

Project Delivery Academy

Arizona Division Office

Grand Canyon



Module 2 – Federal Authorization

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Overview:

- Project Funds Management
- Project Authorization Package
- Increased Federal Share

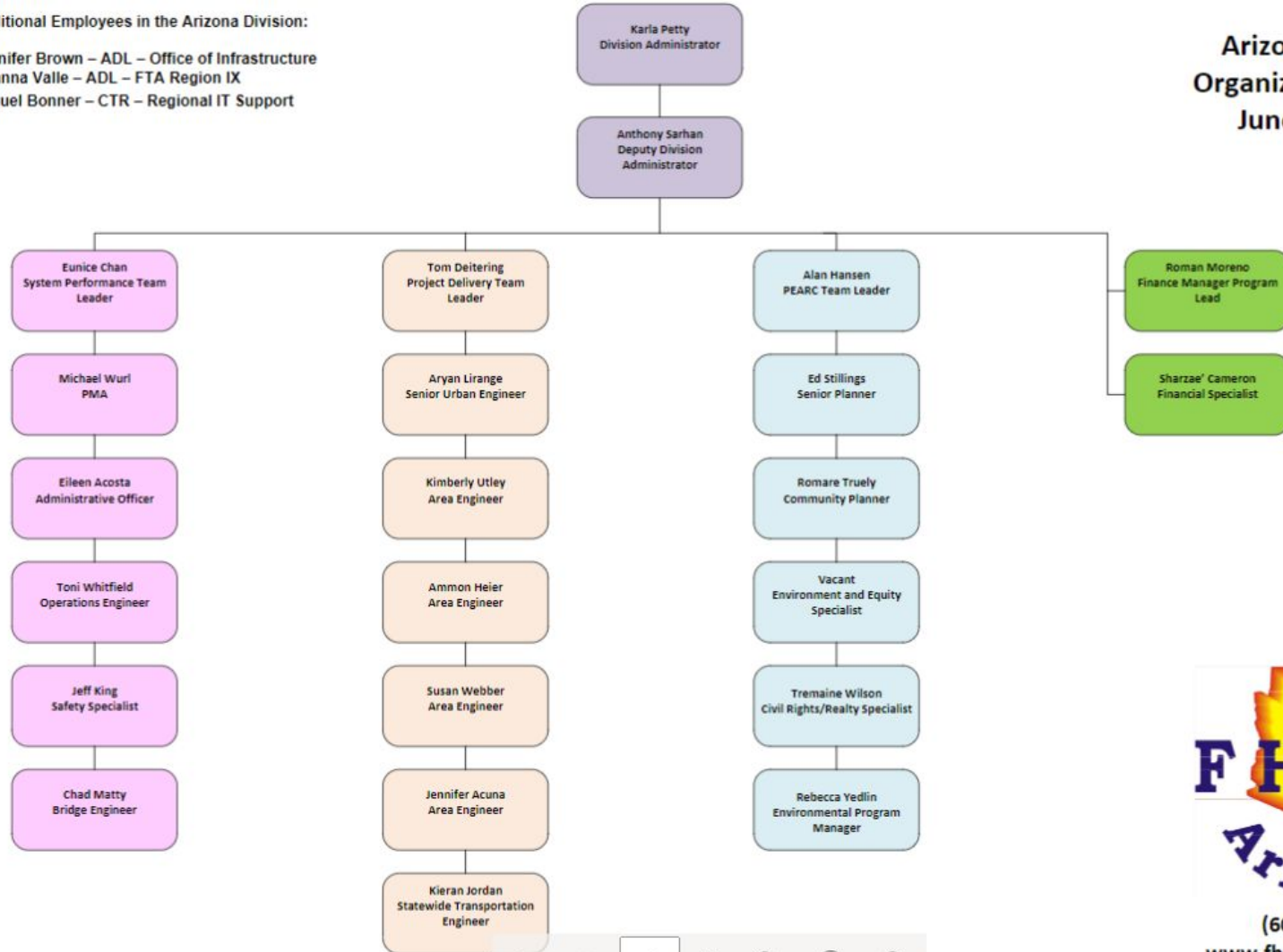


U.S. Department of Transportation
Federal Highway Administration

Additional Employees in the Arizona Division:

