
100.00 GENERAL ADMINISTRATION

100.40 PROJECT INSPECTIONS AND PROGRAM EVALUATION

The CA Agency's project inspection and program evaluation plan details the activities for monitoring performance and resolving issues over time. The CA Agency monitoring activities must cover the life cycle of the project, from design through construction, to determine whether the project is on time, within budget and scope, complies with federal and state requirements, and conforms to approved plans and specifications.

For FAHP projects, ADOT has sole discretion to inspect CA Agency, contractor, and subcontractor documents and visit the construction site to verify the project is on time and within budget and scope, complies with federal and state requirements, and conforms to approved plans and specifications. ADOT will provide notice to the CA Agency to ensure that a CA Agency representative is present.

Annual Reporting

In accordance with *The FHWA and ADOT Stewardship and Oversight Agreement for Arizona*, ADOT will provide FHWA with an annual Oversight and Monitoring Report summarizing the CA Agency's performance based on ADOT's program and project reviews and the CA Agency's internal reviews.

The CA Agency must submit an annual report to the ADOT LPA Section before November 30 of each year, documenting compliance efforts in delivering the FAHP. The annual report will summarize the CA Agency's accomplishments, program status, audits, independent project reviews, and any corrective action plans requiring implementation by the CA Agency. This information will be shared with FHWA through ADOT's Oversight and Monitoring Report.

Single Audits

The CA Agency must establish and maintain effective internal controls over FHWA awards to provide substantial assurance that federal-aid funds are being managed in compliance with federal and state laws and regulations. The CA Agency conduct audits on required projects. The CA Agency must have a Single Audit conducted annually, conforming to the specific requirements set forth in the Single Audit Act Amendments of 1996 and 2 C.F.R. Part 200, Subpart F. The CA Agency must submit the Single Audit to ADOT no later than nine months after the CA Agency's fiscal year end.

Independent Project Reviews

The CA Agency must conduct project reviews in specific areas outlined in the independent construction inspection review program with personnel familiar with FAHP project requirements and who are not involved in the project's administration. The CA Agency must maintain project review records and take corrective action on any findings.

Records Retention

In accordance with A.R.S. § 35-214, the CA Agency must maintain project records for at least five years after the FHWA final voucher payment has been recorded. ADOT will provide the final voucher date for each project in a 3rd party letter to the appropriate CA Liaison.

The CA Agency must ensure the project file is complete, readily available, organized, and kept in a manner that allows for review by ADOT and FHWA during project inspection or review. The content and organization of the project file is one indicator of effective and efficient project management by the CA Agency. Whenever the CA Agency is unable to produce requested information, ADOT will assume the required action was not done or properly recorded.

Corrective Action

In accordance with the *ADOT Local Public Agency Oversight and Monitoring Work Plan*, the ADOT LPA Section will conduct performance reviews of CA-administered FAHP programs and projects to ensure compliance with federal and state laws and regulations.

When ADOT's reviews of the CA Agency are poor or a single incident requires corrective action, the ADOT LPA Section will notify the CA Agency in writing of unsatisfactory performance. ADOT may take further action if the CA Agency continues to perform poorly, repeats offenses, or is unresponsive. ADOT can terminate the CA Agreement for lack of adequate staffing and performance.