk), as well as identified special emphasis areas. QIRs can be conducted on a statewide, area-wide, or program basis. The QIR program coverage is applicable to Title 23 and non-Title 23 activities on all Federal-aid projects, regardless of route designation [i.e., National Highway System (NHS) or non-NHS] or Federal-aid funding category. FHWA staff will provide to KYTC a list of selected QIRs shortly after Risk Assessment/Program Assessments are performed.

Quality Assurance Reviews (QAR)

Quality Assurance Reviews assist both KYTC and FHWA in the stewardship and oversight of the Federal-aid program. The QARs establish or improve KYTC control processes and documents for functional areas of responsibility (environment, design, construction, etc.). KYTC Central Office staff will lead these compliance-based reviews, and FHWA staff is expected to actively participate in these reviews.

Financial Integrity Review and Evaluation Program

The FHWA has implemented the Financial Integrity Review and Evaluation (FIRE) program to ensure that Federal-aid funds are properly managed and effectively used in accordance with Federal policies, and that safeguards are in place to minimize fraud, waste, and abuse. In addition, the FIRE program ensures that proper internal controls are established and followed, with objectivity and a separation of financial duties in conducting the Agency's day-to-day operations. The FHWA's Financial Management Team is responsible for completing the FIRE activities on an annual basis, and they coordinate with KYTC and FHWA staff, as necessary. The FIRE activities consist of the following: 1) Financial Quality Improvement Reviews; 2) Improper Payment Reviews; 3) Inactive Federal-aid projects Reviews; 4) Single Audit Review; 5) Other Federal Audit Findings Review (as applicable); 6) Annual Certification & Certification Validation; and 7) Administrative Reviews [Fund Authority; Purchase Orders & Administrative Contracts; Travel-Related Transactions; Credit Cards & Convenience Checks; Property Inventories & Capitalized Assets; and Collections & Sensitive/Controlled Documents].

KYTC conducts various audits (involving respective program staff, as applicable) of external agencies receiving Federal-aid funds to ensure the proper use of these funds and that Federal and State requirements are met. KYTC also performs desk reviews of OMBA-133 audits that are required of subrecipients.

Peer Reviews

The peer review is designed to have an outside team meet with the host agency to discuss and review its management processes/practices in a particular program area. Information on the host agency and team members' policies and procedures are exchanged with the intent to improve the overall program process. The information gathered from the exchange is presented to agency management for process improvement.

Partnering Activities

Partnering is an effective management technique used to improve communications and enhance the resolution of conflicts during project development and construction. Active participation in partnering activities has resulted in high payoffs relative to improved communications and working relationships between FHWA, KYTC, Federal and State Resource Agencies, and industry.

Task Force/Team Activities

FHWA may participate in joint FHWA/KYTC teams with the purpose of adding value, re-engineering processes/procedures, improving overall quality of products and services. These activities can be an effective method of oversight, an opportunity to strengthen the FHWA/KYTC partnership, and an effective means of adding value and effecting change to a particular program.

IV. CONTROL DOCUMENTS

Certain control documents apply in implementing this Stewardship Plan. In assuming certain program and project-level responsibilities under Title 23 USC 106 and SAFETEA-LU – Section 1904, KYTC agrees to comply with FHWA-approved standards in accordance with 23 CFR 625.4, 655.603, and related federal regulations and policies. The FHWA shall approve required KYTC policies or standards that expand on, amplify, or amend these documents. Please refer to Appendix D for a list of key KYTC policies on the Federal-aid Program.

The implementation and management of this Stewardship Plan are made with the following understanding:

1. All projects on the NHS (Interstate and non-Interstate) shall conform to KYTC-adopted design and construction standards, as approved or accepted by the FHWA. Design exceptions for Federal-aid Interstate projects shall be reviewed and approved by the FHWA. All other NHS design exceptions will be reviewed and approved by KYTC, or in accordance with the project oversight determined through Section II of this Stewardship Plan.
2. All non-NHS projects shall be designed, constructed, operated, and maintained in accordance with State laws, regulations, and directives, and KYTC safety, design, and construction standards. LPA projects shall be designed, constructed, operated, and maintained in accordance with State laws, regulations, rules, and standards.
3. This Stewardship Plan does not preclude FHWA access to, and review of, Federal-aid projects at any time, and it does not replace the fundamental provisions of law in Title 23, with respect to the basic structure of the Federal-aid Highway Program. FHWA will exercise its stewardship and oversight through the various methods described in Section IV of this Stewardship Plan.
4. FHWA may, at any time, have access to and review project phases and records under this Stewardship Plan. In accordance with 49 CFR 18.42, records will be retained for a minimum of three years or until litigation, claims, or audit findings initiated before the expiration of the three-year period have been resolved.

V. PERFORMANCE & COMPLIANCE INDICATORS

It is recognized by KYTC and FHWA that indicators are necessary to track performance trends, health of the Federal-aid Highway Program (FAHP), and compliance with Federal requirements. Both agencies already have established sets of indicators that are critical in managing its respective programs. This Stewardship Plan establishes the indicators necessary to gauge the overall effectiveness of the FAHP, since KYTC has assumed FHWA approval responsibilities on certain projects. Furthermore, if the indicators are not moving in the desired target direction, countermeasures (or actions) should be implemented by both agencies.

Performance Indicators

The performance indicators identified in this Stewardship Plan will be used to monitor performance trends and the overall health of the FAHP. Both agencies will implement countermeasures when the data is not moving in the desired target direction. Countermeasures may include raising the attention level of the issue, instituting additional data and trend analysis, developing new processes or procedures, initiating additional targeted oversight activities, or implementing additional KYTC Quality Assurance Review (QAR) or FHWA Quality Improvement Review (QIR) activities. Please refer to Section VII-Program Areas of this Stewardship Plan for the respective performance indicators.

Compliance Indicators

In order to ensure the effectiveness of its delegated responsibilities and compliance with Federal requirements, KYTC will use its QAR program for monitoring and reporting purposes. In addition, KYTC will conduct external audits of agencies and organizations receiving Federal-aid funds as well as internal audits of KYTC to ensure the proper use of these funds. FHWA will use its QIR program to determine compliance of Federal requirements and improve processes, procedures, and other elements of the FAHP. FHWA will participate in financial audits and QARs to the extent possible.

Reporting

By July 31st of each year, KYTC and FHWA will jointly develop, 1) a summary of the program performance indicators identified in this Stewardship Plan, 2) a summary of QARs conducted during the past year, and 3) a summary of audit findings during the past year. The report will indicate overall general program performance and compliance with Federal requirements in the implementation of the Federal-aid Highway Program.

VI. DISPUTE RESOLUTION PROCESS

While most KYTC requests for Federal approval and most FHWA requests to KYTC to address project or program matters result in a positive response within reasonable time frames, there are occasions when agreement cannot rapidly be reached by both parties. It is the intent of this section of the Stewardship Plan to provide a template for escalating issues that have reached an impasse at the normal operational level.

Overall Philosophy

It is expected that nearly all issues should be resolved at the lowest working level between FHWA and KYTC staff where the issue originated. For this to occur, effective communication is absolutely essential, as it is the foundation of a solid partnership. Generally, issues should not be elevated until each party has exhausted available options within a reasonable time frame. Depending on the urgency of the issue, for this Stewardship Plan, reasonable time frames are defined between 1-3 days to resolve the issue before both parties agree to escalate an issue. Both parties are encouraged to reach out and contact each other at the lowest working level via phone (1st option) or face-to-face (2nd option) to solve any issues or clear up any misunderstandings (i.e. clarify comments or requests, better understand positions, etc).

Process Steps

Please refer to Figure VI-1, Dispute Resolution Escalation Process flowchart.

When the FHWA Transportation Engineer/Program Manager/Program Specialist and the KYTC Project Manager or Program Coordinator cannot reach agreement on an issue, then the issue will be escalated to the next level, as mutually agreed upon.

If the FHWA Transportation Engineer/Program Manager/Program Specialist and the KYTC Chief District Engineer or Central Office Division Director cannot reach agreement on an issue, then the issue will be escalated to the next level, as mutually agreed upon.

If the FHWA Team Leader and the respective KYTC Deputy State Highway Engineer cannot reach agreement on an issue, then the issue will be escalated to the next level, as mutually agreed upon.

If the FHWA Assistant Division Administrator and KYTC State Highway Engineer cannot reach agreement on an issue, then the issue will be escalated to the next level, as mutually agreed upon.

Should none of the above negotiations result in a satisfactory resolution, the FHWA Division Administrator and the KYTC Commissioner of Highways will determine the final outcome.

In summary, it is both agencies' expectation that the formal dispute resolution process be used on an infrequent basis. As such, parties on both sides are expected to make good faith efforts to solve the issues at their level.

**KYTC-FHWA DISPUTE RESOLUTION
ESCALATION PROCESS**

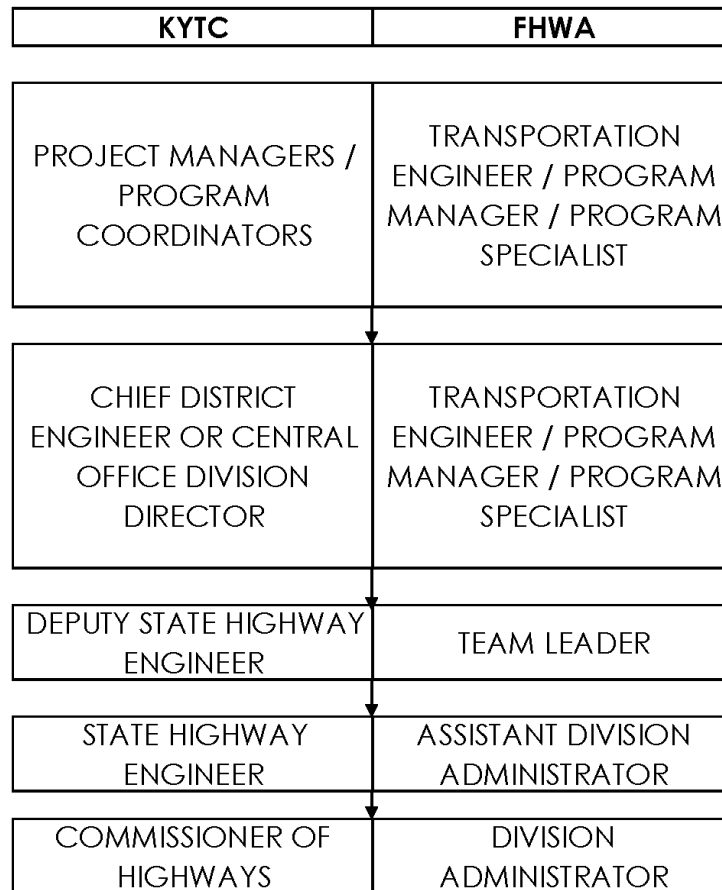


Figure VI-1

VII. STEWARDSHIP PLAN PROGRAM AREAS

1. Air Quality Planning
2. Bridge and Structures
3. Civil Rights
4. Construction and Contract Administration
5. Design
6. Emergency Relief
7. Environment
8. Financial Management
9. Intelligent Transportation Systems
10. Local Public Agencies
11. Maintenance and Preservation
12. Pavement and Materials
13. Planning
14. Research, Development, & Technology Transfer
15. Right-Of-Way
16. Safety
17. Specifications
18. Traffic Operations

1. AIR QUALITY PLANNING

a. Program Overview

The primary focus of air quality in transportation planning is the process that results in a demonstration of regional conformity. Under the 1990 Clean Air Act Amendments, FHWA cannot fund, authorize, or approve Federal actions to support programs or projects that are not first found to conform to the Clean Air Act requirements or are exempt activities under those requirements. The transportation conformity process integrates transportation planning and air quality planning by requiring that transportation plans, programs, and projects demonstrate that emissions resulting from their implementation are consistent with and conform to the purpose of the State Implementation Plan (SIP). The FHWA and FTA Region IV, in consultation with USEPA Region IV, make joint conformity determinations on LRTPs/MTPs, TIPs, STIPs, and amendments to those documents. In addition, KYTC is responsible for reviewing and providing data for air quality budget setting and designation.

Other air quality planning responsibilities include the Congestion Mitigation and Air Quality Improvement (CMAQ) program, which is administered by KYTC Office of Special Programs (OSP). The purpose of the CMAQ program is to fund transportation projects or programs that will contribute to attainment or maintenance of the National Ambient Air Quality Standards (NAAQS) for ozone, carbon monoxide, and particulate matter. The FHWA jointly with FTA-Region IV determine eligibility for inclusion in this funding program on a project-by-project basis using criteria contained in FHWA's 2006 Guidance on CMAQ Program. Key FHWA actions include project eligibility determinations and submittal of the CMAQ Database to FHWA Headquarters.

b. Applicable Laws, Regulations, and Procedures

Conformity

- 42 USC 7401-7671(q) – Clean Air Act
- 40 CFR 51 – Environmental – SIP
- 40 CFR 93 – Environmental – Conformity
- 62 FR 43779 – Transportation Conformity Regulation
- 69 FR 40004 (July 1, 2004) – Transportation Conformity Rule Revision for the 8-hr Ozone and PM 2.5 Standards

- 70 FR 24280 (May 6, 2005) – Transportation Conformity Rule Revision for PM_{2.5}
- 23 CFR 450 – Highways
- 23 USC 134 – Metropolitan Planning
- 23 USC 135 – Statewide Planning
- 49 USC 53 – Mass Transportation

CMAQ

- 23 USC 104 – Apportionment
- 23 USC 110 – Revenue aligned budget authority
- 23 USC 149 – Congestion mitigation and air quality improvement program
- October 31, 2006 – Guidance on the CMAQ program under SAFETEA-LU
- April 4, 2008 – Updated guidance on the CMAQ federal share

c. Program Approval Actions

Regional Conformity Determinations. The FHWA and FTA-Region IV, in consultation with USEPA Region IV, make joint conformity determinations on, LRTP/MTP, TIPs, STIPs, and amendments to those documents for nonattainment and maintenance areas. The LRTP/MTP and TIPs, in nonattainment or maintenance area, are updated on a four-year cycle and must be amended when transportation projects are added or deleted or have a major change in project cost, project/project phase initiation dates, or design concept or design scope. Plans in attainment areas are updated on a 5-year cycle.

CMAQ Annual Report Approval. The FHWA must approve the CMAQ Annual Report that is submitted by KYTC through the web-based CMAQ tracking system.

d. Project Approval Actions

CMAQ Eligibility. KYTC submits requests to the FHWA to determine project eligibility for funding through the CMAQ program. The FHWA jointly with FTA-Region IV, and in consultation with USEPA Region IV, determines eligibility of projects using criteria contained in the 2006 and 2008 Guidance on CMAQ Program under SAFETEA-LU issued by the FHWA.

e. Monitoring

KYTC will monitor LRTP/MTP, TIP, and STIP development activities to ensure that the work is being managed and performed satisfactorily and that conformity schedules are being met.

KYTC, FHWA, and FTA Region IV will consult with USEPA and the Kentucky Environmental and Public Protection Cabinet (EPPC) and work closely with each MPO in non-attainment and maintenance areas.

f. Performance Indicators

- Number of areas in conformity.
- Amount of emission reductions.

g. Business Standards

The FHWA will issue a conformity determination within 60 days of receiving documents from KYTC. This 60-day timeframe includes the 30-day FHWA review and comment period required to coordinate with the interagency consultation group for each area. KYTC will involve FHWA in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and timely decisions.

The FHWA will review and take action on CMAQ projects within 30 days of receipt of documents from KYTC.

KYTC-OSP will populate the FHWA CMAQ Tracking System (national database) and notify FHWA by January 31st. After the database is populated by KYTC, FHWA takes action, either approving or rejecting entries. Additional guidance for preparing the annual report is discussed in the 2006 Guidance on CMAQ Program under SAFETEA-LU issued by the FHWA.

PROGRAM APPROVAL CHART

Activity	Regulation	KYTC Role		FHWA Role
		MPO Area	Non MPO Area	
Conformity Finding on STIP, TIP, or LRTP and/or Amendments	40 CFR 93.105	Review	Prepare	Approve
Eligibility Determination on CMAQ Projects	40 CFR 93.105	Prepare	Prepare	Approve
CMAQ Annual Report	23 U.S.C. Part 149 2006 CMAQ Guidance	Prepare	Prepare	Approve

2. BRIDGE AND STRUCTURES

a. Program Overview

The FHWA is responsible for administering the Highway Bridge Program (HBP). The purpose of the Program is to “enable States to improve the condition of their highway bridges over waterways, other topographical barriers, other highways, and railroads through replacement and rehabilitation of bridges that the States and the Secretary determine are structurally deficient or functionally obsolete and through systematic preventive maintenance of bridges.”

Reimbursable scopes of work include:

- Replacement
- Rehabilitation
- Low water crossing replacement
- NBIS inspections
- Systematic preventative maintenance

The FHWA is responsible for administering the National Bridge Inspection Standards (NBIS) and National Bridge Inventory (NBI). The NBIS requires that all highway bridges, including county and municipal owned bridges, over 20 feet in length be inspected at least once every two years. Certain structures, such as box culverts, may be inspected at a lesser frequency if past favorable experience and analysis justify the increased interval of inspection. The NBI requires that all highway bridges, including county and municipal owned bridges, over 20 feet in length be inventoried and included in the state inventory and that this inventory information be submitted annually to FHWA. The KYTC inspects and maintains an inventory for all publicly owned bridges in Kentucky.

Other Federal-aid highway funds administered by FHWA may also be used to construct or rehabilitate bridges. Project approval actions are similar to those that apply to the HBP program except the existing bridge need not be deficient.

