

Emergency Relief (ER) Reimbursement Process in Arizona

Purpose

The Federal Highway Administration (FHWA) Emergency Relief (ER) program provides funds for the repair or reconstruction of Federal-aid highways and roads that suffered serious damage from natural disasters (e.g. flood, wildfires, landslides) or catastrophic failures from external causes (e.g. semi-truck collides with a bridge pier).

The FHWA has published a comprehensive ER Manual which provides detailed information on the ER Program including eligibility of Damage Repair work, the ER application process, the Disaster Assessment and Damage Survey Summary Report, and Project Procedures and Requirements. We encourage you to become familiar with this Manual and to contact ADOT Systems Management Group or the Federal Highway Division Office for more information and technical guidance. The ER Manual can be found at the following link: (<http://www.fhwa.dot.gov/reports/erm/er.pdf>).

This process document is created as a supplement to the FHWA ER Manual to provide state-specific instructions on the ER process in Arizona. The affected Agencies need to follow certain guidelines for processing the request for ER funds and reimbursement by FHWA . Systems Management Group of the Arizona Department of Transportation (ADOT) will serve as the main point of contact for ER fund requests. This document summarizes the basics of the ER Program, outlines the information we need from affected Agencies, and narrates the ER reimbursement process.

Eligibility for ER Funding

The ER Program provides funds for the repair of federal-aid roads and bridges following the event of an eligible disaster as determined by the FHWA.

For a Disaster Event to be eligible for ER funding:

- 1) The disaster event must have caused a total of \$700,000 in eligible damage to Federal-Aid Roadways. (Eligible damages can be the combined from several Agencies that are affected by a particular event)
- 2) The President and/or Governor must issue an official Declaration of Emergency

Generally, all elements within the cross section of a highway that are damaged as a direct result of a disaster are eligible for repair under the ER program. Typically, the ER program will only reimburse the costs to restore the roadways to their pre-disaster conditions. Improvements beyond replacement in-kind will not be reimbursed unless prior approval is provided by FHWA.

Only Federal-aid roads and streets functionally classified as Rural Major Collectors and above are eligible for ER funding. Roads functionally classified as Local Roads and Streets, and Rural Minor Collectors are not eligible for ER Funding. ADOT Systems Management Group can assist you in determining the

functional classification of the road. You can also check the road classification by visiting:

<https://www.azdot.gov/business/highway-maintenance/maps-highway-maintenance>

There are two categories of emergency relief: 1) Emergency Repairs and 2) Permanent Restoration.

Emergency Repairs are repairs undertaken during or immediately after a disaster to restore essential traffic, to minimize the extent of damage, or to protect the remaining facilities. Emergency repairs do not require prior authorization from FHWA. The owner should immediately proceed with emergency repairs and carefully document the extent of the damage and all repair costs. **Photographs before and after repairs are especially helpful in documenting the extent of the damage and the repair measures taken if repairs were to be performed immediately.** ER Funds will reimburse 100% of the cost of Emergency Repairs incurred in the first 270 calendar days following the on-set of the emergency event. Wherever possible, the federal-aid provisions should be followed (e.g. Davis-Bacon wages, Buy America Act, NEPA Clearance, etc).

Permanent Restoration refers to those repairs undertaken to restore the highway to its pre-disaster condition and generally not with the primary purpose to restore essential traffic, minimize the extent of damage, or protect the remaining facilities. Permanent Restoration Repairs accomplished during and after 270 days following the on-set of the emergency conditions will be reimbursed at the normal pro-rata share for Federal-aid projects in Arizona – 94.34% on the interstate and 94.30% on all other roads. Costs incurred prior to the on-set of the emergency condition are not eligible for ER funds. Prior authorization from FHWA for Permanent Restoration repairs is required and all federal-aid provisions and regulations shall be followed. Improvements beyond replacement in-kind will not be reimbursed unless prior approval is provided by FHWA.