Jennifer Brown – ADL – Office of Infrastructure
Arianna Valle – ADL – FTA Region IX
Raquel Bonner – CTR – Regional IT Support

Arizona Division
Organizational Chart
June 27, 2022



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www.fhwa.dot.gov/azdiv/



Project Funds Management

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Properly Authorizing a Project

- Authorization is required before work starts or is advertised for consultant services or construction
- Project or project phase must be ready to proceed
- Federal share is established when funds are obligated
- Signed by at least two authorized state representatives and a minimum of two from FHWA





Project Funds Management

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Properly Authorizing a Project

- A proper authorization includes a clearly defined scope of work for the applicable phase (PE, ROW, Construction) with sufficient funds to accomplish that work.
- Must be supported by a documented current cost estimate aligned with the eligible work being completed.
 - Requesting authorization for part of a phase is not allowed (“Partial PE”).
- The agreement must have an identified Period of Performance (Project End Date) for the scope of work being authorized.



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Project End Date vs Period of Performance

- The Project End Date is the final date recorded in the project agreement when the recipient may incur direct costs on the project to be eligible for Federal-aid reimbursement.
- The Period of Performance is the time period when cost may be incurred for authorized work.
- Project charges must be incurred prior to the project end date lapsing (2 CFR 200.77)



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Prohibited Practices

- Requesting authorization before a project is ready to proceed (prior to having an approved PS&E)
- Authorizing projects prematurely to protect funds from lapsing at year-end
- Requesting authorization prematurely to meet fiscal delivery goals
- Requesting authorization when a known scope change is under consideration
- Obligating funds solely to use all obligation limitation





Project Funds Management

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Inactive Obligations

- An obligation that has not had expenditures in 6 months
- A Project should be advertised promptly after authorization
 - FHWA's expectation is Award and NTP occur within 3 months of authorization
- If a project is not progressing promptly, the project should be withdrawn or closed.
- Some circumstances may be beyond the state's control -
 - Litigation
 - Catastrophic events
 - Unforeseen environmental concerns



Project Funds Management

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Closeout and Record Retention

- Closeout process should occur soon after the project is physically completed.
 - Required record retention period for the non-Federal entity starts at final voucher and lasts 3 years.
- >>>>>Note some records, such as for right-of-way, have some variance.
- Includes all records that demonstrate project met Federal requirements, not just financial.
 - To be retained at last level that required them to be submitted.
- >>>>>E.g., If the pass-through entity (State) required records to be submitted by the LPA for approval or with billing, then the State is required to retain. If the LPA did not submit them to the Federal or pass-through entity, then the LPA would retain those records. (2 CFR 200.333(d))



Project Authorizations

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The full Federal-aid Project Number should be shown on all documents.

Example

AC-NHPP-017-B(234)T

AC = Advanced Construction

NHPP = Funding Category

017 = Route or City

B = Segment identifier on state highway projects

234 = Sequential project number

T = Level of FHWA involvement





Project Authorizations

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Types or “Phases” of Authorization

Project Authorization may be for:

- Phase I PE
- Phase II PE
- Single Phase PE
- Other
- ROW
- Construction



Project Authorizations

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40 CFR 1502.2(f)
– “Agencies shall not commit resources prejudicing selection of alternatives before making a final decision”

Authorization of PE

- Two Phase Authorization – For EA’s or EIS’s and some Cat Ex’s
 - PE Phase 1 – for Preliminary Design up to 15 or 30%
 - *Work needed to complete initial design and finalize NEPA*
 - PE Phase 2 – for Final Design after NEPA is complete
 - *Preparation of final design documents for advertisement.*
- Single Phase Authorization – Single-phase authorizations are on projects with a Cat Ex.
 - **Preliminary and Final Design authorized at once**, with the understanding that NEPA should be complete by 60% design
 - Projects that are not controversial may proceed to 95% design with EPG approval.
 - Activities considered “Final Design” (final plans, final quantities, and final engineer’s estimate) may not advance prior to completion of NEPA.