Federal bridge funds may also be used for other eligible items including:

- Seismic retrofits
- Scour countermeasures
- Bridge painting
- Bridge rail replacement or retrofit
- Inspection equipment
- Bridge software

b. Applicable Laws, Regulations, and Orders

- Title 23 USC 144 Highway Bridge Program
- Title 23 USC 151 National Bridge Inspection Program
- 23 CFR 650 Bridges, Structures, and Hydraulics

c. Program Approval Actions

- FHWA will make an annual determination of compliance with the NBIS.
- KYTC will submit the annual NBI data to FHWA Headquarters.
- KYTC will submit bridge unit cost data, to be reviewed by the FHWA and forwarded to FHWA Headquarters.

d. Project Approval Actions

- FHWA will approve eligible bridge projects according to Section II of this Stewardship Plan.
- Unusual or complex bridge projects on the Interstate System will require FHWA Headquarters review and approval of the preliminary Type Size and Location (TS&L) report.
- Unusual, complex, or large bridges located off of the Interstate or NHS system may be designated for FHWA oversight, if requested by KYTC.
- Exceptions to three design features associated with bridges (structural capacity, bridge parapet/curb configuration, and vertical clearance) within the limits of proposed projects require the processing and approval of Design Exceptions.

e. Monitoring

FHWA will:

- Screen bridges for eligibility for HBP based on the selection list
- Review Preliminary Engineering Studies and Project Scopes
- Review Type Size and Location reports
- Review bridge design plans on FWHA oversight projects
- Provide oversight of bridge construction
- Review Critical Bridge Inspection reports
- Review Quarterly reports for bridge posting, critical findings, and inspection frequency
- Review annual scour critical Plan of Action (POA) status
- Perform quality improvement reviews of specific program elements such as hydraulics, geotechnical, design, or construction on a periodic basis
- Perform annual reviews to establish compliance with the NBIS
- Review Bridge Construction Unit costs submittal
- Perform Bridge Maintenance Inspections
- Provide technical assistance

f. Business Standards

- FHWA will review and comment on Preliminary Engineering Studies and Project Scope Reports within 14 days of receipt.
- KYTC will submit the annual update of NBI data to FHWA by April 1st of each year.
- KYTC will submit the Construction Unit Cost data by March 1st of each year.

g. Performance Indicators

Track % of deck area on deficient bridges:

- Bridges on the NHS
 - ADT \geq 50,000
 - ADT < 50,000
- Bridges not on the NHS
 - ADT \geq 10,000
 - ADT < 10,000

h. Approved Procedures/Agreements/Manuals

- KYTC Bridge Design Manual
- KYTC Highway Design Manual
- KYTC Standard Specifications
- KYTC Bridge Inspection Manual
- KYTC Geotechnical Guidance Manual
- FHWA Bridge Inspection Reference Manual
- FHWA Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges
- AASHTO Standard Specifications for Highway Bridges (only for rehabilitation projects)
- AASHTO LRFD Bridge Design Specifications
- AASHTO Manual for Condition Evaluation of Bridges
- AASHTO Guide Specifications for Horizontally Curved Steel Girder Highway Bridges with Design Examples for I-Girder and Box-Girder Bridges
- Technical Advisory T 5140.21, Revisions to the National Bridge Inspection Standards

**KENTUCKY BRIDGE AND STRUCTURES
PROJECT ACTIVITY APPROVAL CHART**

PROJECT ACTIVITIES		AGENCY RESPONSIBLE			
Approval Action	Reference Document	FHWA Oversight: Interstate and ADHS Projects	KYTC Oversight: Non-Interstate NHS	KYTC Oversight: All Non-NHS Projects	Other Projects Subject to FHWA Oversight by Mutual Agreement
HBP eligibility determinations	23 CFR 650 Subpart D	FHWA	KYTC	KYTC	FHWA/KYTC
Preliminary Engineering Studies and Project Scopes		FHWA	KYTC	KYTC	FHWA/KYTC
TS & L	23 USC 106 23 CFR 630	FHWA	KYTC	KYTC	FHWA/KYTC
Structural Plans	23 USC 106 23 CFR 630	FHWA	KYTC	KYTC	FHWA/KYTC
Construction Inspections	FAPG G 6042.8	FHWA/KYTC	KYTC	KYTC	FHWA/KYTC
Exempt bridge from Coast Guard permit requirements	23 CFR 650.805	FHWA	FHWA	FHWA	FHWA

PROGRAM ACTIVITY APPROVAL CHART

PROGRAM	REFERENCE	AGENCY RESPONSIBLE
NBIS Review	23 CFR 650 Subpart C	FHWA
Bridge Unit Cost submittal	23 CFR 650 Subpart D	KYTC
Innovative Bridge Research and Deployment Program candidate submittals	23 USC 503(b)	KYTC
National Historic Covered Bridge Candidate submittals	Section 1224 - TEA21	KYTC
Semi-Annual scour POA updates	-----	FHWA
Reports for: Bridge Posting, Critical Findings, and Inspection Frequency	-----	KYTC
NBI Data Submittal	23 CFR 650 Subpart C	KYTC

3. CIVIL RIGHTS

a. Program Overview

The FHWA is committed to effectively implementing and enforcing civil rights programs within KYTC in its planning, construction, and management of the multimodal Kentucky transportation system. Federal law establishes the STA is responsible for nondiscrimination as the recipient of Federal aid; however, the law does not allow the delegation of FHWA Civil Rights federal responsibilities to KYTC at any project level. If projects are managed by a subrecipient, KYTC must ensure that the subrecipient is well qualified and suitably equipped to perform the work (23 CFR 1.11). If subrecipients are involved, KYTC is obligated to ensure nondiscrimination in all programs and activities, and in the provisions of all services and benefits, as a basis for continued receipt of FHWA funds. The KYTC can delegate the activity, but cannot delegate its responsibility.

b. Applicable Laws, Regulations, and Orders

- Title VI of the 1964 Civil Rights Act
- Equal Employment Opportunity Act of 1964
- Rehabilitation Act of 1973
- Age Discrimination Act of 1975
- Americans with Disabilities Acts of 1990
- Civil Rights Restoration Act of 1987
- 23 USC 140, 142, 324
- 49 CFR Part 21 & 26
- 23 CFR Part 230, 633
- 13 CFR Part 121
- Executive Order 11246
- Executive Order 12898

c. Program Approval Actions

PROGRAM ACTIVITIES		AGENCY RESPONSIBILITY		
Approval Action	Reference Document	Review	Approve	Remarks
Disadvantaged Business Enterprise Program, Goal, and Supportive Service Plans	49 CFR Part 26 Title VI of the 1964 Civil Rights Act 23 CFR Part 230 Subpart B 13 CFR Part 121 SBA, Size Standards	FHWA	FHWA	Coordination of approval with FHWA HQ Review Team. FHWA Division Administrator approves program and goal. FHWA DBE/SS work plan.
State Highway Agency Affirmative Action (External/Internal) Plans	23 USC 140 23 CFR Part 230 Subpart C Title VI of the 1964 Civil Rights Act Title VII Equal Employment Opportunity Act of 1964 American with Disabilities Acts of 1990	FHWA	FHWA	Programs are reviewed annually and approved by the FHWA Division Administrator.
Contract Compliance Review Program	Section 22(a.) 1968 Federal-Aid Highway Act (23 USC 140) 23 CFR Part 230 Subparts A & D Title VI of the 1964 Civil Rights Act Exec. Order 11246 23 CFR Part 633	KYTC	FHWA	Federal-aid highway contracts of \$10,000 or more are monitored by KYTC. Contract compliance reviews/audits are conducted by KYTC. Reviews by FHWA at regular periods.
Equal Employment Opportunity On-the-Job Training (OJT)/ Supportive Services Programs	23 USC 140 23 CFR Part 230 Subpart A & C Title VI of the 1964 Civil Rights Act Equal Employment Opportunity Act of 1972 American with Disabilities Acts of 1990	FHWA/ KYTC	FHWA	OJT Training Programs are reviewed and monitored by KYTC and FHWA concurrence. FHWA reviews the Supportive Services work plan and approves each year. KYTC does not specify OJT participation per contract, and implements it on a voluntary program basis.
Title VI/ Non-discrimination	Title VI of the 1964 Civil Rights Act 49 CFR Part 21 23 CFR Part 200 Section 504 of the Rehabilitation Act of 1973 49 CFR Part 27 Age Discrimination Act of 1975 Civil Rights Restoration Act of 1987 Uniform Relocation Act of 1987 23 USC 142 23 USC 324	FHWA	FHWA	Programs are developed by KYTC and reviewed and approved annually by FHWA.

d. Project Approval Actions

Not applicable for Civil Rights Program.

e. Monitoring

FHWA will review and approve KYTC programs on an ongoing basis through process and program reviews and through active participation in continuous program evaluation and improvement. Appropriate FHWA representatives will actively participate in KYTC initiated reviews, task forces, and other civil rights initiatives upon request and to the extent feasible. Finally, FHWA will analyze civil rights reports submitted by KYTC to help identify trends and provide feedback and recommendations to KYTC.

f. Performance Indicators

- Monitor number of pre-qualified DBEs.
- Monitor DBE program race-neutral contributions.
- Number of Title VI complaints.

g. Business Standards

WORK ACTIVITY	KYTC ACTION	FHWA ACTION	REMARKS
DBE Program Plan Revisions	Prepare and submit as required.	Review and act upon. (30 days)	Updates accurately reflect appropriate program changes.
DBE Program Goals and Methodology	Prepare and submit (no later than August 1).	Review and make determination. Submit to FHWA Resource Center Atlanta. (30 days)	Goals incorporate appropriate statistical analysis and are based on complete, accurate data.
DBE Semi-annual Report and Accomplishments	Prepare and submit by the following dates: December 1 (for the period of April 1 – Sep 30) and June 1 (for the period of Oct 1 – May 31)	Review and make determination. Submit to FHWA HQ. (10 days)	DBE reports accurate, completed and timely; DBE commitment is based on accurate data assessment.
State Internal AAP Update	Prepare and submit annually by January 31 st .	Review and act upon. (30 days)	Report is accurate and Meets CFR Requirements.

WORK ACTIVITY	KYTC ACTION	FHWA ACTION	REMARKS
State Internal Employment Practice EEO-4 Report	Prepare and submit annually by August 1 st .	Review and file. Submit to FHWA HQ. (5 days)	Report is accurate, complete and timely.
Contract Compliance Annual Update	Prepare and submit annually by September 25 th .	Review and make determination. (30 days)	Plan is accurate, complete and timely.
Contractor Compliance Review Schedule and Reports	Prepare and submit upon Completion.	Review and act upon. (30 days)	Schedule and reports are timely and accurate.
Annual Contractor Employment Report- PR1392	Prepare and submit annually by April 1 st .	Review and file. Submit to FHWA HQ. (5 days)	Annual report is accurate, complete and timely.
On-the-Job Training Program	Prepare and submit annually by April 1 st .	Review and act upon. (30 days)	OJT goal is based on appropriate projection of construction program and is timely submitted.
DBE and OJT Supportive Service Work Requests/ Reports	Prepare and submit per contract.	Review and act upon. (30 days)	Requests are adequately supported by data and appropriately submitted.
Title VI Program Update	Prepare and submit annually by June 1 st .	Review and make determination. (30 days)	Updates accurately reflect KYTC's Title VI Program.
Historically Black College/Minority Institution of Higher Education Plan/Report	Collaborate with FHWA. Prepare and submit, when requested.	Review, augment, and submit to FHWA HQ. (10 days)	Report reflects positive relationships with educational institutions.
ADA Annual Accomplishments and Upcoming FY Goals Report	Prepare and submit as requested.	Reviews as basis for KYTC compliance with requirements of section 504 and ADA.	Report includes goals and accomplishments of all Districts.

h. Approved Procedures/Agreements/Manuals

- KYTC DBE Program Manual
- KYTC AAP 2007 – 2012
 - September 2007
- Title VI Plan
 - June 2005

4. CONSTRUCTION & CONTRACT ADMINISTRATION

a. Program Overview

The FHWA is required to assure compliance with Federal-aid contract provisions on all projects that utilize Federal-aid funds. Federal responsibility includes assurance that specific procedures are followed in the advertisement and award of Federal-aid contracts. The FHWA specific contract administration responsibilities include, but are not limited to:

- Project Authorization
- Competitive Bidding
- Contract Awards
- Buy America provisions
- DBE Program
- Uniform Act

The FHWA is responsible for the inspection of construction projects utilizing Federal-aid funds. The primary purpose of FHWA review and administration in construction is to protect the public investment, assure public safety, assure effective quality controls, and verify the project is completed in accordance with the plans, specifications and special provisions. ISTEA and TEA-21 allow the delegation of FHWA construction review, oversight and administration responsibilities, except those responsibilities based on non-Title 23 Federal requirements to the STA. The SAFETEA-LU does not substantially change this delegation. Section II of this Stewardship Plan outlines the delegated KYTC and FHWA responsibilities for project oversight. Further definitions of project and program oversight responsibilities are presented in Section VII. The FHWA specific construction monitoring responsibilities include, but are not limited to:

- Quality Control and Improvement
- Contract Claims
- Change Orders
- Payment to Contractor
- Time Extensions
- Liquidated Damages
- Value Engineering

FHWA also provides technical assistance in problem solving and recommendations for improvements to State and local construction programs to ensure that high quality products are constructed.

FHWA also provides sharing of identified state-of-the-art practices and innovations in materials, equipment, construction practices and contracting methods for the purposes of highlighting best practices.

b. Applicable Laws, Regulations, and Orders

- 23 USC, 102, 106, 112, 114, 117, 121
- 40 USC 276(a) Davis-Bacon Act
- 23 CFR 635 Construction and Maintenance
- 23 CFR 637 Construction Inspection and Approval
- 29 CFR Parts 1, 3, 5, 6, & 7

c. Program Approval Actions

- FHWA will have approval authority for the authorization and obligation of Federal-aid funds for all Federal-aid projects.
- FHWA will approve KYTC Standard Specifications, Supplemental Specifications and Standard Plans applicable to NHS projects on a program basis.
- FHWA will approve the updates to the Liquidated Damages specification applicable to NHS projects on a program basis.
- FHWA will review and concur in KYTC policies, procedures and manuals that will be used and be applicable to NHS projects.

d. Project Approval Actions

- FHWA will approve project and construction authorizations.
- FHWA will approve project agreements, modified project agreements, and final vouchers on projects.
- FHWA will review and approve Value Engineering proposals on FHWA oversight projects.
- FHWA will review and approve contract modifications and change orders on FHWA oversight projects.
- FHWA will review and approve changes to scheme and phasing of Maintenance and Protection of Traffic revisions on FHWA oversight projects.
- FHWA will conduct routine project and final inspections on FHWA oversight projects.
- For all other Federal NHS and non-NHS projects, FHWA may conduct inspections, including finals, on a statewide sampling basis through QIR and QAR reviews.

e. Monitoring

FHWA will:

- Evaluate KYTC transportation construction program, including their staffing levels, procedures, and controls for assuring transportation improvements are constructed in accordance with approved standards and acceptable contracting methods.
- Evaluate the quality of materials, equipment, construction practices, and adequacy of work force used for the purpose of evaluating the quality of the constructed product.
- Review the erosion and sediment control measures in place for conformance to contract specifications as well as state and federal requirements.
- Monitor final construction costs relative to contract award amount.

f. Performance Indicators

- Track % of dollar value increase or decrease for change orders on projects greater than \$10M.
- Track % of projects completed by the revised completion date.

g. Business Standards

- FHWA will review and act-upon supplemental specifications, PS&Es, construction plans and major change orders within 14 days of receipt of a complete submission. The 14 day time frame may be reduced in emergency or unusual situations.

h. Approved Procedures/Agreements/Manuals

- KYTC Highway Design Manual
- KYTC Construction Manual
- KYTC Standard Drawings
- KYTC Standard Specifications for Road and Bridge Construction
- KYTC Supplemental Specifications and Special Provisions
- KYTC Standard Specifications for Roads and Bridge Construction
- KYTC Traffic Operations and Guidance Manual
- KYTC Maintenance Manual
- KYTC Field Sampling and Testing Manual
- FHWA Contract Administration Core Curriculum Manual
- FHWA Construction Program Management and Inspection Guide
- FHWA Federal-aid Policy Guide
- National Manual on Uniform Traffic Control Devices

- A Policy on Geometric Design of Highways and Streets (AASHTO Greenbook)
- Roadside Design Guide (AASHTO)
- Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects. (FP-03)
- FHWA Flexibility in Highway Design

KENTUCKY CONSTRUCTION and CONTRACT ADMINISTRATION
PROJECT ACTIVITY APPROVAL CHARTS

PROJECT ACTIVITIES		AGENCY RESPONSIBLE			
Approval Action	Reference Document	FHWA Oversight: Interstate and ADHS Projects	KYTC Delegated Oversight: Non-Interstate NHS	KYTC Delegated Oversight: All Non-NHS Projects	Other Projects Subject to FHWA Oversight by Mutual Agreement
Approve exceptions to competitive bidding	23 CFR 635.104 & 204	FHWA	FHWA	FHWA	FHWA
Approve advertising period of <3 weeks	23 CFR 635.112	FHWA	FHWA	FHWA	FHWA
Concur in award of contracts	23 CFR 635.114	FHWA	KYTC	KYTC	FHWA
Concur in rejection of bids	23 CFR 635.114	FHWA	KYTC	KYTC	FHWA
Approve VE Proposals	23 CFR 635.210	FHWA	KYTC	KYTC	FHWA
Approve change and extra work orders	23 CFR 635.120	FHWA	KYTC	KYTC	FHWA
Approve time extensions	23 CFR 635.121	FHWA	KYTC	KYTC	FHWA
Accept material certifications	23 CFR 637.207	KYTC	KYTC	KYTC	KYTC
Approve Maintenance & Protection of Traffic	23 CFR 630	FHWA	KYTC	KYTC	FHWA
Concur in settlement of claims	23 CFR 635.124	FHWA	KYTC	KYTC	FHWA
Concur in termination of contracts	23 CFR 635.125	FHWA	KYTC	KYTC	FHWA
Final Acceptance/Inspection	23 USC 114(a) & 121	FHWA	KYTC	KYTC	FHWA
Construction inspections	FAPG G 6042.8	FHWA	KYTC	KYTC	KYTC
Determination of cost effective methods	23 CFR 635.204 & 104	FHWA	FHWA	FHWA	FHWA
Emergency Relief *	23 CFR 668	FHWA	KYTC	KYTC	FHWA

PROGRAM	REFERENCE	AGENCY RESPONSIBLE
Buy America	23 CFR 635.410	FHWA
Local Public Agency Projects **	23 CFR 635.105	KYTC
Project/ Construction Authorization	23 CFR 635.106(a)	FHWA
Quality Assurance Program Reviews	23 CFR 637	FHWA
Labor Compliance	29 CFR Parts 1, 3, 5, 6, & 7	FHWA (Forwarded to HQ)

* See Emergency Relief Section ** See Local Public Agencies Section

5. DESIGN

a. Program Overview

On the program level, the FHWA approves design standards for new construction, reconstruction, resurfacing, restoration, or rehabilitation of the Interstate System, the Appalachian Development Highway System (ADHS), and other highways on the National Highway System (NHS) within Kentucky. The FHWA provides guidance to the KYTC and other public agencies on the implementation of, and conformance to, federal laws, regulations, and policies pertaining to preliminary and detailed design activities. The FHWA also shares technical information and provides training opportunities to facilitate professional development of engineering staffs from both the public and private sectors. Jointly, the KYTC and the FHWA staffs conduct concentrated Quality Assurance Reviews (QAR) of specific elements of design produced at the project level.

