

Arizona Department of Transportation

Joint Project Agreement Guidelines

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Letter to Users

The Arizona Department of Transportation (ADOT) Joint Project Agreement (JPA) Section supports the Project Development Process. The JPA Section as designated and acting under the authority and requirements of Arizona Revised Statutes (ARS) §§11-952 thru 11-954 and §28-401 will prepare written agreements when exercising joint powers common to a political subdivision of the state; these guidelines provide the responsibilities and processes for the preparation and proper use of agreements between and among the Arizona Department of Transportation (ADOT), Local Public Agencies (LPA), other state entities, other states and/or non-government entities. The processes written are in compliance with and work in concert with ADOT MGT-14.01 Department-wide Agreement Policy.

Joint Project, Intergovernmental, Interagency Service, and Interstate Agreements, collectively referred to as Agreements, are legally binding documents, primarily utilized as a mechanism for the exchange of funds between ADOT and other entities or organizations and to establish all other responsibilities of each party. These Agreements must be signed and executed prior to the authorization of funds for the project(s) for which they are being written. These documents memorialize in writing the agreement between the parties.

Agreements are most often made up of three sections which address each party's responsibilities: 1) RECITALS section - defines the legal authorities, purpose for the agreement (brief scope of work), and funding; 2) SCOPE OF WORK section - gives a detailed breakout of each party's project responsibilities; 3) MISCELLANEOUS PROVISIONS section – stipulates each party's legal responsibilities. In addition, most Agreements require written legal approval from all parties.

The RECITALS, SCOPE OF WORK and MISCELLANEOUS PROVISIONS can and may change depending on the type of project.

Agreements are initiated by an ADOT Project Manager. The JPA Section's role is to facilitate the Agreement process between ADOT, Local Public Agencies (LPA), other state entities, other states, and/or non-government entities.

Sincerely,

Korina Lopez
Joint Project Agreement Section Manager

Processes

1.1 Comprehensive Agreement Resource (CAR) Dashboard

The ADOT Project Manager will initiate an agreement utilizing the CAR Dashboard, a web-based system that can be located on the ADOT Intranet. The ADOT Project Manager will provide all pertinent information in the agreement request, including but not limited to:

- ADOT Project Number
- Federal Project Number
- Project Funding Source
- State Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP) numbers
- Project Contacts/Team Members
- Exhibit(s) clearly defining project limits (include engineering stations when depicting the abandonment of right-of-way)
- Scope of Work (brief project description) - (i.e. design and/or construction, installation, maintenance, etc.)
- Project Location (i.e. milepost, etc.)
- Organization Administering the Project (i.e. state or city/town/county)
- Maintenance Responsibilities (i.e. sidewalks, water, landscape, electric energy, etc.)
- Other responsibilities (i.e. Right of Way acquisition, abandonment, Temporary Construction Easements)

1.2 Required Content of Agreements

1.2.1 Legal Requirements

- 1) Most agreements require review and approval as to form by the Attorney General's (AG) Office, including any amendments to existing agreements. The AG's Office will be consulted throughout the JPA process to ensure the agreements are in compliance with State statutes and the Department's authority.
- 2) The Department's authority will be cited in all agreements as ARS §28-401 and/or §28-408, allowing the Department to enter into such an agreement.

- 3) Agreements will include:
 - a. Termination for convenience clause allowing the Department to terminate for any reason without having to pay consequential damages
 - b. Non-Availability of Funds clause
 - c. Duration clause
 - d. Manner of financing
 - e. Attorney Approval Form, as applicable

- 4) Indemnification language and appropriate liability insurance (as applicable) will be included. The AG's Office and Risk management will review and/or provide Indemnification Language. Risk Management will provide insurance liability language and requirements.

1.2.2 Funding Availability, Payment, and Party Responsibilities

- 1) List the budgeted line item, federal funds, or the Five Year Transportation Facilities Construction Program, as appropriate.

- 2) Include the most current cost estimate or final cost of the project in the agreement.

- 3) A detailed listing of all line items in the cost estimate that equal the total estimated cost of the project will be included; use of lump sum agreements is discouraged.

- 4) Include a not to exceed amount, which is 110% of the programmed amount. If the project exceeds the programmed amount by more than 10%, the agreement must be amended.

- 5) The scope of work will clearly define each party's responsibilities, including language specific to the exchange of funds, design, construction, and/or maintenance, as appropriate.

- 6) Responsibility and liability will be clearly assigned. Examples:
 - The State will
 - The "other party" will

1.3 Review and Approval Process

- 1) The JPA Section will review and approve the initial JPA request submitted by the ADOT

Project Manager.

- 2) An Agreement draft will be prepared and circulated to the ADOT Project Manager and the appropriate internal ADOT review team (i.e. Financial Management Services, Right of Way, District Engineers, etc.) for review and approval. **
- 3) The Agreement draft will be sent to the AG's Office for review and approval.
- 4) After AG approval is received, the Agreement draft will be sent to the other party (i.e. city, town, county, etc.) for review and approval.
- 5) After ADOT and the other party agree to the Agreement terms, the document will be prepared and distributed for electronic signatures.
- 6) In accordance with ARS §11-952, the AG's Office will issue a Determination Letter after the final signature to the Agreement is obtained.
- 7) An electronic executed agreement will be provided to the party and to appropriate ADOT team members (i.e. Financial Management Services, Right of Way, District Engineers, etc.).
- 8) Ensure the executed agreement is entered into all databases including ADOT's Information Warehouse (AIDW).
- 9) The Project Manager will ensure all conditions have been finalized in closing out an Agreement.

** If the agreement is greater than \$10 million dollars, the agreement must be reviewed and approved by the State Engineer's Office.

Figure 1.3a JPA Process Flowchart