Arizona



FEDERAL HIGHWAY ADMINISTRATION - ARIZONA DIVISION OFFICE ARIZONA DEPARTMENT OF TRANSPORTATION "The FHWA and ADOT Stewardship and Oversight Agreement for Arizona (April, 2015)"		LETTER OF AUTHORIZATION AND PROJECT AGREEMENT <input checked="" type="checkbox"/> Authorization <input checked="" type="checkbox"/> Project Agreement The state agrees that as a condition to payment of the Federal funds obligated, it accepts and will comply with the agreement provisions set forth in 23 CFR 630.112; and its signature constitutes the making of the certificates. DUNS # 098416667				<input type="checkbox"/> Modified Project Agreement <input type="checkbox"/> Grant Agreement
FEDERAL AID PROJECT NO. NOG-0(210)	SUFFIX T	PROGRAM / PHASE (ADOT) T0246 01D		COUNTY SANTA CRUZ		
DATE AUTHORIZATION EFFECTIVE		FMIS DATE				
GENERAL LOCATION PATHWAY PROJECT, BAFFERT DR TO NOGALES HIGH SCHOOL, IN NOGALES						
GENERAL DESCRIPTION OF WORK BICYCLE AND PEDESTRIAN PATHWAY PROJECT						
YOU ARE AUTHORIZED TO PROCEED WITH THE WORK CHECKED BELOW: <div><input checked="" type="checkbox"/> PHASE I: PRELIMINARY ENGINEERING - SCOPING, LOCATION STUDIES, ENVIRONMENTAL STUDIES AND PRELIMINARY DESIGN <input checked="" type="checkbox"/> PHASE II: PRELIMINARY ENGINEERING - FINAL DESIGN/PREPARATION OF CONTRACT PLANS <input type="checkbox"/> ACQUISITION OF RIGHT-OF-WAY</div> <div><input type="checkbox"/> CONSTRUCTION - ADVERTISE FOR RECEIPT OF BIDS <input type="checkbox"/> CONSTRUCTION - PROCEED ON AN AGREED PRICE AND/OR FORCE ACCOUNT BASIS <input type="checkbox"/> Other:</div>						
FUNDING	TOTAL ESTIMATED PROJECT COST(\$)	FEDERAL PARTICIPATION AMOUNT(\$)	FEDERAL FUNDS(\$)	APPN CODE	RATIO(%)	
PREVIOUS AUTHORIZATIONS:	\$0.00 \$0.00	\$0.00 \$0.00			94.30% 94.30%	
THIS AUTHORIZATION	\$380,000.00	\$380,000.00	\$358,340.00	2003	94.30%	
PROJECT TOTALS	\$380,000.00	\$380,000.00	\$358,340.00			
OTHER (SPECIFY)						

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Project Authorizations

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PE vs. Other

Authorizations for “PE” no longer requires repayment if the project does not proceed to R/W Acquisition or Construction within 10 year, unless the state continues to mandate.

Authorizations as “Other” are limited to:

- Railroad work by the railroad itself
- Procurement-only of Equipment or Software
- Corridor Needs studies
- Advance utility relocation prior to construction
- Sign Management Systems
- NBIS Inspection or Training
- Travel Demand projects (carpool, rideshare programs)



Project Authorizations

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Project Title

- Should be in the form of – “Route Number or Road/Street”, “Termini 1” to “Termini 2”, in or near appropriate city.
 - *SR 85, Welcome St. to Pima County Line, North of Ajo*
- Use features that can be found on maps as termini – roads, rivers, political boundaries, etc.
- Point locations may use “@”
- Mileposts used alone are not desirable
- Avoid using county names, or ADOT Districts
- Should be the same on all documents if possible – NEPA, PIFs, DEs, PS&E, STIP.