On a project level, the FHWA common goal with the KYTC is to develop safe, cost-efficient practical designs that meet the appropriate standards. Through full oversight on FHWA oversight projects, and in conformance with the delegated responsibilities and stipulations established in this Stewardship Plan, the FHWA formally reviews and approves various engineering-related submissions, participates in project development decisions through routine review of design plans, and determines the eligibility of federal-aid participation in the cost for items of work.

Design activities conducted during the Planning and NEPA phases begin with a conceptual outlook and elevate in detail as the project advances. The technical information is used to compare and evaluate the feasibility of alternatives. As a project advances and a preferred alternative has been identified, design work is conducted in greater detail to more fully delineate the footprint of the improvement and more accurately verify and assess the impacts. Included in this effort, the FHWA will process and formally evaluate proposed exceptions to minimum design criteria (Design Exceptions) and Interchange Justification/Modification Studies (IJS/IMS).

During the detail design phase, the FHWA Transportation Engineers ensure the design parameters and environmental commitments on projects through the NEPA decision remain satisfied. With support from technical specialists in the FHWA and other offices, the FHWA provides technical guidance to resolve issues as they arise, and makes

certain various categories of Federal-aid funds are properly invested in eligible items of work. These efforts are accomplished through active participation in routine plan reviews and ongoing coordination with the KYTC project-level staff. The final design product is then ready for estimation and subsequent PS&E approval.

b. Applicable Laws, Regulations, and Orders

- Title 23 USC, Chapter 1, Subchapter I, Section 109 – Standards
- 23 CFR 109 Limitation on Federal Participation
- 23 CFR 172 Administration of Engineering and Design Related Service Contracts
- 23 CFR 620 Engineering
- 23 CFR 625 Design standards for highways
- 23 CFR 626 Pavement Policy
- 23 CFR 627 Value Engineering
- 23 CFR 630 Preconstruction procedures
- 23 CFR 636 Design-Build contracting
- 23 CFR 645 Utilities
- 23 CFR 646 Railroads
- 23 CFR 470 Highway Systems
- 23 CFR 650 Bridges, Structures, and Hydraulics
- 23 CFR 652 Pedestrian and bicycle accommodations and projects
- 23 CFR 655 Traffic Operations (MUTCD)
- 23 CFR 658 Truck Size and Weight, Route Designations – Length, Width, and Weight Limitations
- 23 CFR 710 Right-of Way and Real Estate
- 23 CFR 752 Landscape and Roadside Development
- 28 CFR 35 Nondiscrimination on the Basis of Disability in State and Local Government Services
- 28 CFR 36 Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities
- 49 CFR 24 Uniform Relocation Assistance and Real Property Acquisition Policies Act.
- 49 CFR 27 Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance
- 49 CFR 37 Transportation Services for Individuals with Disabilities (Americans with Disabilities Act)

c. Program Approval Actions

- FHWA will have approval authority for the authorization and obligation of Federal-aid funds for all Federal-aid projects.
- FHWA will approve KYTC Standard Specifications, Supplemental Specifications and Standard Plans applicable to NHS projects on a program basis.
- FHWA will review and concur in KYTC policies, procedures and manuals that will be used and be applicable to NHS projects.

d. Project Approval Actions

- The FHWA will review and approve all FHWA oversight projects including: final plans, engineers' estimates, special provisions, special notes, and proposals. Various project approval actions applicable to design are included in the following attached Project Activity Approval Chart.
- On FHWA oversight projects, FHWA will review and concur with the definition and negotiation of scope of services for consultants selected on FHWA oversight projects. This shall occur through attendance/review of pre-design conference meetings, scope/contract negotiation meetings, and subsequent project meetings in which a change of scope or contract modification may become necessary to complete the design of a project.
- The FHWA shall be copied on final/negotiated Production-Hour and Fee Proposal Worksheets for original contracts and contract modifications for design of FHWA oversight projects.
- The FHWA may review the KYTC and consultants' production-hour submittals to KYTC Program Performance to concur that scope defined for items is adequate to satisfy regulatory requirements and current approved design standards and methodologies.

e. Monitoring

- The FHWA will monitor project design through step-by-step involvement in projects subject to FHWA oversight. Please refer to the Project Activity Approval Chart below for specific FHWA activities.
- On those projects where KYTC has assumed oversight responsibilities for designing highway improvements (as specified in 23 USC 106(c)), the KYTC must evaluate, approve, and document design exceptions as if they were being

approved by the FHWA. Design exceptions approved by the KYTC on behalf of the FHWA are subject to FHWA oversight through periodic process reviews.

- The FHWA may monitor design contracts, Consultant Monthly Reports, and pay estimates of design consultants on FHWA oversight projects, to ensure scope of work for services is being accomplished, and projects are progressing according to schedule.

Per 23 USC, the FHWA retains overall responsibility for all aspects of Federal-aid programs, including access to and review of all Federal-aid projects at any time, especially projects that have unique features, high-risk elements, unusual circumstances, or if the project is included in a program/process review.

f. Performance Indicators

- Monitor number of projects delivered based on the STIP.
- Contract modifications and change orders monitor plan quality to ensure consistency and conformance with current approved standards and methodologies.

g. Business Standards

- FHWA will review and approve design exceptions on oversight projects within 14 days of receipt of complete documentation.
- FHWA will review and act upon Interchange Justification/Modification Studies within 30 days of receipt for those actions not requiring FHWA Headquarters approval. Additional time will be needed for those requiring FHWA Headquarters approval.
- FHWA will review and act upon Plans, Specifications, & Estimates (PS&E) on oversight projects within 14 days of receipt of complete PS&E package.
- The FHWA will review and provide written comments within 30 days of KYTC's request pertaining to KYTC policies, procedures, specifications, standard plans, guidelines, and manuals that will be used and be applicable to NHS projects.
- FHWA will review and approve all Value Engineering proposals on FHWA oversight projects within 14 days.
- The KYTC will ensure that FHWA personnel are extended invitations to all project team meetings and copied on all pertinent correspondence for FHWA oversight projects. Efforts

will be made by KYTC and FHWA personnel to coordinate schedules to the extent reasonable.

- The KYTC will make every effort to submit PS&E and PR-1 documents within the agreed upon timeframes, understanding that FHWA cannot guarantee review or approval of documents submitted outside of these timeframes, prior to letting deadlines.
- Major Projects – Project Management Plans and Finance Plans
 - For projects estimated at between \$100M < \$500M, KYTC will submit an annual Finance Plan for review by the FHWA prior to requesting authorization of Federal-aid funds for construction. For Design-Build projects, the Finance Plan must be approved prior to award of the Design-Build contract. Finance plan updates shall be submitted annually until construction is substantially complete.
 - For projects \geq \$500M, the KYTC will submit a draft Project Management Plan (PMP) in accordance with *FHWA Major Project Guidance* to FHWA for review and approval prior to issuing a ROD, FONSI or CE determination. A final PMP shall be submitted to FHWA within 90 days after the ROD, FONSI or CE determination. An Initial Finance Plan (IFP) with annual updates will be required for review and approval by the FHWA, prior to requesting Federal-aid funds for construction.
- KYTC and FHWA will share respective delivery and response time data, as well as other relevant information on a quarterly basis.

h. Approved Procedures/Agreements/Manuals

- AASHTO - Geometric Design of Highways and Streets
- AASHTO - Roadside Design Guide
- AASHTO - LRFD Bridge Design Specifications
- AASHTO - Standard Specifications for Structural Supports for Highway Signs, Luminaires, and Traffic Signals
- National Manual of Uniform Traffic Control Devices (MUTCD)
- KYTC Highway Design Manual
- KYTC Drainage Manual
- KYTC Bridge Design Manual
- KYTC Geotechnical Manual
- KYTC Utilities and Rail Manual
- KYTC Right-of-Way Operations Manual
- KYTC Maintenance Manual

- KYTC Construction Manual
- KYTC Standard Drawings
- KYTC Standard Drawings Headwall Supplement
- KYTC Standard Specifications for Road and Bridge Construction
- KYTC Supplemental Specifications and Special Provisions
- Federal-aid Policy Guide
- Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects (FP-03)
- FHWA Construction Program Management & Inspection Guide
- FHWA Flexibility in Highway Design
- Professional Services Guidance Manual

PROJECT ACTIVITIES		AGENCY RESPONSIBLE			
Approval Action or Responsibility	Reference Document	Interstate and ADHS Projects	KYTC Delegated Oversight: Non-Interstate NHS	KYTC Delegated Oversight: All Non-NHS Projects	Other Projects Subject to FHWA Oversight by Mutual Agreement
Limitation on Federal Participation	23 CFR 1.9	FHWA	FHWA	FHWA	FHWA
Design standards, policies and standard specifications, for applications to geometric, structural, and pavement design	23 CFR 625 23 CFR 626	FHWA	FHWA & KYTC	KYTC	FHWA & KYTC
New or Modified Access to the Interstate System	23 USC 111; Fed. Reg. February 11, 1998	FHWA	n/a	n/a	n/a
Design Exceptions (1)	23 CFR 625.3(f)	FHWA	KYTC	KYTC	FHWA & KYTC
Value Engineering	23 CFR 627.5	FHWA	KYTC	KYTC	FHWA & KYTC
Monitoring federal-aid highway design projects	23 CFR 630.106 & 112	FHWA	FHWA & KYTC	FHWA & KYTC	FHWA & KYTC
PS&E review and approval / project authorization	23 CFR 630.205	FHWA	KYTC	KYTC	FHWA

PROJECT ACTIVITIES		AGENCY RESPONSIBLE			
Maintenance of Traffic Plans	23 CFR 630.1002	FHWA	KYTC	KYTC	FHWA & KYTC
Traffic Control (MUTCD)	23 CFR 655	FHWA	KYTC	KYTC	FHWA
R/W Acquisition and Access	23 CFR 710	FHWA	KYTC	KYTC	FHWA & KYTC
Design-Build	23 CFR 636 SEP-14	FHWA	KYTC	KYTC	FHWA
Utilities	23 CFR 645.113	FHWA	KYTC	KYTC	FHWA & KYTC
Hydraulics design, erosion, and sediment control design	23 CFR 650.115 23 CFR 650.211	FHWA	KYTC	KYTC	FHWA & KYTC
Pedestrian and bicycle accommodations and design	23 CFR 652.13	FHWA	KYTC	KYTC	FHWA & KYTC
ADA criteria and design	23 CFR 652 28 CFR 35 & 36 49 CFR 27 & 37	FHWA	KYTC	KYTC	KYTC
Project Management Plans (Major Projects w/total cost greater than \$500 mil)	Section 1904(a) of SAFETEA-LU This provision amends 23 USC 106(h)	FHWA	FHWA	FHWA	FHWA
Financial Plans (Major projects and/or projects w/total costs between \$100M<\$500M)	Section 1904(a)(2) of SAFETEA-LU This provision amends 23 USC 106(h)	FHWA	FHWA	FHWA	FHWA

- (1) On those projects where the KYTC has assumed stewardship and oversight responsibilities for FHWA associated with designing highway improvement projects (as specified in 23 USC 106(c)) on these facilities, the KYTC must evaluate, approve and document design exceptions as if they were being approved by the FHWA. Design exceptions approved by the KYTC on behalf of the FHWA are subject to the FHWA oversight through periodic process reviews.

6. EMERGENCY RELIEF

a. Program Overview

Emergency Relief (ER) is a special program that uses non-formula funds for the repair or reconstruction of Federal-aid highways that have suffered serious damage as a result of (1) natural disasters or (2) catastrophic failures from an external cause. This program supplements the commitment of resources by States, their political subdivisions, or other Federal agencies to help pay for unusually high expenses resulting from extraordinary conditions.

ER funds are not intended to cover all damage repair costs nor interim emergency repair costs that will necessarily restore the facility to pre-disaster conditions. Heavy maintenance is usually performed by highway agencies to repair damage normally expected from seasonal and occasionally unusual natural occurrences. It often includes work to repair minor damage due to eroded shoulders, filled ditches and culverts, pavement settlement, mud and debris deposits, slope sloughing, and slip-outs in cut or fill slopes. Disasters must be of such magnitude as to be considered extraordinary to be considered for ER funding. To be considered extraordinary, the estimated Federal portion of the damage must meet a threshold of \$700,000. Individual sites must have estimated repairs in excess of \$5,000 in total cost to be eligible.

b. Applicable Laws, Regulations, and Orders

- Title 23, Section 125
- 23 CFR 668

c. Program Approval Actions

- The KYTC must specifically request assistance under the ER program for each natural disaster or catastrophic event. This should be initiated with a letter of intent to seek ER funds as soon as it is evident that there is eligible damage. (See the FHWA ER Manual for sequence of events.)
- FHWA will respond to written requests for ER assistance with a letter of acknowledgement and brief instructions on how to proceed.
- Following a KYTC/FHWA/Local Public Agency (if applicable) site-by-site inspection, KYTC will prepare a Damage Survey Report to support the request for ER funding. The KYTC will

then forward the report formally to FHWA with the request for ER funding.

- FHWA will respond to the report with a determination of ER eligibility. The list of sites outlined in the report constitutes the program of projects required prior to authorization of permanent repairs.

d. Project Approval Actions

- FHWA's acknowledgement letter will establish a date of eligibility for those emergency repairs and protective measures that must be undertaken immediately. This type of work is categorically excluded from NEPA by definition. Contracts to do this type of emergency repair may be accomplished with abbreviated procedures; however, this permission will be indicated on the completed Damage Survey Report (DSR) for each site.
- FHWA's determination of eligibility letter will inform the KYTC of the projects which are to be considered full involvement by FHWA and which projects are to be state administered. Because of the nature of the ER program, thresholds and criteria used normally to determine federal oversight may not be applicable for a particular disaster or damaged site.
- For ER projects requiring federal oversight, normal Federal- aid procedures and requirements will apply.
- All ER projects that do not fall into the category of emergency repairs required to protect the facility from further damage or keep the route open for the safe flow of traffic, require environmental approval per the established programmatic agreements between FHWA and KYTC.
- FHWA will provide waivers of Federal-aid requirements on ER Projects when requested by KYTC on a project-by-project basis, if warranted by conditions and/or work characteristics.

e. Monitoring

- FHWA may jointly inspect with KYTC (and LPAs where applicable), the damaged sites during the development of the disaster estimate. Depending on the extent of damage, FHWA may elect to perform a sampling of site inspections.
- FHWA will conduct final inspections of all ER projects requiring federal oversight.
- FHWA may conduct final inspection of additional ER projects using a sampling method.

f. Performance Indicators

- Track cost of ER projects from Damage Survey Report (DSR) to final completion.

g. Business Standards

- FHWA will respond to a KYTC Letter of Intent to seek ER funds within 3 working days with an acknowledgement letter.
- KYTC and FHWA will complete a reasonable survey of the damage and a Damage Survey Report within 4 weeks of the event. This may vary depending on the area of impact of the disaster.
- FHWA will respond to KYTC requests for ER disaster eligibility supported by the Damage Survey Report within 14 days with a Determination of Eligibility.

h. Approved Procedures/Agreements/Manuals

- FHWA Emergency Relief Manual
<http://www.fhwa.dot.gov/reports/erm/index.cfm>

7. ENVIRONMENT

a. Program Overview

For projects using Federal-aid funds, the FHWA is the lead federal agency in integrating the full range of environmental requirements under a single, unified process that results in effective and sound transportation decisions.

The FHWA has delegated approval authority to KYTC for programmatic categorical exclusions, and Level 1, and 2 categorical exclusions. These delegations are described in the Categorical Exclusion Agreement (dated August 21, 2003) between FHWA and KYTC. FHWA retains its stewardship and oversight responsibility for these projects through process reviews and periodic monitoring.

