

Local Public Agency Overview

August 12, 2009



2006 FHWA Study on Local Public Agency (LPA) oversight.

- The findings suggested that the administration, stewardship, and oversight of LPA projects lacked a comprehensive approach.
- The findings included shortcomings in LPA projects in eligibility determinations and incompliance with established Federal laws and regulations.



KYTC and FHWA Stewardship Plan

- The Stewardship Plan outlines procedures for KYTC and FHWA to carry out their respective oversight responsibilities in the delivery of Federal-aid projects in partnership to further improve program and project delivery in the state of Kentucky.
- The “Letter of Agreement” between KYTC and FHWA for the Stewardship Plan was approved on July 2, 2008.
- Chapter 10: “Local Public Agencies” of the Stewardship Plan outlines the project activities that KYTC may delegate to LPA and the roles that will not be delegated to LPA.
- KYTC retains its responsibilities under Federal law and regulations for all delegated activities.



Oversight of LPA Projects

The Stewardship Plan clearly outlines that 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.



Number of current active LPA Contracts within KYTC

- KYTC has over 700 active LPA contracts
 - Over 500 federal-aid funded projects
 - Approximately 200 state funded projects
- Approximately \$483 million in total costs
 - Approximately \$352 in federal-aid funding
 - Approximately \$131 in state funding



Projected number of new LPA contracts over the next 12 months

- Estimating over 100 new LPA contracts over the next 10 to 12 months.
- Estimated total cost of new LPA contracts approximately \$75 million.





Update on LPA Guidance Manual

- Focus Group meeting conducted to recap May 13, 2009 training workshop
- KYTC LPA Guidance website developed
- Addressing questions and comments on LPA Interim Guidance Manual
- LPA Manual to be completed by Spring 2010



LPA Recovery Act Funded Projects

“Expedited Project Schedules”

- September 1, 2009: Construction plans, specifications, bid documents, and PDC & C to be submitted to KYTC by LPA.
- January 1, 2010: KYTC to complete review of construction plans, specifications, bid documents, and submits copies to SHPO.
- February 1, 2010: SHPO completes review and approval of construction plans, specifications, and bid documents.
- March 1, 2010: LPA to submit final construction plans, specifications, bid documents, checklist, R/W clearance certification and utility clearance certification to KYTC; Federal-aid funding authorized by FHWA; and KYTC provides written notice to LPA that they can advertise for construction bids.



Success of LPA Program

- LPA is responsible to KYTC, and KYTC is responsible to FHWA.
- LPA, KYTC, and FHWA is responsible to the general public.
- Failure of an LPA contract is not an option!





THANK YOU.



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Recovery Act Funding

- \$421 Million

- Statewide (\$368 Million)
- Transportation Enhancement (TE) (\$12.6 Million)
- MPO Dedicated (\$40.6 Million)
 - Cincinnati - \$8,761,860
 - Evansville - \$831,184
 - Lexington/Fayette - \$7,845,004
 - Louisville - \$23,149,098



Recovery Act Projects

- Statewide projects – Identified within 2009 Six-Year Highway Plan by the General Assembly
- TE projects – 2008 application process
- MPO dedicated projects – Projects selected within the MPOs by local committee members





Federal-Aid Basics: Critical First Steps

■ Project Identification

1. Project Scope
2. Project Eligibility
3. Estimated Cost
4. Project Schedule
5. Project Funding
6. Availability of Funds
7. LPA Capabilities



Federal-Aid Basics: Critical First Steps

■ Project Programming

1. Is the project located in MPO area or Non-MPO area?
2. If located within MPO area, is project identified within MPO TIP?
 - a. Yes. What is current schedule, type of funds, and scheduled cost?
 - b. No. Is project in MPO Long Range Plan?
 - i. Yes. What is required to advance project into TIP?
 - ii. No. What is required to get project in long range plan?



Federal-Aid Basics: Critical First Steps

■ Project Programming *(continued)*

3. If project is located in Non-MPO area, is project identified within STIP?
 - a. Yes. What is current schedule, type of funds, and scheduled cost?
 - b. No. What is required to get project in STIP?



Federal-Aid Basics: Critical First Steps

■ FHWA Authorization

1. Request for funding.
2. Submit required documentation for phase of work being requested.
3. Review request for funding and documentation materials.
4. Verify availability of federal funds.



Federal-Aid Basics: Critical First Steps

■ FHWA Authorization *(continued)*

5. Submit federal-aid funding PR-1 programming document to FHWA.
6. FHWA reviews and if accepted, FHWA signs PR-1 programming document.
7. FHWA signed PR-1 programming document is the project agreement between FHWA and KYTC.