Project Authorizations

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Project Description

- Should not be a repeat of the Project Title
- Should concisely state the primary purpose/scope of the project
- Should be the same on all documents
- Please avoid using “Preliminary Engineering of” in the description of work for PE projects.
- Tip – Specific Words are important for pavement projects.
 - Pavement Rehabilitation – Mill and Fill over an inch or two
 - Pavement Preservation – Surface Treatments only



Project Authorizations

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Project Funding

- Verify Eligibility of the Program Fund – NHPP, CMAQ, HSIP, STBG
- Federal Share
 - Verify the Pro-rata share of eligible project costs – 94.3%, 94.34% (Interstate), 80%, 90%, 100%?
 - The match must be for Federal-Aid eligible activities. **Using non-federal match to pay for ineligible items of work is not acceptable.**
 - The authorization request must describe in detail any ineligible work in the project





Project Authorizations

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STIP and TIP

- Provide the page from the approved STIP.
- If included in a STIP Amendment - Provide page that contains the project and be sure it was approved by ADOT and FHWA.
 - COG, MPO, or City Council approvals are not adequate.
- Verify that authorization request is within 15% or \$200K of programmed amount, whichever is less.
 - If not, STIP/TIP amendment may be required prior to authorization.





Project Authorizations

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Status of Right-of-Way

- 23 CFR 635.309 - A statement is received from the State certifying that one of the following applies:
 - **(Type 1)** All necessary rights-of-way, including control of access rights when pertinent, have been acquired including legal and physical possession. **Lowest Risk.**
 - **(Type 2)** Although all necessary rights-of-way have not been fully acquired, the right to occupy and to use all rights-of-way required for the proper execution of the project has been acquired. **Uncommon.**
 - **(Type 3)** The acquisition or right of occupancy and use of a few remaining parcels is not complete and the state is requesting to proceed with construction. **Obtain FHWA approval, must be rare, and must have contract provisions to advise interested bidders.**





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Status of Utilities

23 CFR § 635.309 - A statement is received from the SDOT on the status of Utility and RR.

- **Type 1** - No Conflicts, or cleared before construction. **Lowest Risk.**
- **Type 2** – (conditional certification) Authorization requested and will be cleared before award. **Uncommon.**
- **Type 3** - (conditional certification) Cleared during construction. **Contract documents advise bidders of constraints that will impact proposal.**
- **Type 4** – (conditional certification) Utilities will be cleared prior to bid opening. **Uncommon.**



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Certification of NEPA

- Per the 326 and 327 MOUs, FHWA must have the following statement on the authorization cover letter that certifies NEPA is complete and incorporates all environmental commitments – *“ADOT certifies that NEPA requirements consistent with the scope of work of the project have been met and the project incorporates all environmental commitments per 23 CFR 771.109(d).”*
 - Should be from the ADOT environmental planner or above.
 - This statement must also be provided for projects administered by LPAs.
 - **Sending the environmental document to FHWA will not allow us to proceed with authorization.** Only ADOT can certify that NEPA is complete, current for the scope of the project, and includes all environmental commitments and mitigation.



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Railroad Certification

23 CFR 635.309(b); 23 CFR 635.307 - A statement is received from the State certifying that one of the following applies:

- There is no railroad involvement within ½ mile of the project limits.
- There is a railroad within ½ mile of the project limits; but there is no railroad work on this project. The railroad was notified and has approved the project plans.
- There is a railroad within the project limits. The railroad work was complete prior to advertisement of this project.
- There is a railroad within the project limits. The railroad work will be completed with this project by the **Contractor**. See the attached special provisions for required coordination with the railroad and impacts to this project.
- There is a railroad within the project limits. The railroad work will be completed with this project by the **Railroad**. See the attached special provisions for required coordination with the railroad and impacts to this project.