The FHWA retains approval authority for Environmental Impact (EIS) Statement-Record of Decision (ROD), Environmental Assessment (EA)-Finding of No Significant Impact (FONSI), level 3 categorical exclusion (CE) decisions, Section 4(f) evaluations (programmatic and individual). An EIS is applicable to projects that significantly affect the environment. An EA is applicable to projects where the significance of the environmental impact is not clearly established. A CE is applicable to projects that do not have a significant environmental effect and are excluded from the requirement to prepare an EIS or EA.

b. Applicable Laws, Regulations, and Orders

- Title 1, Clean Air Act Amendments of 1990
- Section 404 of the Clean Water Act
- Section 7 of the Endangered Species Act
- 42 USC 4321-4347, National Environmental Policy Act as amended (P.L. 91-190) (P.L. 94-83)
- 49 USC 303 and 23 USC 138, Section 4(f)
- 16 USC 4601 Land & Water Conservation Fund Act, Section 6(f)
- 23 USC 109(h), FHWA Environmental Guidelines
- 23 USC 128 and 23 CFR 140, Public Hearings/Public Involvement
- 23 CFR 771, 772, and 777, FHWA Environmental Regulations
- 36 CFR 800 Section 106 of the National Historic Preservation Act
- 40 CFR 1500, Council on Environmental Quality

- Executive Order 11514, Protection and Enhancement of Environmental Quality, as amended by Executive Order 11991
- Executive Order 11990, Protection of Wetlands
- SAFETEA-LU Sections 6001, 6002, 6007, & 6009, and implementing guidance and regulations

c. Program Approval Actions

- KYTC has been delegated programmatic approval authority for specific categorical exclusions.
- KYTC also acts as FHWA's non-federal representative for informal Section 7 ESA consultation.
- KYTC public involvement procedures have been approved by FHWA.

d. Project Approval Actions

- As early as practicable during the development of projects requiring a CE Level 3, EA or EIS, FHWA will collaborate on the scope of work. This collaboration will outline the level of NEPA documentation, schedule for completion, logical termini, range of alternatives, purpose, need and anticipated federal approvals as required under 23 USC 139(e).
- For all projects that require an action be taken by FHWA, the FHWA and KYTC will work together in the project pre-engineering phase to ensure compliance with NEPA and other applicable laws before an alternative is selected. The level of involvement is commensurate with the level of environmental impacts or project complexity.
- FHWA will review and approve CE Level 3 and associated Programmatic Section 4(f) Evaluation, EA, EIS, Section 4(f) Individual Evaluation, net benefit Section 4(f) evaluation, and Section 4(f) de minimis determination which are prepared by KYTC.
- FHWA is also an active member of individual project teams and helps guide the project planning.
- All documents requiring legal sufficiency review (Final EIS and Final Section 4(f) Evaluation) are sent to the Office of Chief Counsel by the FHWA prior to approving these documents. The goal is to provide legal sufficiency review comments to the KYTC within 30 days after receipt of the document.

e. Monitoring

- The FHWA will monitor compliance with environmental requirements through project-by-project approval actions. Additional monitoring may be done on a program-wide basis using process reviews.

f. Performance Indicators

- Track % of NEPA documents completed on schedule.
- Environmental commitments are met.

g. Business Standards

Work Activity	KYTC Action	FHWA Action	Result
Programmatic Categorical Exclusions (PCE), Level 1, and Level 2 Categorical Exclusion (CE)	Prepare and Approve.	Periodic Audit	Approved PCE, CE 1 or CE2
Level 3 Categorical Exclusion	Prepare and submit to FHWA.	Review and approve or return for revisions (30 days)	Approved CE 3
Draft Environmental Assessment (EA) (OPTIONAL)	Prepare and submit to FHWA for comment.	Review and Comment (30 days)	Comments
EA	Prepare, approve and submit to FHWA for approval.	Approve EA for circulation or return for revision or notify KYTC the need for EIS (30 days)	Approved EA or return for revision
Finding of No Significant Impact (FONSI)	Prepare FONSI request and submit to FHWA.	Prepare and Issue FONSI or return for revision (30 days)	FONSI
Notice of Intent (NOI)	Prepare Draft Notice of Intent and forward to FHWA.	Review and revise NOI and publish in the Federal Register (15 days)	Published NOI in the Federal Register

Work Activity	KYTC Action	FHWA Action	Result
Cooperating and Participating Agency Request Letters	Prepare and distribute request letters to State and Local agencies.	Prepare and distribute request letters to Federal agencies (15 days)	Cooperating & Participating Agencies identified
Preliminary Draft Environmental Impact Statement (DEIS)	Prepare and submit to FHWA for review.	Review and comment (30 days)	Written comments
DEIS	Prepare, approve, and submit to FHWA for approval.	Approve DEIS or return for revision (30 days)	DEIS or instructions for revision
Draft Final Environmental Impact Statement (FEIS)	Prepare and submit to FHWA for review.	Review and comment (30 days)	Written Comments
FEIS Legal Sufficiency	Prepare and submit to FHWA for review.	Request Legal Sufficiency review (60 days)	FEIS Legal Sufficiency
FEIS	Prepare, approve, and submit to FHWA for approval.	Approve FEIS or return for revision (60 days)	FEIS or instructions for revision
Record of Decision (ROD)	Prepare a Draft ROD and submit to FHWA.	Review, Revise, and Issue ROD (60 days)	ROD
Major Projects (total cost ≥ \$500 million) – Project Management Plans	Prepare Project Management Plans (PMP) in accordance with SAFETEA-LU and FHWA-HQ Project Management Plan Guidance. PMP must be completed and approved prior to issuing ROD or FONSI and prior to issuing request for authorization of Federal-aid funds for right-of-way acquisition or construction.	Review and approve (30 days)	Approved PMP
Programmatic Section 4(f) Evaluation	Prepare and submit to FHWA.	Review and approve (30 days)	Approved Section 4(f) evaluation
Draft Individual Section 4(f) Evaluation	Prepare and submit to FHWA for review.	Review and comment (30 days)	Comments

Work Activity	KYTC Action	FHWA Action	Result
Section 4(f) Legal Sufficiency	Prepare and submit to FHWA for review.	Request Legal Sufficiency review (30 days)	Section 4(f) Legal Sufficiency
Final Section 4(f) Evaluation	Prepare and submit for FHWA approval; acquire concurrence from the SHPO, Consulting Parties, or persons having jurisdiction over the property as needed.	Review and approve or return for revision (30 days)	Final Section 4(f) Evaluation
Section 106 Adverse Effect Determination	Make determination and forward to FHWA for approval.	Review, approve and forward to the SHPO for concurrence; notify ACHP of Adverse Effect.	Adverse Effect Determination.
Section 106 Memorandum of Agreement (MOA)	Negotiate MOA with SHPO and consulting parties. If ACHP requests participation, ACHP will be signatories to MOA.	Review and approve the MOA. (45 days)	Executed Section 106 MOA or instructions for revision.
Written Re-evaluations for PCE, CE 1, and CE 2 projects	Prepare and approve.	No action required. FHWA can object to KYTC approval within 30 days.	Approved PCE, CE 1, or CE 2.
Written Re-evaluations for CE 3, FONSI, and EIS projects	Prepare and submit to FHWA for approval.	Approve Re-evaluation or return for revision. (30 days)	Approved Re-evaluation or instructions for revision.
Project Initiation	Level of NEPA documentation schedule for completion, logical termini, range of alternatives, purpose, need and anticipated federal approvals.	Attend Initiation Meeting. Review and approve scope.	Approved scope of work.

KYTC and FHWA will share respective delivery and response time data, as well as other relevant information on a quarterly basis.

h. Approved Procedures/Agreements/Manuals

- KYTC Design Manual
- KYTC Public Involvement Tool Box
- Categorical Exclusion Agreement between FHWA and KYTC
- KYTC Environmental Guidance Manual
- Guidance and Accountability Forms
- Habitat Assessment Manual
- Section 7 “No Effect Agreement”

8. FINANCIAL MANAGEMENT

a. Program Overview

Passage of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) provided specific guidance regarding financial integrity in the administration of the Federal-aid highway program. SAFETEA-LU requires that FHWA establish an oversight program to monitor the effective and efficient use of funds and be responsive to all areas relating to financial integrity and project delivery. SAFETEA-LU also provides a provision that KYTC is responsible for the monitoring of subrecipients of Federal funds and determining that subrecipients have sufficient accounting controls to properly manage Federal funds awarded. Previous legislation such as the Chief Financial Officers Act, Cash Management Improvement Act, Federal Managers' Financial Integrity Act, Improper Payment Information Act, remain in place.

SAFETEA-LU also provides greater emphasis on financial integrity, project delivery, and major project oversight. Annual reviews are required of STA financial management systems, minimum standards for estimating project costs are to be developed, and annual reviews of State project delivery systems are to be conducted. All major projects exceeding \$100 million in total cost are required to have finance plans. These new provisions are designed to strengthen the oversight of projects and increase the accountability of the State in the project delivery process. Additionally, SAFETEA-LU affords the states new financing options and greater fund transfer flexibility.

KYTC recognizes that Federal financial management stewardship and oversight encompasses the entire Federal-aid program from the authorization to proceed with preliminary engineering through construction and debt retirement. The accuracy and propriety of Federal-aid reimbursement are the primary responsibility of the KYTC whether the primary cost documentation originates within KYTC or with a third party.

KYTC fulfills this responsibility by project oversight activities, ensuring compliance with Federal and State requirements, maintaining adequate operating policies and procedures, a sound accounting system with proper internal controls, and appropriate independent audit activities.

FHWA is responsible for overall program oversight and ensuring compliance with Federal requirements in the delivery of the Federal-aid highway program to protect the public investment and ensure accountability in Federal-aid expenditures. FHWA's responsibility is implemented through this Stewardship Plan and activities performed by the FHWA.

b. Applicable Laws, Regulations and Orders

The Federal-aid highway program is a State-administered program with Federal oversight requirements. Federal-aid highway funds are authorized by Congress to assist the States in providing for construction, reconstruction, and improvement of highways and bridges on eligible Federal-aid highway routes and for other special purpose programs and projects. Listed below is a list of several applicable laws, regulations, and policies used in implementing the Federal-aid program:

- 23 USC
- 23 CFR
- 49 USC
- 49 CFR
- 48 CFR
- Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)
- Transportation Equity Act for the 21st Century
- Chief Financial Officer Act of 1990
- Federal Managers' Financial Integrity Act of 1992
- Cash Management Improvement Act of 1990
- OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments)
- OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments)
- OMB Circular A-123 (Management Accountability and Control)
- OMB Circular A-127 (Financial Management Systems)
- OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)
- Financial Integrity Review and Evaluation (FIRE) Program Order and Toolkit
- FHWA Implementing Guidance

c. Program Approval Actions

- FHWA will approve the accounting process used to develop the payroll additive rates and indirect cost rates.
- FHWA will approve the resolution of OIG and State audit findings.
- FHWA will approve the Federal-aid Current Billing.

d. Project Approval Actions

- FHWA will approve project agreements, modified project agreements and final vouchers on all projects when appropriate.
- FHWA will approve finance plans for major projects exceeding \$500 million in total project costs when appropriate.

e. Monitoring

FHWA will perform reviews of financial management and accounting activities. FHWA will also conduct verification activities as deemed appropriate to assure that the laws, regulations, policies and agreements are followed by KYTC in carrying out Federal and State requirements and responsibilities.

Reviews may encompass both KYTC and Local Agencies. Through periodic contact with KYTC personnel, FHWA will provide guidance and technical assistance and guidance in areas such as project finance plan preparation, fiscal document processing, cost eligibility determinations, financial management and reimbursement.

FHWA may use the work of KYTC and State auditors to limit the scope of FHWA reviews. Risk assessment techniques may be used where appropriate to determine areas for review. Additionally, FHWA will promote best practices in financial management and project funds management to improve the efficiency in the administration of the Federal-aid program. FHWA will also promote the use of innovative finance techniques that are effective in leveraging funds, reducing project costs, or expediting project completion.

f. Performance Indicators

- Reduce unexpended and inactive obligations.
- No lapsing funds in Federal fiscal year.
- Reduction trend on improper payments.

g. Business Standards

WORK ACTIVITY	KYTC ACTION	FHWA ACTION	REMARKS
Federal-aid Billing Review	Respond to requests for information and documentation to validate Federal-aid billing transactions from FHWA as soon as possible to meet established deadlines.	Provide a listing of transactions being reviewed. Upon completion of review provide KYTC with results of Federal-aid Billing Review.	None
Major Projects (total cost ≥ \$500 million) – Financial Plans	Prepare financial plans in accordance with SAFETEA-LU and FHWA-HQ Project Financial Plan Requirements Guidance Memorandum. Financial plan must be completed and approved prior to request for authorization of Federal-aid funds for construction.	Review and approve, as appropriate.	Some Financial Plans in this category will require FHWA-HQ approval.
Other Projects (total cost between \$100 million & \$500 million) – Financial Plans	Prepare financial plans in accordance with SAFETEA-LU and FHWA-HQ Project Financial Plan Requirements Guidance Memorandum. Financial plan are to be completed prior to request for authorization of Federal-aid funds for construction.	Review financial plans as part of stewardship and oversight responsibility.	None

WORK ACTIVITY	KYTC ACTION	FHWA ACTION	REMARKS
Project Funds Management	Review the list of inactive projects and submit to FHWA that the obligations are: (1) active proper and valid; or (2) the amount of funds that can be released. (3) Close all inactive projects.	Review and take appropriate action to provide reasonable assurance that the obligation amount is valid. Follow-up to ensure unneeded funds are de-obligated promptly.	None
Funds Transfer Requests	Prepare and submit Funds Transfer Requests.	Review and take appropriate action within 14 days.	Endorsed Funds Transfer Requests are submitted to FHWA-HQ for further processing.
KYTC Single Audit	Ensure audit is completed as required and copies of audit reports are submitted with copies to FHWA. Implement corrections to findings in a timely manner.	Review and take action to ensure findings are resolved.	None
KYTC Sub-Recipient/ Single Audits	Review and take action to ensure findings are resolved, submit summary listing to FHWA.	Review and take action to ensure compliance.	None
Project Authorizations/ Agreements and Modifications	Submit complete PS&E package/consultant package as appropriate prior to agreement document. Prepare and submit agreement documents.	Review and act upon within 7 days.	None
Final Vouchers/Final Acceptance	Prepare and submit final vouchers for all projects that are: completed or inactive.	Review and act upon as appropriate within 7 days.	None

WORK ACTIVITY	KYTC ACTION	FHWA ACTION	REMARKS
Monthly Status of Funds	Prepare and submit.	Review and monitor provide appropriate feedback to KYTC.	None
Year End Document for Utilization of Federal-aid Funds	Prepare and submit by September 15 th .	Review and take appropriate action	None
Consultant Audits	Conduct audits & submit annual listing of audits completed.	Review listing	None

9. INTELLIGENT TRANSPORTATION SYSTEMS

a. Program Overview

KYTC works cooperatively with FHWA in development and implementation of Intelligent Transportation Systems (ITS) initiatives in Kentucky.

FHWA and KYTC work cooperatively with the Metropolitan Planning Organizations (MPOs), to promote ITS planning, regional architecture use, and adoption and integration of ITS at regional and local levels. FHWA and KYTC will work cooperatively to assure that ITS projects are consistent with the National ITS Architecture, incorporate ITS Standards and are fully integrated.

A primary ITS goal of KYTC is to ensure transportation facilities operate efficiently and that opportunity to provide integrated ITS features are evaluated for all highway improvement projects. The Statewide ITS Architecture is intended to identify these opportunities and provide ITS needs to the KYTC Division of Planning and Highway Design.