Please report all damage sites or potential damage sites to ADOT Systems Management Group as soon as possible. All sites must be reported within two years of the disaster event, although sites should be reported immediately to ensure their inclusion in the ER Program. In addition, all ER-funded projects are expected to proceed to the construction phase by the end of the second federal fiscal year following the end of the fiscal year in which the disaster event occurred.

ER Reimbursement Process Guidance for Local Public Agency

1. Local Public Agency (LPA) contacts Arizona Department of Emergency and Military Affairs (ADEMA) and ADOT TSMO Systems Management Group, Emergency Relief (ER) Liaison.
 - a. Description required:
 - i. Location of damages
 - ii. Name of the highway or local roadway
 - iii. Date of Event
 - iv. Date of inspection
 - v. Preliminary cost estimate of Damages
 - b. A preliminary decision is made on whether ADEMA and/or FHWA supports repairs and work can start for in-kind only.
 - c. If deemed an isolated event meeting FHWA requirements, the LPA shall submit a letter to ADOT's State Engineer's Office requesting for FHWA ER Funding assistance.

2. A joint ADOT/FHWA/LPA on-site inspection is scheduled to assess the magnitude of damages.
 - a. The on-site inspection will further refine FHWA ER eligibility for repairs.
 - b. A final determination is made on eligibility for ER funding on whether ADEMA and/or FHWA supports the repairs.*

* An event generally must have caused at least \$700,000 (Federal Share) in eligible damages for the event to be eligible for FHWA ER funding. For exceptions to this damage threshold, by policy, a minimum \$5,000 in repair costs per site is used to determine if sites are eligible for FHWA ER funds, if an FHWA ER event has already been triggered. Sites that have sustained less than these two dollar amount thresholds are generally considered heavy maintenance and are not eligible for FHWA ER Funds.
 - c. ADOT TSMO Systems Management Group ER Liaison will prepare to seek a Declaration of Emergency or amend an existing Declaration of Emergency to include the eligible damages based on the situation.

3. ADOT Systems Management Group will provide the Detailed Damage Inspection Report (DDIR) Form (FHWA-1547), or can be found at <http://www.fhwa.dot.gov/reports/erm/fhwa1547.pdf>
 - a. LPA, with coordination with ADOT Systems Management Group will prepare the DDIR.
 - b. LPA shall identify the scope of work and when repairs will be completed.
 - i. If repairs have already been completed, the LPA shall provide a letter, along with photos of damages, of damages and immediate repairs and provide supporting documentation of the repairs.
 - c. If repairs still need to be completed, LPA shall develop and provide accurate detailed but conservative cost estimates.
 - i. Include Labor, Equipment, Materials, invoices, professional, design and post-design services, and ADOT review fees, where applicable. As you proceed with your repairs, make sure that you keep track of your expenditures to justify the estimated costs in Form FHWA-1547.
 - d. Identify method of work for repairs whether self-performed or use of contract services.