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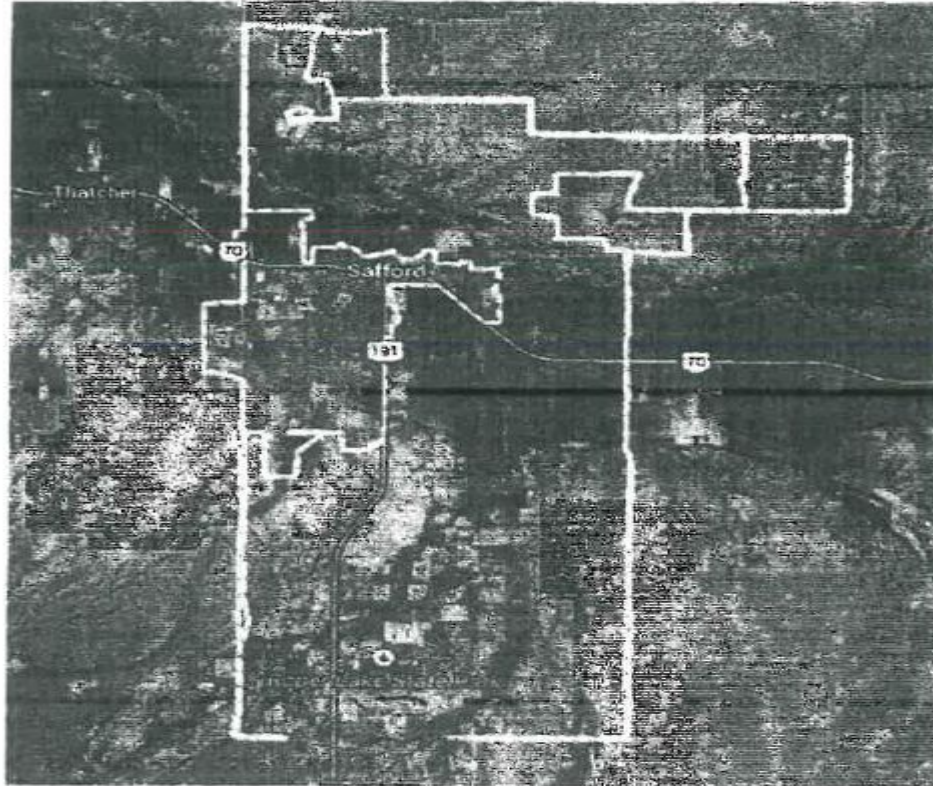
Project MAP!!!

- “A proper authorization includes a clearly defined scope of work for the applicable phase...” - FHWA Funds Management Guide.
- FHWA asks that construction authorization requests include a legible map showing the location of the project.
- Someone not familiar with Arizona geography should be able to locate the project and corresponding limits.
- ADOT PDCA established guidance for the project map.