FHWA and KYTC have formed partnerships in support of safety and congestion relief initiatives with other State and local agencies, including fire and law enforcement. FHWA and KYTC are represented and actively participate as members of Kentucky's Incident Management Task Force which is an approved "emphasis area" in the Strategic Highway Safety Plan.

b. Applicable Laws, Regulations, and Procedures

- 23 USC Chapter 1
- SAFETEA-LU
Title I Subtitle B section 1201, and
Title V Subtitle C
- TEA - 21 Title V Subtitle C
- 23 CFR 450 (as part of the MPO Certification Process and inclusion of ITS Architecture maintenance in the UPWP as an activity that MPO's are/will be performing in the current/future cycle. (see 23 CFR 940.09(f) for maintenance requirements).
- 23 CFR 655 (Traffic Operations)
- 23 CFR Part 940

c. Program Approval Actions

- Regional ITS architectures must be developed and maintained to document the ITS integration strategies and guide the development of specific projects and programs. FHWA will serve as a technical resource during the development and revisions of the regional architectures and will be furnished a copy of the adopted regional architectures and any amendments. It will be up to the owners of the regional architecture to decide whether they want to request FHWA concurrence or acknowledgement of the regional architecture.

d. Project Approval Actions

- All ITS projects (stand alone or ITS incorporated in other work) shall accommodate the interface requirements and information exchanges specified in the regional ITS architecture and there must be a commitment to the operations, management and maintenance of the overall system. KYTC will make a determination of conformity of ITS Projects with the regional ITS architecture. FHWA will concur in the determination of conformity with the regional ITS architecture consistent with the project level oversight described in this Stewardship Plan.
- All ITS projects shall be developed based on a systems engineering analysis. KYTC will make a determination of conformity of ITS Projects with the systems engineering analysis requirement. FHWA will concur in the determination of conformity with the systems engineering analysis consistent with the project level oversight described in this Stewardship Plan.
- All ITS projects shall use applicable ITS standards and interoperability tests that have been officially adopted, by rulemaking, by US DOT. KYTC will make a determination of conformity of ITS projects with the ITS standards requirement. FHWA will concur in the determination of conformity with the ITS standards requirement consistent with project level oversight described in this Stewardship Plan.
- Congressionally Designated Projects are normally non-construction projects and will be advanced/approved on a case-by-case basis. Typically, the projects are designated by earmark in appropriations acts with specific implementation processes issued by FHWA Washington Headquarters for each appropriation cycle.

e. Monitoring

- FHWA will review project development, review and approve PS&Es for major ITS projects and other projects selected for FHWA oversight.
- FHWA will provide ongoing technical assistance in the use of regional ITS architectures, systems engineering analysis, and ITS standards, include these areas in routine risk assessment evaluations, and work cooperatively with KYTC to use process review techniques to assess and improve processes and procedures.
- FHWA will participate in project steering committees or other ongoing oversight processes for all major ITS projects and congressionally designated ITS projects.

f. Business Standards

- KYTC will provide FHWA with copies of ITS regional architectures or amendments within 30 days of adoption. If the owners of the regional architectures choose to have FHWA concur in the architecture, FHWA will be allowed 30 days, from receipt date, to review and act on the document.
- FHWA will follow prescribed processing requirements for individual project actions related to regional architecture conformity, systems engineering analysis completion, and standards conformity as defined in this Stewardship Plan.
- FHWA will follow prescribed processing requirements for ITS “Earmark” projects as defined in Washington Headquarters instructions issued with each appropriations cycle.

g. Approved Procedures/Agreements/Manuals

- National ITS Architecture
- KYTC ITS Statewide Strategic Plan
- KYTC ITS Statewide Business Plan
- KYTC ITS Statewide Architecture
- Project Applicable MPO Architectures and TIPs
- Project Applicable Memorandums of Agreement and Bi-State Agreements
- MUTCD
- Roadside Design Guide
- KY Standard Specifications for Road and Bridge Construction

Project Activity Approval Chart – ITS Infrastructure Projects

KYTC assumes the FHWA responsibility for all reviews and approvals for design, construction and final inspection of all ITS projects that are not major ITS projects. This applies to all ITS projects on NHS and on non-NHS facilities. FHWA will retain full Federal oversight for major ITS projects, unless it is determined during project-by-project consultation and mutual agreement by FHWA and KYTC that KYTC assumes FHWA responsibility.

Definitions:

1.) ITS Project

An *ITS project* is one that funds the acquisition of technologies or systems of technologies that significantly contribute to the provision of one or more ITS user services as defined in the National ITS Architecture.

2.) Major ITS Project

Major ITS project means any ITS project that implements part of a regional ITS initiative that is multi-jurisdictional, multi-modal, or otherwise affects regional integration of ITS systems. Additions (DMS, cameras, sensors, etc.) to existing ITS systems (Frankfort TOC, TRIMARC, etc.) will not be defined as *Major ITS Projects*.

3.) Minor ITS Project

A *minor ITS project* means any ITS project that is not a major ITS project as defined above. KYTC will base the Systems Engineering Analysis Determination for *Minor ITS Projects* upon the project applicable ITS Architecture.

PROJECT ACTIVITIES		AGENCY RESPONSIBLE		
Approval Action	Reference Document	Major ITS Projects	Minor ITS Projects	Other Projects by Mutual Agreement
Regional Architecture Conformity Determination	23 CFR 940.11	FHWA	KYTC	FHWA
Systems Engineering Analysis Determination	23 CFR 940.11	FHWA	KYTC	FHWA
ITS Standards Determination	23 CFR 940.11	FHWA	KYTC	FHWA

Special instructions for ITS Projects

“ITS projects” can be stand-alone construction projects or may be larger projects that include ITS features. The above listed approval actions apply whether the ITS project is advanced on either a stand-alone or included basis. All other stewardship and oversight functions such as environmental determination, right of way clearance, etc. are project size, system and work type dependent with no other special processing requirements for ITS purposes beyond routine stewardship and oversight.

PROJECT ACTIVITY APPROVAL CHART

ITS Integration and Deployment Projects (Earmark Projects)

PROJECT ACTIVITIES		AGENCY RESPONSIBLE		
Approval Action	Reference Document	Major ITS Projects	Minor ITS Projects	Other Projects by Mutual Agreement
Case-by-case determination	Instructions issued annually by Headquarters	FHWA and KYTC	FHWA and KYTC	FHWA and KYTC

10. Local Public Agencies

a. Program Overview

KYTC is responsible for all requirements of the Federal-aid program, except non-Title 23 actions, as described in Section II of this Stewardship Plan. Since Title 23 U.S.C. does not recognize local entities as direct recipients of Federal-aid funds, KYTC is ultimately responsible and accountable for ensuring that Federal-aid requirements are met on all Local Public Agency (LPA) administered projects. Although the KYTC cannot delegate responsibility, activities can be delegated and the local entities held accountable to the KYTC. In those cases where activities are delegated to LPAs, KYTC will review and take actions necessary to assure local compliance with all requirements of State and Federal laws, regulations, and policies. The FHWA will work in partnership with the KYTC on these review and assurance actions.

1.) Local Public Agencies

KYTC is permitted to delegate certain activities, under its supervision, to LPAs under federal regulation 23 CFR 1.11 and 635.105. The Kentucky Revised Statutes (KRS), Section 177.280 authorizes KYTC to act as agent and to accept federal funds on behalf of public agencies for transportation projects. Public agencies include political subdivisions, other state agencies, boards, commissions, and transit and port authorities. Nearly all transportation projects under the jurisdiction of local agencies are projects off the NHS, or eligible projects on non-Federal-aid public roads or facilities. FHWA project oversight for LPA projects will follow the guidance in Sections II and V of this Stewardship Plan.

Non-NHS projects administered through KYTC will be designed, constructed, operated, and maintained in accordance with State laws, regulations, directives, safety standards, design standards, and construction standards as permitted under 23 USC 109(o), in lieu of NHS-based Title 23 USC requirements (23 USC 106). Title 23 USC requirements that are applicable to all Federal-aid projects include, but are not limited to, transportation planning, procurement of professional services, Davis-Bacon wage rates (as applicable), advertising for bids, use of convict-produced materials, Buy America Act provisions, and other requirements. All Federal-aid

projects must comply with applicable non-Title 23 USC requirements, as described in Section II of this Stewardship Plan.

By written agreement with the local agency, KYTC may delegate all or some project activities to local agencies, whether or not Federal-aid is used for the activity. Those activities include, but are not limited to:

- Environmental studies
- Procurement of consultant services
- Design
- Surveying
- Right of Way acquisition
- Work by railroads or utility companies
- Preparation of plans, specifications and estimates
- Preparation of bid proposal package
- Advertisement for letting
- Contracting
- Contract administration
- Inspection

KYTC retains its responsibilities under Federal law and regulations for all delegated activities. KYTC will provide the necessary processes, approvals, oversight, and review to ensure that delegated projects receive adequate supervision and inspection, and that they are completed in conformance with approved plans and specifications and applicable federal requirements.

The following activities will not be delegated to local agencies:

- NEPA Review and Approval
- Design Exception Approval
- Right of Way Certification
- DBE Goals and Waivers
- Final Inspection and Acceptance
- Sole Source and Proprietary Justification Approval
- Labor Compliance Enforcement
- Rejection of Bids
- Project Cost Eligibility
- Federal-aid Payments

b. Applicable Laws, Regulations, and Orders

- 23 USC 106(c)(2)
- 23 USC 109(o)
- 23 USC 112
- 23 CFR 1.11
- 23 CFR 635 (for NHS routes only)
- KRS 177.280
- 49 CFR 18 and 19
- KRS 45A

c. Program Approval Actions

To the extent permitted in 23 USC Section 109(o), non-NHS projects administered by KYTC or LPAs will be designed, constructed, operated, and maintained in accordance with state laws, rules, and standards. For LPA administered projects, KYTC shall develop and maintain a Local Program Administration Manual that encompasses the requirements of local governments to utilize Federal-aid funds. FHWA will review and comment on any additions, modifications, or changes to such manual.

d. Project Approval Action

KYTC shall assume the responsibility and represent FHWA in behalf of administering the Federal-aid system to local governments. The following is a list of some specific project related actions that shall be performed on projects that use Federal-aid; however, this list is not a comprehensive list and is subject to change due to Federal law, regulation, and policy modification.

- Environmental clearance must be obtained from FHWA or acquired through KYTC prior to the start of final design and right-of-way actions.
- Projects will be developed in accordance with KYTC LPA and Location & Design Manuals, the appropriate AASHTO publication, or other KYTC-approved standards. KYTC will ensure that there are LPA written design standards or otherwise the LPAs must use the above referenced manuals.
- KYTC may review and approve design exceptions by local agencies. Otherwise the LPA sponsor must follow KRS and other applicable regulations.

- KYTC may periodically review plans, specifications, and estimates of projects prior to construction authorization for compliance with applicable State and Federal law, regulation, and policy. Otherwise the LPA sponsor must follow KRS and other applicable regulations.
- Procurement of consultant services, to be reimbursed with Federal- aid, will be performed in accordance with KYTC procedures and State Statutes.
- Project funding will be in accordance with Federal and State requirements approved by FHWA.
- Projects will be let in accordance with State Statutes.
- KYTC may concur on award of projects let and awarded by local agencies. Otherwise the LPA sponsor must follow KRS and other applicable regulations.
- Projects will be constructed in accordance with the current edition of KYTC Standard Specifications or written local specifications. KYTC will ensure that there are LPA written local specifications or otherwise the LPAs must use KYTC Standard Specifications. KYTC oversight of the construction of local projects includes but is not limited to the review and approval of billings; review and approval of change orders, time extensions, and claims; and final project acceptance.
- For FHWA oversight projects, review and approval actions will be undertaken as described elsewhere in this Stewardship Plan.

e. Monitoring

- FHWA shall review and comment on the KYTC LPA Manual for the administration of the Federal-aid program to local agencies.
- FHWA may request data at any time to support the administration of the Federal-aid program.
- FHWA will periodically perform Quality Improvement Reviews (QIR) to improve the efficiency and accountability of the program.

f. Business Standards

FHWA will review and comment on revisions to the LPA Manual and Policy within 30 days.

Project level approvals will follow agreed business standards described elsewhere in this Stewardship Plan.

KYTC will involve FHWA in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and appropriate decisions are made collectively.

g. Approved Procedures/Agreements/Manual

- KYTC Location & Design Manuals
- KYTC Standard Specifications for Construction and Materials
- Kentucky MUTCD
- FHWA Contract Administration Manual
- Special Programs Guidelines

11. MAINTENANCE AND PRESERVATION

a. Program Overview

Title 23 USC defines maintenance as, “...*the preservation of the entire highway, including surface, shoulders, roadsides, structures, and such traffic-control devices as are necessary for safe and efficient utilization of the highway.*” Title 23 further requires a STA to maintain each project constructed with Federal-aid funds until such time that it no longer constitutes a part of the Federal-aid system. It is FHWA’s role to see that maintenance of Federal-aid projects is adequate and to provide technical assistance in disseminating information on successful maintenance techniques.

Routine maintenance is not eligible for Federal-aid. Preventive maintenance activities are eligible for Federal-aid provided KYTC demonstrates to FHWA’s satisfaction that the activity is a cost-effective means of extending the useful life of a Federal-aid highway.

This section of the Stewardship Plan pertains to maintenance activities and the management of maintenance activities that are required to be accomplished by the KYTC or caused to be accomplished by the KYTC to fulfill its obligation under Title 23 without Federal-aid reimbursement.

b. Applicable Laws, Regulations, and Orders

- 23 USC 101(a)(14)
- 23 USC 109(o)
- 23 USC 116 Maintenance
- 23 CFR 1.27 Maintenance
- 23 CFR 633.208 Maintenance (Appalachian Contracts)
- MUTCD

c. Program Approval Actions

There is no reporting or approval actions associated with maintenance activities or the management of maintenance activities that are required to be accomplished by the KYTC or caused to be accomplished by KYTC.

Preventive Maintenance eligibility determinations will be made by FHWA.

d. Project Approval Actions

FHWA approval is not required on a project level for maintenance activities unless special or unusual circumstances exist. The maintenance agreement, which is part of the project agreement, is a project level agreement in which KYTC agrees to maintain the constructed facility.

e. Monitoring

As a condition of receipt of Federal funds, KYTC is required to maintain or cause to be maintained the Federally funded roadways and associated appurtenances in the state of Kentucky. FHWA will review road and bridge maintenance through a sampling of field observations, process reviews, program reviews, and Quality Improvement Reviews. Any specific instances of inadequate maintenance or concerns regarding KYTC's overall maintenance program will be brought to the attention of KYTC by FHWA.

KYTC, in compliance with 23 USC, formally conveys its maintenance obligation to Local Public Agencies through the use of various agreements.

f. Performance Indicators

- 1) Track % of fair/good pavements for entire state-maintained system.
- 2) Track % of fair/good pavements for Interstate System.
- 3) Track % of fair/good pavements for Parkway System.
- 4) Track rideability trends using IRI of the Interstate.

g. Business Standards

KYTC shall provide FHWA maintenance records and data upon request.

FHWA shall notify KYTC of instances of inadequate maintenance or concerns of KYTC's overall maintenance program.

FHWA and KYTC shall establish performance criteria for the safe and efficient maintenance of the Federal-aid highway system. These criteria will set forth maximum allowable response times to repair or replace roadside safety features such as damaged crash cushions, end terminals, barriers, and guardrail.

KYTC shall advise the FHWA of any major updates or changes to the KYTC Maintenance Program.

h. Approved Procedures/Agreements/Manuals

- KYTC Maintenance Manual
- KYTC Standard Drawings
- KYTC Standard Specifications for Road and Bridge Construction
- KYTC Permits Manual
- Roadside Design Guide (AASHTO)

12. PAVEMENT AND MATERIALS

a. Program Overview

Pavement: 23 CFR 626 requires that pavements be designed in accordance with current and predicted traffic needs in a safe, durable and cost effective manner. The regulations do not specify the procedures to be followed to meet this requirement. KYTC is expected to use a design procedure that is appropriate for their conditions.

Materials: Subsection (a) of 23 USC 109 requires that the FHWA ensure that the plans and specifications for all proposed Federal-aid highway projects provide for facilities that will adequately serve the existing and planned future traffic in a manner that is conducive to safety, durability, and economy of maintenance. To fulfill this requirement for all Federal-aid highway projects, the FHWA prime objectives are to:

- Maintain a close working relationship with KYTC materials and construction staff
- Promote improvements when new approaches or technologies are developed and where deficiencies are identified
- Ensure materials incorporated in the construction work and the construction operations controlled by sampling and testing are in conformity with the approved plans and specifications

Furthermore, the FHWA is required, by means of an approved quality assurance program, to assure the quality of materials incorporated into Federal-aid highway projects on the National Highway System (NHS). For Federal-aid projects on the NHS, the primary objectives are to:

- Assure materials incorporated in the construction work, and the construction operations controlled by sampling and testing are in conformity with the approved plans and specifications.
- Provide oversight of construction materials and compliance with Federal requirements on a statewide basis.
- Assure adequate and qualified staff to maintain KYTC quality assurance responsibility as part of its Quality Control/Quality Assurance (QC/QA) program.

b. Applicable Laws, Regulations, and Orders

- Title 23 USC, 106, 109, 114
- 23 CFR 625.4 Standards, policies, and standard specifications
- 23 CFR 626 Pavement Policy
- 23 CFR 635 Construction and Maintenance
- 23 CFR 637 Construction Inspection and Approval

c. Program Approval Actions

- The KYTC Construction and Material Specifications are approved by FHWA on a program basis to facilitate project approvals (typically on a 2–4 year cycle).
- Supplemental Specifications are approved by FHWA on a program basis.
- Each State must develop a quality assurance program that will assure that materials and workmanship incorporated into each Federal aid highway construction project on the NHS are in conformity with the requirements of the approved plans and specifications. The program must be approved by FHWA.

d. Project Approval Actions

- FHWA will approve changes in project specifications for materials on FHWA oversight projects.
- FHWA will approve Supplemental Specifications for specific FHWA oversight projects.
- FHWA will approve pavement design for full-oversight projects.

e. Monitoring

- FHWA will monitor KYTC Quality Assurance Program through construction inspections on FHWA oversight projects, as well as process reviews.
- FHWA will monitor the acceptance and testing of materials in accordance with KYTC Construction and Material Specifications and the KYTC Sampling and Testing Manual on Federal-aid projects through construction inspections and process reviews.

f. Performance Indicators

- Average rideability (IRI) of new pavements on projects that include rideability specification.

g. Business Standards

- FHWA will review and respond within 2 weeks to KYTC for Supplemental Specifications revisions and project materials specifications.
- FHWA will review and respond within 30 days to KYTC for substantive changes in its Quality Assurance Program.
- Time to review and approve a complete revision of the Standard Construction and Material Specifications will be negotiated prior to the activity.
- See Quality Assurance Program Summary Table for more business standard details.

h. Approved Procedures/Agreements/Manuals

- KYTC Construction and Material Specifications
- KYTC Sampling and Testing Manual
- KYTC Pavement Design and Rehabilitation Manual
- FHWA Construction Program Management & Inspection Guide
- Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects (FP-03)

QUALITY ASSURANCE PROGRAM
SUMMARY TABLE

Activity/Item	All NHS		Non-NHS	
	KYTC Action	FHWA Action	KYTC Action	FHWA Action
Quality Assurance Program Materials test methods and updates, Field Sampling and Testing Manual	Maintain (on going)	Review and act upon (10 days).	KYTC prepares and approves	No action
Transportation Technician Qualification Program	Maintain	Review and act upon when updated (10 days).	Required by KYTC	No action
Qualified Laboratory Program	Maintain	Review and act upon when updated (10 days).	Required by KYTC	No action
AASHTO accreditation inspection reports, use of outside testing facility	Maintain accreditation, submit inspection report, approve outside testing facility	Review, make recommendations for consideration.	Required by KYTC	No action
Kentucky Construction and Material Specifications (Supplemental Issues)	Maintain (on going)	Review and act upon (20 days).	Required by KYTC	No action
Material or Product Selection: proprietary products, recycled materials, public interest findings (23 CFR 635.411)	Develop and prepare	Review and approve on FHWA oversight projects.	Develop and prepare	No action

13. PLANNING

a. Program Overview

1.) Work Programs

The 23 CFR, Part 420, Planning and Research Program Administration contains the policies and procedures for administering activities and studies undertaken by STAs and Metropolitan Planning Organizations (MPO) funded through their respective Work Program or as separate projects not included in a Work Program.