Federal-Aid Basics: Critical First Steps

■ Project Agreement

1. Prepare project agreement between KYTC and LPA.
2. Project agreement outlines details of LPA responsibilities and KYTC responsibilities.



Federal-Aid Basics: Critical First Steps

■ Environmental Approval

1. National Environmental Policy Act (NEPA) regulations must be met for all federal-aid funded projects.
2. Normally the environmental document is prepared during the preliminary engineering phase.
3. Environmental document must be approved before FHWA authorization of funding for final design, R/W phase, utility phase, and construction phase.



Federal-Aid Basics: Key Understandings

- Federal-Aid Highway Program is “Not” a grant program.
- Federal-Aid Highway Program is a “reimbursement program.”
- Most Federal-aid programs require matching funds.
- LPA can provide matching funds by:
 - a. Cash contributions
 - b. Non-cash contributions through in-kind services



Federal-Aid Basics: Key Understandings

■ Recovery Act Matching Funds

1. Matching funds are not required for the ARRA FS funding dedicated to the MPO areas.
2. 20 percent matching funds are required for ARRA FS TE funded projects.



Federal-Aid Basics: Key Understandings

■ Reimbursement of Project Expenditures

1. LPA must pay all project expenditures up front.
2. After paying for project expenditures, LPA then submits request for reimbursement.
3. Request for reimbursement must be made using the invoice form provided with the project agreement.
4. Copy of detailed vendor invoices and copy of LPA's cancelled checks for payments to vendors must be submitted with request for reimbursement.



Federal-Aid Basics: Key Understandings

■ Reimbursement of Project Expenditures *(continued)*

5. LPA shall submit a letter of certification with request for reimbursement, certifying that the work associated with submitted invoices have been conducted in accordance with the MOA and approved project plans and specifications.
6. Certification letter shall also certify that request for reimbursement in no way represents any degree of duplication of payments that have or will be received from other funding sources.



Federal-Aid Basics: Key Understandings

- Reimbursement of Project Expenditures *(continued)*
 - 7. For LPA Recovery Act funded projects, LPAs shall submit a request for reimbursement of project expenditures by the 7th day of each month, and shall include the Recovery Act monthly employment report (FHWA form 1589) and Project Status Report (FHWA form 1585).



Federal-Aid Basics: Key Understandings

■ Nondiscrimination

1. All federal-aid projects must comply with Title VI of the Civil Rights Act of 1964.
2. All federal-aid projects must comply with the Americans with Disabilities Act of 1990 (ADA).
3. The ADA required that all new construction, reconstruction, and alterations to existing pedestrian facilities be constructed in accordance with federal accessibility standards.



Federal-Aid Basics: Key Understandings

■ Nondiscrimination *(continued)*

4. When the scope of federal-aid projects include alterations (changes to the structure, grade, function, or use of) to existing pedestrian facilities, those facilities must be brought up to current ADA standards.
5. The requirements of the Disadvantaged Business Enterprise (DBE) program apply to all federal-aid programs.
6. The Davis-Bacon Act wage rates applies to all Recovery Act funded projects.



Federal-Aid Basics: Key Understandings

■ Project Development Overview

1. Federal-aid transportation projects are normally broken down into project phases.
2. Project phases typically include:
 - Planning
 - Preliminary Engineering and Environmental
 - Final Design
 - Right of Way
 - Relocation of Utilities
 - Construction



Federal-Aid Basics: Key Understandings

■ Project Development Overview *(continued)*

3. Normally during the planning phase of the project, preliminary cost estimates are prepared for each of the corresponding project phases.
4. As the project proceeds through each of the required project phases, cost estimates are refined and updated.
5. To keep track of the status of each project, a project development checklist and certification (PDC & C) form shall be maintained by the LPA.



Federal-Aid Basics: Key Understandings

■ Project Development Overview *(continued)*

6. LPAs shall submit requests for funding for each phase of the project and include an updated copy of PDC & C.
7. Prior to advertisement for construction bids, the LPA shall submit the final construction plans and specifications, the project bid documents, final PDC & C, right-of-way clearance certification, utility clearance certification, final estimate, and DBE goals.
8. KYTC will review submittals and work with LPA to finalize for requesting authorization of federal-aid construction funding.



Federal-Aid Basics: Key Understandings

■ Project Development Overview *(continued)*

9. Upon receiving approved federal-aid PR-1 programming document for construction funding, KYTC will provide written notice to LPA for approval for LPA to advertise the project for construction bids.
10. LPA will advertise and let the project to construction.
11. LPA will follow construction award procedures outlined within the LPA MOA.
12. LPA will provide project reporting documents as outlined within the LPA MOA.