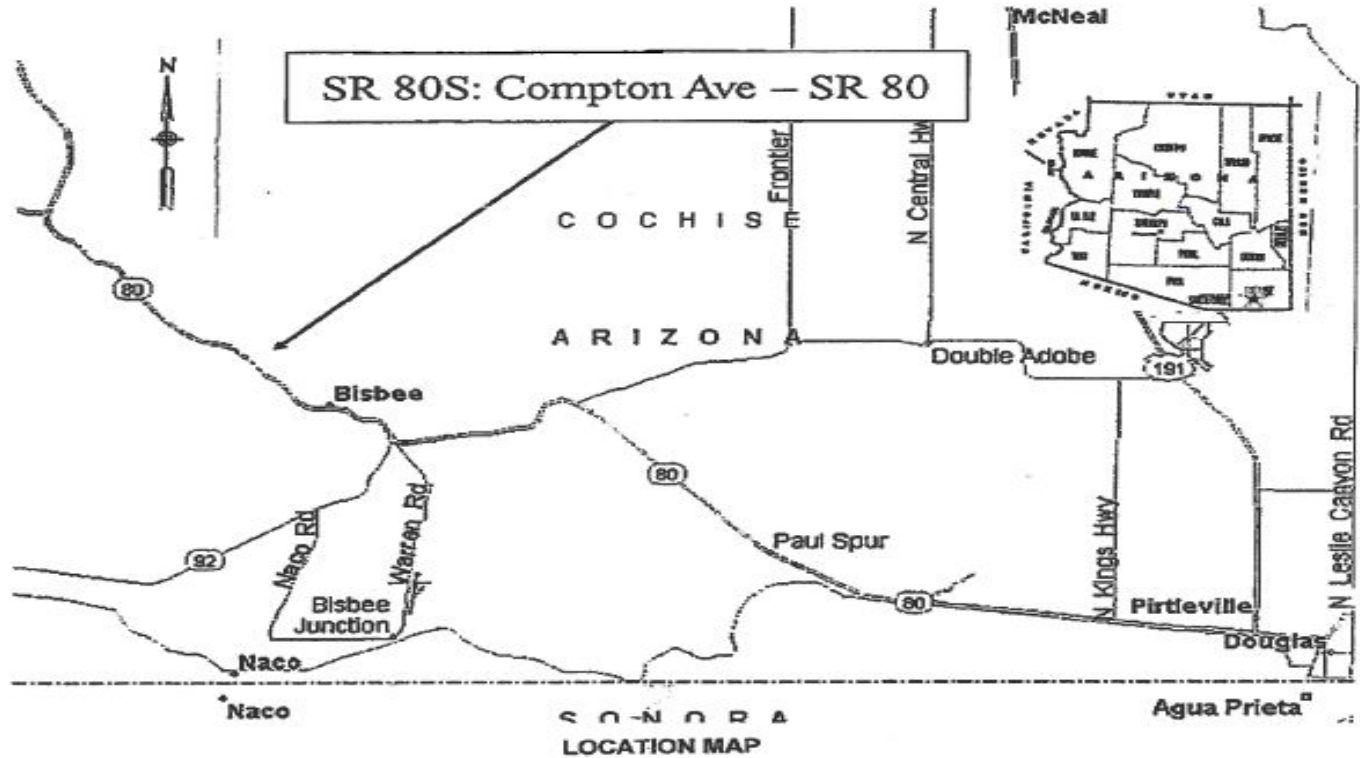


Project Name - “Various Locations in Safford”

Figure 1: Vicinity Map
Safford, AZ



Not bad, but where is SR 80S? Where is Compton Ave?