- Statewide Planning and Research (SPR) Work Program

KYTC prepares the Work Program annually. FHWA provides pre-program guidance, draft review comments, approves the Work Program, and authorizes SPR funds. FHWA monitors the work throughout the year being involved as appropriate. KYTC submits an annual Work Program Performance and Expenditure report to FHWA.

- MPO Unified Planning Work Program (UPWP)

The UPWP is prepared annually by each MPO and reviewed by KYTC, FHWA and Federal Transit Administration (FTA). FHWA, FTA and KYTC provide comments to the MPO jointly. FHWA and FTA authorize Urban Planning Funds after a joint FHWA and FTA eligibility determination for the UPWPs. These funds are traditionally referred to as “PL” funds. KYTC and FHWA monitor the Work Program through progress and annual reports and by participation in MPO meetings.

2.) Statewide Transportation Planning

Title 23 CFR, Part 450, Subpart B, addresses the requirements of the statewide transportation planning process.

- Statewide Long Range Transportation Planning (STP)

KYTC develops a Statewide Long Range Transportation Plan (STP) which considers all modes of transportation. The STP covers at least a 20-year planning horizon, considers

the planning factors as outlined in the CFR, and provides an opportunity for public comment.

- Statewide Transportation Improvement Program (STIP)

KYTC develops a STIP containing all projects to be funded by FHWA and FTA for a four (4) year period. The STIP is updated biennially by KYTC and submitted to FHWA and FTA for approval. Projects contained in the STIP must be consistent with the STP and the MPO TIPs, must include public involvement, and provide interested parties a reasonable opportunity to comment on the proposed program. Along with the STIP, KYTC will certify that the projects in the STIP are based on a planning process that meets the requirements of 23 USC 134 and 135, 49 USC 5303, and 23 CFR 450.

3.) Metropolitan Transportation Planning

- Metropolitan Long Range Transportation Plan (MTP)

Title 23, CFR Part 450, Subpart C, addresses metropolitan planning requirements. Each MPO must update their Long Range Transportation Plan every 4 years for non-attainment and maintenance areas and every 5 years for attainment areas. The MTP must: cover at least a 20-year planning horizon; include long range and short range strategies which leads to an integrated multimodal transportation plan; include a financial plan which compares estimated revenues with year-of-expenditure costs of construction, maintenance, capital purchases and operations; considers the planning factors found in 23 CFR 450.306; and provide opportunity for public comment.

- MPO Transportation Improvement Program (TIP)

Each MPO, in cooperation with KYTC and its public transit operators will prepare a TIP that covers at least four (4) years. The TIP will be updated at least every four (4) years. The TIP shall include all projects requiring FHWA and FTA approval, include a priority list of projects to be carried out in the first four (4) years, identify each project or phase, and be financially constrained by year. The TIP development process must provide a reasonable opportunity for public

comment. Highway and transit projects must be selected in accordance with the specific funding programs.

4.) Traffic Monitoring

The 23 CFR, Part 500 provides the regulatory guidance for the development and operation of a traffic monitoring system for highways including traffic counting, vehicle classification, and weigh-in-motion programs. The system is guided by the "AASHTO Guidelines for Traffic Data Programs," augmented by the FHWA "Traffic Monitoring Guide" and the "Highway Performance Monitoring System Field Manual."

5.) Highway Performance Monitoring System (HPMS)

The 23 CFR, Part 420 addresses the policy for states to provide data that support FHWA responsibilities to the Congress and to the public. The "Highway Performance Monitoring System Field Manual" provides instructions for collecting and reporting quality and timely data in the condition and performance of the highways and streets. This submittal is due by June 15th of each year.

6.) Highway Statistics Reports

The 23 CFR, Part 420 addresses the policy for states to provide data that supports FHWA responsibilities to the Congress and to the public. The "Guide to Reporting Highway Statistics" manual provides instructions for complying and reporting: motor fuel consumption, motor fuel tax revenues, motor vehicle registrations and fees, driver licenses and fees, highway income and expenditures, debt service, and highway capital outlay and maintenance expenditures which traditionally is referred to as the "500 series reports."

7.) Certification of Public Road Mileage

The 23 CFR, Part 460 addresses the policies and procedures for identifying and reporting public road mileage for utilization in the statutory formula for the apportionment of Highway Safety funds under 23 USC 402(C). By June 1 of each year, the Governor, or his or her designee certifies the public road mileage in the state as of the end of the previous calendar year. However, this certification is developed jointly with the HPMS submittal (due June 15); therefore, KYTC and FHWA agree that the submittal of the certified

public road mileage may be submitted at the same time as the HPMS submittal.

8.) Certification of Heavy Vehicle Use Tax

The 23 CFR, Part 669 prescribes requirements for states to follow in order to annually certify that proof of payment of the Federal Heavy Vehicle Use Tax is obtained before individuals can register their heavy trucks. By July 1 of each year, the Governor, or his or her designee, certifies to FHWA that Kentucky is obtaining proof of payment of the Heavy Vehicle Use tax as a condition of registration in accordance with 23 USC 141(d). The 12 month certification period ends May 31. In Kentucky, the Commissioner of Kentucky Vehicle Regulation (KVR) has been selected as the Governor's designee.

9.) Certification of Vehicle Size and Weight Enforcement

The 23 CFR, Part 657 prescribes requirements for states to follow for enforcing vehicle size and weight laws. Kentucky is required to develop a plan for an effective enforcement process. The enforcement plan is approved by FHWA and serves as a basis for the annual certification. In Kentucky, this Certification is completed by the Kentucky Vehicle Enforcement (KVE).

b. Applicable Laws, Regulations, and Procedures

- Title 23 CFR, Part 420
- Title 23 CFR, Part 450, Subpart B
- Title 23 CFR Part 450, Subpart C
- Title 23 CFR, Part 460
- Title 23 CFR, Part 470
- Title 23 CFR, Part 500
- Title 23 CFR, Part 659

c. Program Approval Actions

FHWA approval is on an annual basis for all the programs listed above and where noted on the chart at the end of this chapter. As a condition for receipt of federal funds, KYTC agrees to develop plans and work programs for statewide, metropolitan, and other transportation planning activities. FHWA will review these plans and programs to assure they meet applicable laws and regulations.

Programs requiring oversight include:

- State and metropolitan planning sub-programs under the State Planning and Research Program.
- Statewide transportation planning process, including the STIP.
- Metropolitan Planning Organization transportation planning process.

Task or work items not originally included in an approved SPR or MPO work program will need an eligibility determination from FHWA/FTA. KYTC will notify FHWA of progress within the approved tasks or work items through periodic discussions and the annual Performance and Expenditure reports.

KYTC must also submit other planning-related reports to FHWA. The reports include:

- Information on public road mileage for apportionment of highway safety funds.
- Information collected from the Highway Performance Monitoring System.
- Information relating to the identification of Federal-aid highways.
- Information on the functional classification of roads and streets.
- Designation of urban area boundaries.
- Designation of routes on the Federal-aid highway systems.

FHWA will serve on the MPO Policy and Technical Advisory Committees as an advisor and not as a voting member. Through FHWA/KYTC involvement with the MPOs, both agencies will continue to stress the importance of the public involvement process and will assist in applying appropriate levels of environmental consideration during the planning process to result in a more feasible, efficient, and acceptable transportation planning product.

d. Project Approval Action

Projects not originally included or changes to projects that involve fiscal constraint in an approved TIP/STIP will need approval from FHWA. An amendment to the appropriate planning document will be prepared in accordance with the "Final Recommendations of the Consolidated Planning Guidance Process Team" dated May 1, 2007. This Guidance was jointly developed and agreed upon between FHWA and KYTC. Other project changes to a TIP/STIP that do not require

amendments may be processed as administrative modifications as outlined in the Consolidated Planning Guidelines.

e. Monitoring

KYTC will review its statewide transportation plan every 5 years to assure it still meets KYTC goals and objectives. KYTC will update or rewrite the statewide transportation plan as necessary.

KYTC and the MPOs shall certify to FHWA that the planning process is addressing the major issues facing the area and is being conducted in accordance with all applicable requirements. This self certification is submitted with each new STIP or TIP. FHWA will make a planning finding on each new STIP or TIP.

FHWA and KYTC periodically monitor MPO plans and activities to ensure they are in conformance with all applicable federal and state guidelines.

KYTC will monitor all SPR and PL activities, including those of sub-recipients (local governments including county, municipalities, etc.) to assure the work is being managed and performed satisfactorily and that time schedules are being met. KYTC will document this monitoring through review and acceptance of subrecipients' invoices, quarterly reports, annual Performance and Expenditure reports, self-certification statements, and other activity related documentation.

FHWA conducts certification reviews of Transportation Management Areas (TMA) on a four (4) year cycle. While not required, periodic reviews of non-TMA MPOs may be conducted in cooperation with KYTC in order to evaluate processes, transmit best practices, or to assist in implementing new regulatory requirements.

f. Performance Indicators

- Track % of STIP construction projects advanced on a quarterly basis.
- Track % of STIP phases (PDRUC) advanced on an annual basis.

g. Business Standards

FHWA/FTA will review and take appropriate action, as noted in the Program Approval Chart below, within 30 days of receipt. KYTC, FHWA, and FTA have developed procedures that allow all partners to review and comment on draft documents such that there are few or no comments on the final documents. KYTC, FHWA, and FTA will coordinate and agree on shortened time frames for review when expedited reviews are necessary.

KYTC will involve FHWA in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and appropriate decisions can be made collectively.

h. Approved Procedures/Agreements/Manual

- KYTC Division of Planning Manual
- AASHTO Guidelines for Traffic Data Programs
- FHWA Traffic Monitoring Guide
- FHWA HPMS Field Manual
- FHWA Guide to Reporting Highway Statistics
- KYTC and FHWA “Final Recommendations of the Consolidated Planning Guidance Process Team” dated May 1, 2007

PROGRAM APPROVAL CHART

PROGRAM ACTIVITIES		AGENCY RESPONSIBLE		
Approval Action	Ref. Source	Review	Approve	Remarks
20-YR Statewide Transportation Plan	23 CFR 450.214	FHWA	KYTC	FHWA reviews and comments on STP but no official approval action is taken.
Statewide Transportation Improvement Prog. (STIP)	23 CFR 450.216	FHWA	FHWA/FTA	Minimum 4 year period; update required every 4 years
State Planning & Research (SPR) Work Program	23 CFR 420.111	FHWA	FHWA	KYTC annually develops work program. FHWA makes an eligibility determination by June 15 and authorizes expenditure of planning funds.
Performance & Expenditure Report (SPR & PL)	23 CFR 420.117	FHWA & KYTC	None	KYTC annually develops and submits the SPR report within 90 days after the end of the SPR work program period. Each MPO annually develops and submits their report for PL funds within 90 days after the end for their work program.
Highway Performance Monitoring System (HPMS) Annual Data Submittal from State and Field Verification Review and Report	23 US.C 307(h)	FHWA	None	FHWA HQ required Field Verification review to be conducted by the division offices. Based on this review, the FHWA recommends the acceptance of the HPMS data for funding apportionment and allocation purposes. KYTC submits HPMS Submittal by June 15 th of each year.
Certification of Public Road Mileage	23 CFR 460.3	FHWA	None	Due by June 1 st of each year. This certification is developed jointly with the HPMS submittal (due June 15); therefore, KYTC and FHWA agree that the submittal of the certified public road mileage may be submitted at the same time as the HPMS submittal.
Heavy Vehicle Use Tax Annual Certification by State & Triennial Division Office Review	23 CFR 669.21	FHWA	None	State Department of Revenue is required to certify that the HVUT is being collected. FHWA HQ recommends a review be completed every 3 years.
Highway Statistics: 500 Series Reports	23 CFR 420.105	FHWA	None	KYTC is required to submit several Highway Statistics forms annually.
Traffic Volume Monthly Automated Traffic Recorder Data	23 CFR 1.5	FHWA	None	KYTC submits required ATR data reports directly to FHWA HQ.

PROGRAM ACTIVITIES		AGENCY RESPONSIBLE		
Annual Truck Weight Characteristics Data	23 CFR 1.5	FHWA	None	KYTC annually submits required data directly to FHWA HQ.
Metropolitan 20-(MTP) Transportation Plan (LRTP) Conformity Determination are made on MTP	23 CFR 450.322	FHWA/FTA & KYTC	MPO	FHWA/FTA & KYTC review and comment on MTP but no official approval action is taken by FHWA/FTA. FHWA/FTA considers the MTP in combination with the TIP in making a planning finding and conformity determinations.
Metropolitan Transportation Improvement Program (TIP)	23 CFR 450.324	FHWA/FTA & KYTC	Governor or Designee	Minimum 4 year period; updated at least every 4 years. FHWA/FTA review and make a planning finding on all new TIPs. All TIPs are developed by the MPO and included in the STIP by reference. All TIP projects Conformity Determination are approved and amended into the STIP by FHWA/FTA.
Metropolitan Unified Planning Work Program	23 CFR 450.314	FHWA & KYTC	FHWA/ KYTC	MPOs develop and submit a work program annually. FHWA & KYTC review and comment on UPWPs from each MPO.
TMA Planning Certification Process Reviews in MPOs greater than 200,000.	23 CFR 450.334	FHWA, FTA, MPO & KYTC	FHWA	TMA Planning process reviews in Louisville, Lexington, Evansville, and Cincinnati are completed on a 4-year cycle.
Vehicle (Truck) Size and Weight Enforcement Certification	23 CFR Part 657	FHWA	FHWA	State is responsible for enforcing vehicle size and weight laws. State is required to develop a plan for maintenance of an effective enforcement process. Each State plan is approved by FHWA and will then serve as a basis by which the annual State certification of enforcement will be judged. In Kentucky, this certification is completed by the Justice Cabinet, Kentucky Vehicle Enforcement.
Annual Listing of Obligated Projects (TIPs)	23 CFR 450.332	FHWA	None	KYTC, MPOs, and public transportation operators will cooperatively develop and submit no later than 90 days following the end of the federal fiscal year (January 1).

14. RESEARCH, DEVELOPMENT, AND TECHNOLOGY TRANSFER

a. Program Overview

The purpose of the program is to implement the provisions of 23 USC 504 and 505 for research, development, technology transfer, programs, and studies undertaken with FHWA planning and research funds.

1.) State Planning and Research (SPR) Program

The main requirements under 23 CFR 420 are to create a SPR Work Program, monitor planning and research activities, submit performance and expenditure reports, conduct peer exchanges, develop and maintain an FHWA approved research and development management process, and maintain program certification. The SPR program is funded by the sum of the Interstate Maintenance, National Highway System, Surface Transportation Program, Bridge Replacement & Rehabilitation, Congestion Mitigation & Air Quality, Equity Bonus, and Safety Federal Funds. The STA allotment is 2% of the total and 25% percent of the 2%. The state funds match up to 20% the SPR federal funds.

The SPR Work Program consists of two parts: (1) Part I, Planning, which is prepared by KYTC Planning Division and (2) Part II, Research, which is prepared by KYTC Research Staff in conjunction with the Kentucky Transportation Center (KTC) at the University of Kentucky. KYTC is responsible for preparation and overall coordination of the Work Program in accordance with 23 CFR 420. The SPR Program operates on a state fiscal year basis with program approval every year. Amendments and revisions are submitted periodically for approval.

2.) Local Technical Assistance Program (LTAP)

LTAP was created to provide educational training, technical assistance and related support services for rural, small urban, tribal governments, consultants and contractors that do work for local agencies on roads, bridges, and public transportation. The LTAP program is regulated under 23 USC 504(b). The Kentucky LTAP center is located within the Kentucky

Transportation Center at the University of Kentucky. LTAP is jointly funded by KYTC and FHWA funds.

The Kentucky LTAP conducts biennial surveys of local agency training needs. The survey results are used as the basis for developing the curriculum of technical workshops and deployment training courses offered during the next two years.

b. Applicable Laws, Regulations, and Procedures

- 23 USC applies to all research and technology transfer activities
- Title 23, CFR, Part 420 and 450 apply to State Planning and Research Program Administration
- KYTC Research, Development and Technology Transfer Manual of Procedures
- KRS 177.320, KRS 177.375 thru 177.380

c. Program Approval Actions

KYTC will administer the research program in accordance with the KYTC Research, Development and Technology Transfer Manual of Procedures, which has been reviewed and approved by the FHWA. Significant changes to this manual shall be submitted to the FHWA for approval.

The research work program is submitted to the FHWA as Part II of the KYTC Planning and Research Work Program. Currently, the FHWA approves the research work program on a biennial basis. The KYTC research work program shall meet the requirements of 23 CFR, Part 420.209, (a)-(c).