- i. If contract services are utilized, the contract shall consist of Federal requirements including Davis Bacon Wages, Buy America and other required federal provisions.
 - e. LPA signs and submits the FHWA 1547 Form packet, including all supporting documentation for review and approval, and for any questions, contact ADOT's TSMO Systems Management Group ER Liaison.
 - f. ADOT TSMO Systems Management Group ER Liaison will review all documentation and provide concurrence of the LPA's request.
 - g. ADOT will submit a formal request to FHWA for ER funding assistance based on LPA's cost estimate for acknowledgement for ER Funding request eligibility.
4. LPA will submit a Project Initiation Request Form, with signed FHWA 1547 Form packet to ADOT's LPA Section.
 - a. Prior to the Project Initiation process, the project will need to be programmed into the Regional TIP. The LPA will need to contact the Regional MPO/COG to request for a TIP Amendment to add a new project to the Program.
 - b. Once the project is programmed in the TIP, the LPA will submit a Project Initiation Request Form, with signed FHWA 1547 Form packet to ADOT's LPA Section.
 - i. Requirements for Project Initiation Forms can be found on ADOT's webpage at www.azdot.gov, click on Business tab, click on Programs and Partnerships, click on Local Public Agency, and click on Project Initiation Tab.
 - c. LPA will initiate the process to obtain the Environmental, Utility and Right of Way Clearances as required for federally funded projects.
 - d. ADOT LPA Section will review packet and acknowledge receipt of information by providing the following information:
 - i. Establish a project number and ADOT Tracs Number.
 - ii. Assign an ADOT Project Manager to support the project and reimbursement process.
5. For Non-CA LPA's, an Intergovernmental Agreement (IGA) is required as part of the federal reimbursement process. It is very important that all repair costs are accounted for and accurate prior to the development of the IGA. For CA LPA, an IGA is not required.
 - a. ADOT Project Manager will initiate, with coordination with the LPA and ADOT's JPA Group, an IGA for the project outlining the requirements and reimbursement.
 - b. ADOT JPA Group will develop and send a draft IGA to LPA for review, comments, as necessary, and approval.
 - c. Once IGA is approved by the LPA, it will be returned to ADOT JPA Group for final processing and fully executed.
6. ADOT Project Manager prepares Authorization documents and submits to ADOT's Finance Management Section to seek FHWA Authorization.

- a. In coordination with ADOT's Systems Management Group ER Liaison, the LPA shall provide all final documentation supporting federal ER funding request and reimbursement to include, but not limited to:
 - i. Cost for all repairs
 - ii. Copy of Contract, with Davis Bacon wage requirements
 - iii. Certified Payrolls, showing Davis Bacon wages paid
 - iv. Certification of Compliance for all steel used in the repair work, in accordance with the Buy America requirements.
 - v. Copy of the Acceptance Letter for the work.
 - vi. Copies of the Environmental, Utility and Right of Way Clearance documentation.
 - b. Once all costs and documentation are verified, ADOT Systems Management Group ER Liaison will send confirmation to the ADOT Project Manager.
 - c. ADOT Project Manager prepares Authorization requests by gathering all necessary documentation and submits to ADOT's Finance Management Services (FMS).
 - d. ADOT FMS generates and submits the Letter of Authorization and Project Agreement to FHWA Arizona Division for authorization for ER Funding allocation.
 - e. FHWA Arizona Division approves and issues Federal Authorization to obligate federal ER funding to reimburse LPA for repair costs.
7. Once FHWA Authorization is issued for reimbursement, ADOT Project Manager will process the LPA's request for reimbursement with ADOT Finance Management Services for reimbursement payment.
- a. If FHWA ER Funding was previously requested and allocated and ready for reimbursement, the reimbursement payment process will continue.
 - i. If FHWA ER Funding is not readily available, ADOT Systems Management Group ER Liaison will continue to seek ER funding allocations from FHWA as part of the Semi-annual ER Funding Needs Requests with FHWA. Upon receipt of FHWA ER funding allocations and availability, the reimbursement payment will continue.
 - b. LPA will be reimbursed by ADOT for ER repair work in accordance with the requirements outlined in the IGA.
8. ADOT will begin the final voucher and project close out process.
- a. LPA will finalize, verify and submit any remaining documents for project close out purposes, as necessary, to ADOT Systems Management Group for compliance with federal project procedures.
 - b. ADOT Systems Management Group will confirm compliance and submit information to the ADOT Project Manager.
 - c. ADOT Project Manager will provide all necessary documentation and request for final voucher of the project to ADOT's Resource Accounting for project Final Voucher.
 - d. Once all documentation is verified, ADOT's Resource Accounting submits the Final Voucher request to FHWA.
 - e. FHWA acknowledges information provided and issues project closeout.

Complimentary Information:

[Initial Steps for Requesting ER Funds](#)

[Steps for Receiving Reimbursement of ER Expenses](#)

[Additional Guidance for ADOT's Project Initiation Form](#)

Step by Step Infographic (Dated 2/27/2024)(Attached)

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