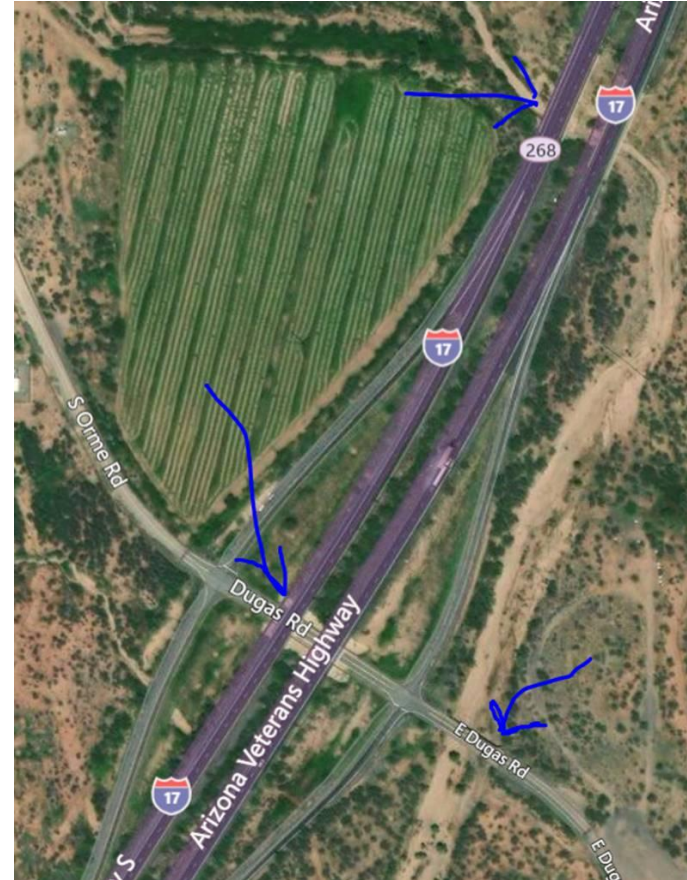


A Recent Example of Why a Map is Important

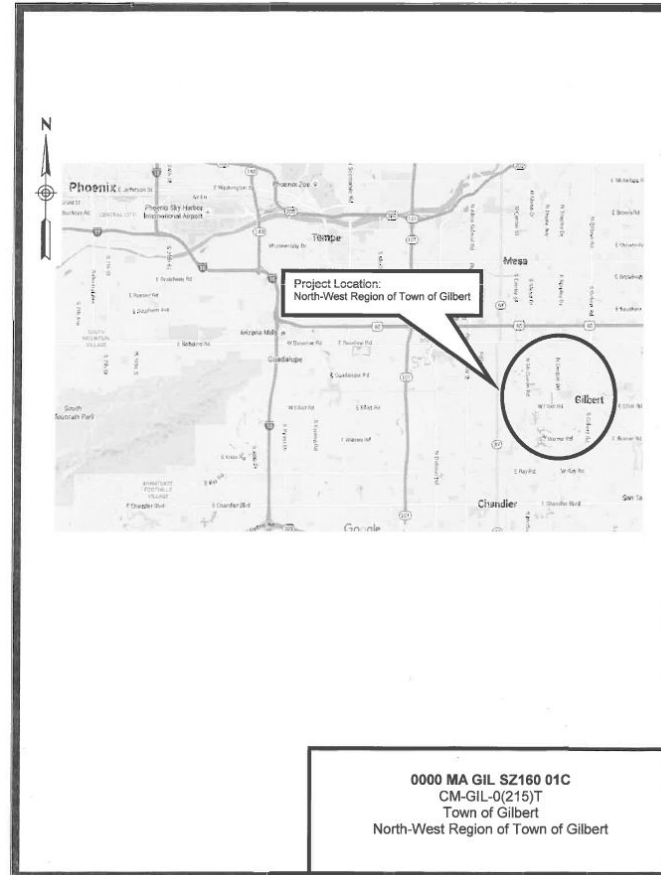
I-17 @ Dugas TI, MP 268

Concrete Slab for Scour Protection to
Bridge Piers and Abutments

NHPP-017-B(234)T



Map from Authorization Request (not bad)



Map from Authorization Request (not bad)



Map from Cat-Ex (Much Better!)