Kentucky LTAP coordinates with the FHWA to draft an annual Work Plan based on the State fiscal year. FHWA reviews the draft LTAP Work Plan. FHWA comments are incorporated into the draft and the final version is approved by FHWA.

d. Project Approval Action

KYTC will identify and implement research projects that address high priority transportation issues. An interactive process involving KYTC management and Research Advisory Committee (RAC) members as described in the KYTC Research Program Manual shall be used for the identification and prioritization of projects to be included in the research work program. KYTC shall determine the

funding level at which the identified and prioritized projects will be supported with FHWA research funds.

Other types of projects, including Experimental Features, Demonstration Projects, Application Projects, Test and Evaluation Projects and Special Projects, will be approved by the FHWA.

e. Monitoring

In regards to the SPR, the FHWA exercises its oversight responsibilities through review of the work program prior to approval actions, review of SPR Work Program amendments prior to approval, and ongoing participation of its technical specialists in research study technical panels. The KYTC research coordinator will be responsible for the scheduling and coordination of the Peer Exchange. As appropriate, FHWA personnel may participate in peer exchanges.

The KYTC will submit, annually, to the FHWA performance and expenditure reports that meet the requirements of 23 CFR, Part 420.117, (a)-(c).

The KYTC will host a peer exchange and report their findings to the FHWA in accordance with 23 CFR, Part 420.209. The interval between peer reviews will not exceed three years. In addition, the KYTC program manager participates in peer exchanges hosted by other States and uses the knowledge gained to improve the research program.

FHWA participates in the KYTC RAC process which reviews research program progress and provides recommendations on program priorities and projects.

FHWA provides oversight to the LTAP program through review of the annual work plan.

f. Performance Indicators

- Track number of research studies that have results implemented.

g. Business Standards

FHWA will review and provide comments on the draft and final State Planning and Research Work Program within 30 days.

KYTC will involve FHWA in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and appropriate decisions can be made collectively.

FHWA will review and approve the LTAP annual work plan within 30 days.

h. Approved Procedures/Agreements/Manual

- Annual Supplemental Agreement between KYTC and the University of Kentucky Research Foundation.

**Kentucky Research
Program Approval Chart**

PROJECT ACTIVITIES		AGENCY RESPONSIBLE		
Approval Action	Ref. Source	Review	Approve	Remarks
State Planning & Research (SPR) Work Program Part II	23 CFR 422.09	FHWA	FHWA	Annually developed work program
LTAP	23 USC 504(b)(1) and (2)	FHWA	FHWA	Annually developed work plan

15. RIGHT-OF-WAY

a. Program Overview

The purpose of this section is to outline the stewardship and oversight responsibilities of KYTC and FHWA for the right-of-way (ROW) functional areas of appraisal, acquisition, and relocation. These are the principal activities used to acquire property for transportation projects. The provisions of Titles 49 and 23 USC apply in situations where Federal-aid is used to fund ROW acquisitions and/or when Federal-aid is used to fund other elements of a transportation project.

The ROW actions or elements listed below require approval and/or oversight by FHWA.

- ROW certification
- State Right-of-Way Operations Manual
- ROW authorization
- Air rights on the Interstate
- Airspace leases/joint use agreements
- Sale/transfer of excess ROW
- Early acquisition, protective buying, and hardship acquisition
- Functional replacement
- Highway beautification (outdoor advertisement control)
- Junkyard control and acquisition

b. Applicable Laws, Regulations, and Orders

- 49 CFR 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs
- 49 CFR 18, Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments
- 23 CFR 1.23, Use of Right-of-Way
- 23 CFR 620, Subpart B, Relinquishment of Highway Facilities
- 23 CFR 635.309, Right-of-Way Certification
- 23 CFR 646.216, Railroad Right-of-Way
- 23 CFR 710, Right-of-Way and Real Estate
- 23 CFR 750, Highway Beautification
- 23 CFR 751, Junkyard Control and Acquisition

c. Program Approval Actions

The approval of the KYTC Right-of-Way Operations Manual is a program approval action required by 23 CFR 710.201(c). Modifications and changes to the Right-of-Way Operations Manual are subject to FHWA review and approval.

Every five (5) years, KYTC shall certify to the FHWA the current Right-of-Way Operations Manual conforms to existing practices and contains necessary procedures to ensure compliance with Federal and State real estate law and regulations.

d. Project Approval Actions

FHWA project-level approval actions include, but are not limited to, authorization of federal-aid ROW activities, early acquisition approval, and acceptance of project ROW certifications. See the Project/Program Approval Chart provided hereinafter for more detail.

e. Monitoring

While FHWA oversight of all ROW functions is required under Title 49 USC and 49 CFR 24, there are two levels of FHWA review and oversight of these functions. The first level depends on whether a project uses Federal-aid funds for the acquisition of ROW. The second level relates to situations where Federal-aid funds are not used in ROW acquisition, but are used elsewhere in the project. Although the ROW regulations apply to both of these scenarios, the greatest FHWA oversight emphasis for ROW will be placed on projects where Federal-aid funds were used for property acquisitions. FHWA oversight also applies to design-build projects, contract modifications, and value engineering changes which require additional ROW.

In providing project oversight, the FHWA focuses on the rights of property owners and displaced persons as well as on the stewardship of Federal funds. FHWA oversight of KYTC processes and activities is accomplished through two primary review techniques. The first technique is called Quality Assurance Reviews (QARs). The QARs are initiated by KYTC and include FHWA personnel participation. The second review technique is called Quality Improvement Reviews (QIRs). The QIRs are initiated by FHWA, include KYTC staff, and cover topics selected through an FHWA Risk Assessment, or as needs indicate.

Local Public Agencies (LPAs) must comply with Title 49 USC and regulations in 49 CFR 24 in the same manner as KYTC. KYTC is responsible for assuring that ROW actions by LPAs are in compliance with Federal and State laws and regulations. The FHWA will monitor LPA ROW activities through QIRs.

f. Performance Indicators

- Monitor % of ROW acquisition cases filed for condemnation.
- Prepare and report annual ROW statistics each year by November 1st.
- Continue ROW training program for KYTC employees.

g. Business Standards

ROW APPROVALS AND BUSINESS STANDARDS CHART

Work Activity	KYTC Action	FHWA Action	Result
Appraisals	Review, Certify, and Approve – All Projects	N/A	Appraisal Reports
Acquisitions	Perform and Approve – All Projects	N/A	Property Ownership, Title, or Easement
Relocations	Perform and Approve – All Projects	N/A	Relocations
ROW Authorizations and Agreements	Request	Authorize - All Projects (7 days)	Authorization & Agreement
ROW Certification	Approve - non-Interstate	Approve - Interstate and APD. (7 days)	Certificates
Functional Replacement	Propose	Concur - All projects (7 days)	Functional Replacement of Real Property
Air Rights – Interstate	Request	Approve - All projects (14 days)	Airspace Agreement
Airspace Leases/Joint Use Agreements	* Approve - non-Interstate	Approve – Interstate and APD. (14 days)	Leases/Agreements

Work Activity	KYTC Action	FHWA Action	Result
Disposal of Excess ROW	* Approve - non-Interstate	Approve - Interstate and APD. (14 days)	Property Sold. Revenue deposited in Transportation Fund
Federal Land Transfer	Request	Review and approve - All projects (60 days)	Transfer Deeds
Early Acquisition, Hardship Acquisition, Protective Buying	Request	Approve – All projects (14 days)	Property Ownership, Title, or Easement
ROW Operations Manual	Prepare Manual and request approval	Approve (60 days)	Manual
Highway Beautification and Control of Outdoor Advertisement	Prepare request	Approve – All cases (30 days)	Manual or Permits
Administrative, Legal, and Court Awards	* Approve - non-Interstate	Approve - Interstate and APD. (14 days)	Property Ownership, Title, or Easement
Access Control - Disposal or Changes	* Approve - non-Interstate	Approve - Interstate and APD. (30 days)	Property Ownership, Title, or Easement Access Control Change

* These actions will require FHWA approval on all projects where ROW was acquired with Federal-aid funds and the proposed action deviates from current fair market value (FMV).

h. Approved Procedures/Agreements/Manuals

- KYTC Right-of-Way Operations Manual
- KYTC/FHWA Agreement for Control of Outdoor Advertisement

PROJECT/PROGRAM APPROVAL CHART

PROJECT ACTIVITIES		AGENCY RESPONSIBLE			
Approval Action	Reference Document	Interstate and APD	Non-Interstate NHS	Non-NHS Projects	Other Projects Subject to FHWA Oversight by Mutual Agreement
Appraisals	49 CFR 24	KYTC	KYTC	KYTC	KYTC
Acquisitions	23 CFR 710	KYTC	KYTC	KYTC	KYTC
Relocations	49 CFR 24	KYTC	KYTC	KYTC	KYTC
ROW Authorizations	23 CFR 710	FHWA	FHWA	FHWA	FHWA
ROW Certification	23 CFR 710 23 CFR 635	FHWA	KYTC	KYTC	KYTC
Functional Replacement	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Air Rights, Airspace Leases, Joint Use Agreements	23 CFR 710	FHWA	* KYTC	* KYTC	* KYTC
Disposal of Excess ROW	23 CFR 620 23 CFR 710	FHWA	* KYTC	* KYTC	* KYTC
Federal Land Transfer	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Early Acquisition, Hardship, Protective Buying	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Administrative, Legal, and Court Awards	23 CFR 710	FHWA	* KYTC	* KYTC	* KYTC
Access Control – Disposal and Changes	23 CFR 620 23 CFR 710	FHWA	* KYTC	* KYTC	* KYTC
Environmental Mitigation	23 CFR 710 EA/FONSI EIS/ROD	FHWA	KYTC	KYTC	KYTC

* These actions will require FHWA approval on all projects where ROW was acquired with Federal-aid funds and the proposed action deviates from current fair market value (FMV).

16. SAFETY

a. Program Overview

1.) Strategic Highway Safety Plan (SHSP)

Title 23 USC Section 148 requires that each state develop and implement an SHSP to ensure that the state focuses its resources on the most critical safety needs while addressing them from the perspectives of the “4Es” – engineering, education, enforcement and emergency medical services. Federal, State, local, and other stakeholder representatives comprise the Governor’s Executive Committee on Highway Safety which is responsible for developing and updating the SHSP. This document is required to be updated periodically (4-5 years but may be updated as needed) to ensure that it remains reflective of the State’s safety problems. FHWA approves the process for the initial approval and serves as a member of the Governor’s Executive Committee on Highway Safety.

2.) Highway Safety Improvement Program (HSIP)

Title 23 USC Section 148 establishes a program area for purposes of hazard elimination and rail/highway crossing safety. This program also includes addressing safety on High Risk Rural Roads. KYTC performs HSIP components of *Planning*, *Implementation*, and *Evaluation* to accomplish requirements of the program for highway and rail/highway locations; these components involve: identification of high-crash locations, developing an annual program to address the locations, and an annual report on progress and effectiveness. FHWA is involved in all components, both formally and through informal technical assistance.

- High Cost Safety (HCS)
- Safety Corridors (SC)
- Roadway Section Improvements (RSI)
- Lane Departure Resurfacing (LD-R)
- Low Cost Spot Improvements (LCS)
- High Risk Rural Roads (HRRR)

3.) Rail-Highway Grade Crossings (Section 130 Projects)

The KYTC uses the “simplified” procedure contained in 23 CFR 646.218 for advancing all rail/highway grade crossing projects to the construction stage. KYTC will work with the railroad and local road authority (when necessary) to develop a fully executed agreement, right of way certification and detail estimate for the project. Upon authorization by FHWA, KYTC will authorize the railroad to proceed with construction for each location.

Section 130 projects are funded with a 90% Federal share and 10% State or Local match, or toll credits.

It is KYTC and FHWA policy to assure that adequate warning devices are selected and installed when Federal funds are used at rail/highway grade crossings. The determination of adequacy is made cooperatively between the railroad company, the road authority having jurisdiction over the highway, KYTC and FHWA. As a condition of the construction funding request submitted to FHWA, KYTC and FHWA agree that FHWA obligation of funds serves as Federal approval of a determination of adequacy pursuant to 23 CFR 646.214(b).

4.) 402 Highway Safety Program (HSP)

Title 23 USC Section 402 establishes a program area for roadway safety that is "non-construction" oriented. FHWA-funded activities target identification and surveillance of crash locations; highway design, construction, and maintenance; traffic engineering services; and pedestrian and bicycle safety.

NHTSA has been delegated the lead role in handling financial and administrative aspects of FHWA’s portion of the program.

KYTC prepares an annual Highway Safety Plan (HSP) as the planning component of the program, submits a certification statement, and issues a benchmark report. Federal approval is provided by NHTSA in the form of a letter acknowledging KYTC’s submission. NHTSA is the lead agency in working with KYTC on using the results of the evaluation process, with FHWA available to provide technical support either to KYTC or NHTSA in the area of roadway safety.

5.) Crash Data Collection and Analysis

Title 23 USC 148 requires each state to use data covering all public roads in order to ensure that KYTC is making funds available to the appropriate local political authorities to improve safety at these locations. The FHWA is actively engaged in this process for improving the quality and timeliness of crash data from all law enforcement agencies within the state.

6.) Safe Routes to Schools (SRTS)

Section 1404 of SAFETEA-LU established this program to: (1) to enable and encourage children, including those with disabilities, in grades K – 8 to walk and bicycle to school; (2) to make bicycling and walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle from an early age; and (3) to facilitate the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. The FHWA is actively involved in this program, both formally and through technical assistance.

b. Applicable Laws, Regulations, and Orders

- 23 USC Sections 130, 148, 159, 163, 315, 402
- 23 CFR Part 646, Part 924 and Part 1200

c. Program Approval Actions

- 23 USC Section 148: KYTC will submit Kentucky SHSP to FHWA for approval that the State has followed the prescribed process for coordination with its safety partners as outlined. FHWA will review, and approve, the State submission using the SHSP Checklist developed by FHWA HQ.
- 23 USC Sections 130 and 148: FHWA approves KYTC HSIP program document and modifications. KYTC provides an annual program evaluation report under the Highway Safety Improvement Program (HSIP), including Hazard Elimination Projects, High Risk Rural Roads, identification of the top 5% of the State's most hazardous locations, and Rail Crossing Improvement Projects. FHWA reviews the State

submission for compliance with the approved guidance regarding the annual reporting requirements.

- 23 USC Section 148: KYTC will submit implementation plans for each emphasis area of Kentucky's SHSP to FHWA for approval. FHWA will review the implementation plans to ensure that they meet both State & National emphasis areas.
- 23 USC Section 159: KYTC will submit an annual certification to FHWA indicating either opposition to or enactment/enforcement of a law requiring the revocation or suspension of drivers' licenses of individuals convicted of drug offenses. FHWA will ensure that the certification language meets the requirements of 23 CFR 192.
- 23 USC Section 163: KYTC must annually jointly notify FHWA and NHTSA of the intended use of the Section 163 incentive funds. FHWA will coordinate with NHTSA to ensure that the funds will be expended in accordance with this regulation.
- 23 USC Section 402: FHWA will coordinate with NHTSA on program based Federal actions necessary under the Section 402 Program.

d. Project Approval Actions

- FHWA will verify that projects are in the current HSIP, and approve project authorizations, modified project agreements and final vouchers on all Section 130 and 148 projects.
- FHWA will collaborate with NHTSA on any project level action required for Section 402 projects.

e. Monitoring

- FHWA participates as a team member in KYTC-led task forces and teams that are formed as needed to address perceived needs or problems.
- FHWA participates as a member of the KYTC-led teams that are responsible for assessing work zone traffic control practices and safety, as well as new traffic and safety-related technology and devices.
- FHWA may conduct inspections, including finals, on a statewide sampling basis through annual and process reviews.
- FHWA will provide ongoing technical assistance in the planning, implementation, and evaluation components of the

HSIP, and will work cooperatively with KYTC to use process reviews to assess and improve procedures.

- FHWA will support NHTSA in monitoring of Section 402 Program activities by participating in periodic management reviews conducted by NHTSA and by working cooperatively with KYTC.
- KYTC will monitor the Safety and Congestion Work Plan.

f. Performance Indicators

- Reduce highway fatality and injury rate.
- Complete all high crash location studies scheduled for completion during the given fiscal year by June 30th of each year.

g. Business Standards

- FHWA will review and approve future revisions to the SHSP and the process used to develop such revisions for compliance with 23 USC 148 within 30 days.
- FHWA will approve revisions to the HSIP within 14 days.

h. Approved Procedures/Agreements/Manuals

- KYTC SHSP
- KYTC HSIP Program Document
- KYTC HSP

17. SPECIFICATIONS

a. Program Overview

Specifications provide for the basis of payment and facilitate the administration of contracts. Specifications delineate the means and methods for the work. They establish levels of acceptability. They serve as the basis for project decisions. In sum, specifications serve as the basis for delivering the highway product to the end user. Specifications include: the KYTC Standard Specifications for Road and Bridge Construction, Supplemental Specifications, Supplements, and Proposal Notes.

The regulations do not require KYTC to have standard specifications. However, the regulations do require that the Plans, Specifications, and Estimate (PS&E) for Federal-aid construction projects on the National Highway System be approved on a project-by-project basis prior to advertisement of the project. The FHWA approval of standard specifications is done as a convenience to simplify the PS&E review process. Once approved, the standard specifications can be used on Federal-aid projects without further review. In the absence of pre-approved standard specifications all of the required specification information would have to be included and approved as part of the PS&E package for each project. FHWA may request that specifications be modified to address unique circumstances on a project by project basis.