Federal-Aid Basics: Key Understandings

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Recovery Act Requirements

■ Reporting Requirements

- As the administering agency for Recovery Act funding, project certifications and projects reporting will be submitted to FHWA by KYTC.
- However, for MPO Recovery Act funded projects, the LPA will be required to submit Recovery Act certification to KYTC, including the Recovery Act certification form and project list, and Recovery Act project report form (FHWA 1586).



1511 Certification

CERTIFICATION UNDER SECTION 1511 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT

Pursuant to Title XV, Subtitle A, section 1511 of the American Recovery and Reinvestment Act (Pub. L. 111-5, Feb. 17, 2009) ("ARRA"), I, **(Insert title and name)**, hereby certify that the attached infrastructure investment project to be funded with amounts appropriated by ARRA under the headings: "Highway Infrastructure Investment" to the Federal Highway Administration, has received the full review and vetting required by law and that I accept responsibility that such investments are appropriate uses of taxpayer dollars.

(Type title and name under signature line.)

Signed this _____ day of March, 2009

Recovery Act Requirements

- Reporting Requirements *(continued)*
 - KYTC will assemble information and submit certification to FHWA requesting that projects be appended to Kentucky's 1511 certification listing of projects.
 - Before obligation of Recovery Act funding, the 1511 certification process must be completed and the project must appear on the Recovery Act 1511 certification listing of projects on the Recovery Act Web site at www.recovery.gov.



Recovery Act Requirements

■ Reporting Requirements *(continued)*

- A. Reporting requirements begin upon obligation of funding and extend until the project is finalized and closed in FMIS.
- B. Each LPA receiving Recovery Act funding will be required to submit the following monthly reports to KYTC along with their monthly invoice by the 7th day of each month. LPA Recovery Act reports shall not be submitted directly to FHWA.
 - 1589 Employment Report
 - 1585 Project Status Report



Recovery Act Requirements

- Reporting Requirements *(continued)*
 - c. KYTC will not process monthly invoices for reimbursement payments on Recovery Act funded projects, until the 1589 and the 1585 reports are submitted.
 - d. KYTC will assemble information for all Recovery Act funded projects and submit the monthly summary employment report and the monthly recipient project status report to FHWA.
 - e. Kentucky FHWA will submit Recovery Act monthly reports to Washington FHWA for information to be posted to the Recovery Act Web site.



Recovery Act Requirements

■ KYTC Administrrating Office

A. Statewide Recovery Act funded projects:

Normal KYTC preconstruction and construction procedures apply.

1. Monthly project reports will be submitted from the District to Central Office.
2. Central Office will submit the reports to Division of Program Management.
3. Program Management will submit the reports to FHWA.



Recovery Act Requirements

■ KYTC Administrrating Office *(continued)*

B. TE Recovery Act funded projects:

The KYTC Office of Local Programs will be the administering office.

1. LPA project reports will be submitted to the KYTC Office of Local Programs.
2. Office of Local Programs will submit the LPA project reports to the Division of Program Management.
3. Program Management will assemble and submit the monthly summary reports to FHWA.



Recovery Act Requirements

■ KYTC Administrrating Office *(continued)*

c. MPO Recovery Act funded projects:

The KYTC District will be the administering office.

1. LPA project reports will be submitted from the District to the Central Office Location Engineer and copy the Division of Planning.
2. The Central Office Location Engineer will submit the LPA project reports to the Division of Program Management.
3. Program Management will assemble and submit the monthly summary reports to FHWA.



Recovery Act Requirements

■ ARRA – Important Dates

- February 17, 2009 – ARRA enacted.
- March 3, 2009 – 120 days for 50% obligation requirements begin.
- June 30, 2009 – Before this date 50% of the apportioned funds must be obligated (\$148 million). Any portion that is not, will be redistributed to other states. Cut-off date is June 29, 2009 at 11:59 PM.
- March 2, 2010 - One year after apportionment, by March 1, 2010 at 11:59 PM, all Recovery Act funding must be obligated.
- September 30, 2010 – Recovery Act funding released from one project can be obligated on other projects.
- September 30, 2015 – Obligated balances are available for reimbursement of project expenditures. Any remaining Recovery Act funding balances will be withdrawn and will not be available for reimbursements.
- Date PR-1 is signed – Reporting requirements begin and continue until project is closed in FMIS.
- By 7th day of each month – LPA to submit FHWA 1589 and FHWA 1585 forms to KYTC.