KYTC does not differentiate between NHS and Non-NHS projects when it comes to the development and implementation of Specifications, a single set of Specifications is used. State Standard Specifications are reviewed and approved prior to general use. Supplements to the Standard Specifications and Special Notes and Provisions will normally be reviewed and approved by the FHWA prior to use. Supplements to the Standard Specifications and Special Notes and Provisions may be approved as part of the PS&E.

b. Applicable Laws, Regulations, and Orders

- 23 USC 106 and 109
- 23 CFR 625
- 23 CFR 630 Subpart B
- 23 CFR 635.127 Federal-aid Policy Guide Non-Regulatory Supplement NS 23 CFR 630B
- FHWA, Technical Advisory T 5080.16, Development and Review of Specifications

c. Program Approval Actions

- FHWA will approve KYTC Construction and Material Standard Specifications, Supplemental Specifications and Standard Plans applicable to NHS projects on a program basis.
- Changes, addenda or other modifications to the approved specifications must be individually approved by FHWA on an as-needed basis, prior to their implementation on NHS projects.
- FHWA will approve updates to the Liquidated Damages Specification C&MS 108.7 every two years in accordance with the provisions at 23 CFR 635.127.

d. Project Approval Actions

- Non-standard Construction and Material Specifications are approved on a project-by-project basis at the time of PS&E, in accordance with the agreed level of project oversight.

e. Monitoring

- FHWA will participate in various specification related committees such as the KAHC Technical Committees, New Products Committee, Long Term Monitoring Committee, and those groups formed for specific items of work.
- FHWA will assess the performance of individual specifications via the conduct of program and project reviews conducted in accordance with this Stewardship Plan.

f. Business Standards

- FHWA will perform a quality control review of any proposed specifications and provide comments to KYTC within 30 days of receipt of draft.
- FHWA will approve revised specifications within 14 days of receipt.

g. Approved Procedures/Agreements/Manuals

- KYTC, Construction and Materials Specification Development Policy, 27-005(P)
- KYTC, Construction and Materials Specification Development Standard Procedures
- KYTC, Specification Committee Supplemental Instructions
- KYTC, Qualified Products List process
- KYTC, Approved List Procedure
- KYTC, Distribution of Standard Drawings, Design Manuals, Proposal Notes, & Supplemental Specifications Policy
- KYTC, Distribution of Standard Drawings, Design Manuals, Proposal Notes, & Supplemental Specifications standard procedure
- KYTC, Locally-Administered Transportation Projects Policy
- KYTC, Construction and Material Specification books, Supplemental Specifications, Supplements, and Proposal Notes
- KYTC Construction Guidance Manual
- KYTC Standard Specifications for Road and Bridge Construction
- Field Sampling and Testing Manual – Kentucky Methods
- Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects

18. TRAFFIC OPERATIONS

a. Program Overview

Traffic Operations is a crosscutting program area that touches many aspects of the highway program. Traffic Operations contributes heavily to project development through engineering analysis of vehicle and pedestrian movement that are needed to produce sound project level decisions affecting safe and efficient highway operations. It is also an area that contributes heavily to the operations and physical maintenance of highway facilities by providing techniques, procedures, management practices/systems and inventory tools.

KYTC and FHWA have formed partnerships in support of safety and congestion relief initiatives with other State and local agencies, including fire and law enforcement.

In Kentucky, the FHWA Traffic Operations Program includes the following core elements and components:

1.) Management of Non-Recurring Congestion

- Traffic Incident Management Systems provide for identification and response to vehicle crashes and breakdowns with appropriate emergency services and to restore normal traffic flow and to reduce secondary crashes.
- Work Zone Traffic Control helps to improve safety and efficiency of vehicular movement through work zones. A new federal regulation, 23 CFR 630, requires agencies receiving federal funds to implement certain procedures. FHWA is an active participant on KYTC committees and review teams that examine and improve on KYTC standards, practices, and applications of work zone traffic control and safety.

2.) Management of Recurring Congestion

- Freeway Management Operations improve traffic flow on high volume roads by monitoring traffic conditions and providing appropriate responses to those conditions, through the use of Traffic Incident Management programs and Traveler Information Systems.

- Arterial Management Systems involve traffic signal coordination and optimization of traffic flow by adjusting timing and patterns either based on time-of-day or in response to real-time traffic data.

3.) Improving Day-to-Day Traffic Operations

- Traffic Control and Standards includes the adoption and use of standard traffic control devices - such as signing, pavement markings, signals, and speed zones – detailed in the Manual on Uniform Traffic Control Devices (MUTCD), the Standard Drawings, and the Traffic Operations Guidance Manual. Changes to the national MUTCD issued by the FHWA must be adopted by the states within two years of issuance.

4.) Applicable Laws, Regulations, and Orders

- 23 USC Chapter 1, Sections 101, 104, 109, 114, 116
- SAFETEA-LU Title I, Subtitle A, Section 1110
- 23 CFR Part 1.27, Part 630, and Part 655 Subpart F

c. Program Approval Actions

- FHWA will review and approve KYTC work zone policies and standards for conformance with FHWA Work Zone Rule (23 CFR 630)
- FHWA ensures Kentucky is in substantial conformance with the MUTCD by reviewing or participating in the development of policies and procedures, through field observations and inspections, and through process reviews.

d. Project Approval Actions

- FHWA specific approval of traffic operations elements of project development will occur coincident with environmental approvals when the traffic operations studies are supporting alternative selection decisions.
- FHWA specific approval of traffic operations elements of project plans will be approved coincident with PS&E approval dependent on the project's exemption status.

- FHWA approval of traffic analyses that support interchange/access modification will be approved coincident to the interchange/access modification.

e. Monitoring

- FHWA will conduct routine project and final inspections of traffic operations aspects on FHWA oversight projects. For all other projects, FHWA may conduct process reviews.
- FHWA will conduct routine evaluation of the maintenance of traffic on active Federal-aid projects to assure traffic operations components are being adequately maintained.
- FHWA will provide ongoing technical assistance in the area of traffic operations, will include this area in routine risk assessment evaluations, and will work cooperatively with KYTC to use process reviews to assess and improve processes and procedures.
- FHWA will review and approve KYTC work zone policies and standards for conformance with FHWA Work Zone Rule (23 CFR 630).
- KYTC will submit to FHWA any work zone collision incident reports on full-oversight projects. Per the work zone final rule.

f. Performance Indicators

- Miles of Major Collectors or better with a $V/SF \geq 0.95$.

g. Business Standards

- KYTC will notify FHWA of adoption or significant locally produced application of regulatory provisions including the MUTCD, AASHTO Policy and Work Zone Safety and Mobility Regulations within 30 days of adoption.
- FHWA will follow prescribed processing requirements for individual project actions related to Traffic Operations as defined in this Stewardship Plan.
- KYTC will fully involve FHWA in all aspects of freeway interchange addition or change studies and proposals.

h. Approved Procedures/Agreements/Manuals

- KYTC Location & Design Manuals
- KYTC Local Public Agency Manual
- ITS Regional Architectures and Strategic Plans
- KYTC Standard Specifications
- KYTC Standard Detail Drawings
- KYTC Traffic Operations Manual
- KYTC Maintenance Manual
- KYTC Construction Manual
- KYTC Supplemental Specifications and Special Provision
- KYTC Standard Drawings
- MUTCD

APPENDIX A

ACRONYMS

AA	Affirmative Action
AASHTO	American Association of State Highway and Transportation Officials
ACHP	Advisory Council on Historic Preservation
ADA	Americans with Disabilities Act
ADHS	Appalachian Development Highway System
ADT	Average Daily Traffic
C&MS	Construction and Material Specifications
CE	Categorical Exclusion
CFR	Code of Federal Regulations
CMAQ	Congestion Mitigation and Air Quality
CPG	Consolidated Planning Grant
DBE	Disadvantaged Business Enterprise
DOT	Department of Transportation
DSR	Damage Survey Report
EA	Environmental Assessment
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
EPPC	Environmental & Public Protection Cabinet
ER	Emergency Relief
ESA	Endangered Species Act
FAHP	Federal-aid Highway Program
FAPG	Federal-aid Policy Guide
FHWA	Federal Highway Administration
FMV	Fair Market Value
FONSI	Finding Of No Significant Impact
FTA	Federal Transit Administration
GIS	Geographic Information System
HBP	Highway Bridge Program
HBRRP	Highway Bridge Replacement and Rehabilitation Program
HDO	Highway District Office
HQ	Headquarters
HSIP	Highway Safety Improvement Program
HSP	Highway Safety Plan
IJS	Interchange Justification Study
IMS	Interchange Modification Study

ACRONYMS

IRI	International Roughness Index
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
ITS	Intelligent Transportation Systems
KNREPC	Kentucky Natural Resources and Environmental Protection Cabinet
KRS	Kentucky Revised Statutes
KTC	Kentucky Transportation Center
KVE	Kentucky Vehicle Enforcement
KVR	Kentucky Vehicle Regulation
KY	State of Kentucky
KYTC	Kentucky Transportation Cabinet
L&D	Location & Design
LPA	Local Public Agency
LRFD	Load and Resistance Factor Design
LRSTP	Long Range Statewide Transportation Plan
LTAP	Local Technical Assistance Program
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MTP	Metropolitan (Long Range) Transportation Plan
MUTCD	Manual on Uniform Traffic Control Devices
NAAQS	National Ambient Air Quality Standards
NBI	National Bridge Inspection
NBIS	National Bridge Inspection Standards
NEPA	National Environmental Policy Act
NHS	National Highway System
NHTSA	National Highway Traffic & Safety Administration
NOI	Notice of Intent
OIG	Office of the Inspector General
OJT	On-the-Job Training
OMB	Office of Management and Budget
OPI	Organizational Performance Indicators
OSP	Office of Special Programs
PDRUC	Planning, Design, ROW, Utilities, Construction
PMP	Project Management Plan
POA	Plan of Action
PS&E	Plans, Specifications, and Estimate
QA	Quality Assurance
QAR	Quality Assurance Review

ACRONYMS

QC/QA	Quality Control/Quality Assurance
QIR	Quality Improvement Review
RAC	Research Advisory Committee
ROD	Record of Decision
ROW	Right-Of-Way
SAFETEA-LU	Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users
SHPO	State Historic Preservation Officer
SHSP	Strategic Highway Safety Plan
SIP	State Implementation Plan
SPR	Statewide Planning & Research
SRTS	Safe Routes to School
STA	State Transportation Agency
STIP	Statewide Transportation Improvements Program
TEA-21	Transportation Equity Act for the 21st Century
TIP	Transportation Improvement Program
TMA	Transportation Management Area
TRAC	Transportation Review Advisory Council
TS&L	Type Size and Location Report
UPWP	Unified Planning Work Program
USACE	United States Army Corps of Engineer
USC	United States Code
USDOT	United States Department of Transportation
USEPA	United States Environmental Protection Agency
USFWS	United States Fish and Wildlife Service
VE	Value Engineering

APPENDIX B

DEFINITIONS

"3-R" Project: A type of highway-oriented project that is designed to preserve and extend the service life of the existing facility and to enhance safety. This typically involves resurfacing, restoration, or rehabilitation of an existing facility.

"4-R" Project: A type of highway-oriented project that is designed to add capacity, modify and/or create new access points, reconstruct existing pavements and structures, or create new facilities on new location.

Control Document: Applicable standards, policies, and standard specifications that are acceptable to FHWA for application in the geometric and structural design of highways.

Delegated Projects: Projects that do not require FHWA to review and approve actions pertaining to design, plans, specifications, estimates, right-of-way certification statements, contract awards, inspections, and final acceptance of Federal-aid projects on a project-by-project basis, as per Title 23 USC 106, subject to KYTC fulfilling the prior role of FHWA.

Design-Build: Project delivery method that combines two, usually separate services into a single contract. With design-build procurements, owners execute a single, fixed-fee contract for both architectural/engineering services and construction. The design-build entity may be a single firm, a consortium, joint venture or other organization assembled for a particular project.

FHWA Oversight Projects: Projects that require FHWA to review and approve actions pertaining to design, plans, specifications, estimates, right-of-way certification statements, contract awards, inspections, and final acceptance of Federal-aid projects on a project-by-project basis.

Major Projects: Projects with an estimated total cost greater than \$500 million, or projects approaching \$500 million with a high level of interest by the public, Congress, or the Administration.

Oversight: This is the act of ensuring that the Federal-aid Highway Program is delivered consistent with applicable laws, regulations, and policies. In this context, oversight is the compliance or verification component of FHWA stewardship activities. Narrowly focused, oversight activities ensure that the implementation of the various elements of the Federal-aid Highway Program is in

accordance with applicable laws, regulations, and policies. More broadly focused oversight activities enable the FHWA to ensure the effective delivery and operation of the transportation system envisioned in its base Federal statutes.

Performance/Compliance Indicators: These indicators track performance trends, health of the Federal-aid Highway Program, and compliance with Federal requirements.

Program Accountability: As defined by the FHWA Kentucky Division Office, this is an overarching combination of program-wide "stewardship" and "oversight" that is achieved through close coordination with KYTC.

Risk Management: The systematic identification, assessment, planning, and management of threats and opportunities faced by FHWA projects and programs.

Stewardship: This is the efficient and effective management of the public funds that have been entrusted to the FHWA. In this context, stewardship reflects the FHWA's responsibility for the development and implementation of the various elements of the Federal-aid Highway Program, and involves all FHWA program delivery activities (e.g., leadership, technology deployment, technical assistance, problem solving, program administration, and oversight).

Value Engineering (VE): This is a systematic review process that: 1) analyzes a project's design and 2) develops recommendations to improve design and/or reduce cost.

APPENDIX C

ADMINISTRATIVE AGREEMENTS

Existing Formal Agreements

Title/Topic: Categorical Exclusion (CE) Agreement

Description: Under this agreement, KYTC develops an appropriate level of environmental documentation for small projects.

Parties Involved: KYTC and FHWA

Date Issued/Revised: August 21, 2003

Title/Topic: Memorandum of Understanding for Determinations of No Effect Pursuant to Section 7 of the Endangered Species Act

Description: Under this agreement, KYTC evaluates impacts and appropriately makes determinations of “No Effect” to endangered species.

Parties Involved: KYTC and FHWA

Date Issued/Revised: September 27, 2005

Title/Topic: Cooperative Agreement among the US Fish and Wildlife Service, FHWA and KYTC for Identification and Development of Stream and Wetland Mitigation Sites

Description: Under this agreement, the USFWS works cooperatively with KYTC and FHWA to identify, design, permit, construct and monitor stream and wetland mitigation sites for which KYTC provides funding and receive credit for use on developing highway projects.

Parties Involved: KYTC, US Fish and Wildlife Service and FHWA

Date Issued/Revised: August 28, 2005

Title/Topic: Position Funding Agreement with Kentucky Heritage Council

Description: Under this agreement, KYTC funds two cultural historic review positions that have responsibility for all Section 106 compliance reviews.

Parties Involved: KYTC and Kentucky Heritage Council

Date Issued/Revised: December 4, 2007

Title/Topic: Position Funding Agreement with US Fish and Wildlife Service

Description: Under this agreement, KYTC funds one review position in the Service’s Frankfort office for review of project compliance with Section 7 of the Endangered Species Act.

Parties Involved: KYTC, US Fish and Wildlife Service and FHWA

Date Issued/Revised: March 5, 2004

Title/Topic: Alternate Procedures for Consultant Selection

Description: Section 174 “Brooks Act” amends 23 USC 112(b)(2) relating to the award of engineering and design services contracts that are directly related to a construction project and use Federal-aid highway funds.

Parties Involved: KYTC and FHWA

Date Issued/Revised: February 15, 2006

Existing Informal Agreements

Title/Topic: Materials Certificates

Description: Under this informal agreement, material certificates are maintained in KYTC project files and are not routinely submitted to FHWA. However, these certificates can be obtained by FHWA, upon request.

Parties Involved: KYTC and FHWA

Date Enacted: This informal agreement was established in late-2001 and supplemented through a March 27, 2002 letter from FHWA to KYTC.

Title/Topic: Right-of-Way Certificates

Description: KYTC ROW has the FHWA Reality Officer review and sign an electronic copy of the ROW certificate prior to submitting to KYTC Design to be included with the PS&E package. 23 CFR 635.309 requires certification of projects prior to PS&E.

Parties Involved: FHWA and KYTC

Date Enacted: Procedure went into effect in August 2006.

APPENDIX D

KEY KYTC POLICIES ON THE FEDERAL-AID PROGRAM

Acceptance of Non-Specification Materials Policy

(KYTC document is “Procedures for Quality Acceptance of Non-Specification Aggregate”)

Enforcement of Prevailing Wage Laws Policy

(Labor Compliance Manual provided by US DOT)

Development Process Policy for Locally Administered Transportation Projects

(Being developed)

Noise Abatement Policy

http://transportation.ky.gov/EnvAnalysis/ce_references.htm

Pavement Design and Selection Process

<http://transportation.ky.gov/design/pavedesign/PaveDesign.html>

Quality Assurance Program for Materials Testing and Acceptance

(Document updated and submitted to FHWA for approval)

State Scenic Byway Program Policy

<http://tea21.ky.gov/osp%20guidelines%202.htm>

Transportation Enhancement Policy

<http://tea21.ky.gov/osp%20guidelines%202.htm>

Value Engineering Policy

<http://transportation.ky.gov/progperform/vememo2.pdf>

RELATED STANDARD PROCEDURES

Toll Credit Policy

http://transportation.ky.gov/progmgmt/web_site/misc/Toll%20Credits%20Policy.pdf

Professional Service Guidance Manual

http://transportation.ky.gov/kytci-forms/Guidance%20Manuals/professional_services.pdf



Kentucky Transportation Cabinet

&

Federal Highway Administration

STEWARDSHIP PLAN

July 2, 2008



Kentucky
Transportation
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Administration

**STEWARDSHIP
PLAN**



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