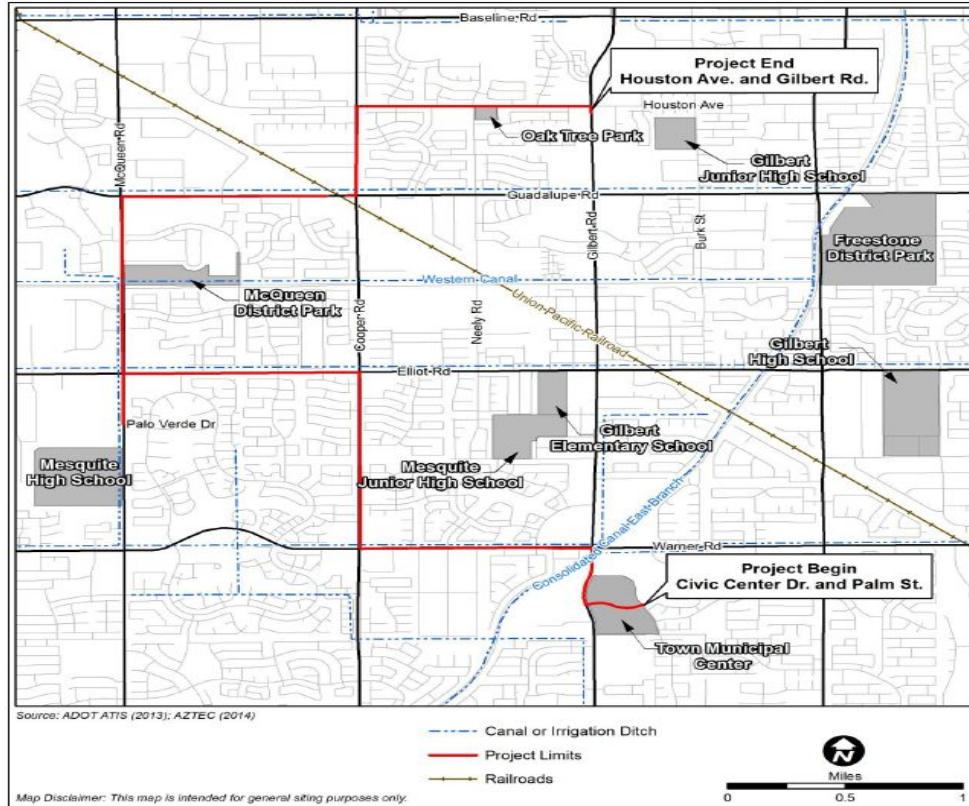


Figure 2. Project Vicinity Map
CM-GIL-0(215)T

Map from Cat-Ex (Much Better!)





Increased Federal Share

23 USC 120(c)(3)

Arizona Division Office

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Purpose

Promote innovative technologies and practices

Incentive

Additional 5% Federal-Aid up to 100% share



Increased Federal Share

23 USC 120(c)(3)

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What Qualifies?

Innovative project delivery methods, technologies, engineering or design approaches, financing, or contracting that:

- Improve Work Zone Safety,
- Reduce congestion related to the construction
- Improve quality of highways and bridges
- Extend service life of highways and bridges
- Reduce long-term maintenance costs of highways and bridges



Increased Federal Share

23 USC 120(c)(3)

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32 Projects since 2014

- Smart Work Zone Projects
- Accelerated Bridge Construction
- Intelligent Compaction
- Increased Asphalt Density
- Electronic Plans
- Incentivized Longitudinal Joint Density (AC)
- ID/IQ
- EDC Cape Seal
- 3D Paving
- 2D Hydraulic Modeling & A-GaMe
- Bridge Bundling



Application Form
Technology and Innovation Deployment Program (TIDP)
Increased Federal Share for Project-Level Innovation
23 USC 120(c)(3)

A. Project Information (completed by Applicant)

State	
Project Name	
Location of Project (Include Route Name and general location information)	
Description of Project	
Anticipated Authorization Date	
Approximate Additional Federal Share (\$)	
Increased Federal Share (%)	
Funding Source Used	<input type="checkbox"/> National Highway Performance Program (NHPP) <input type="checkbox"/> Surface Transportation Block Grant (STBG) Program <input type="checkbox"/> National Highway Freight Program (NHFP) <input type="checkbox"/> Metropolitan Planning (PL)
Innovation Being Proposed	
Description of Expected Benefit (include how the innovative technology or practice increases the efficiency of construction, accelerates the construction, improves the safety, improves the quality, reduces congestion from construction, and/or extends the service life of highways and bridges)	
Describe How the Project is Innovative in your State (Include how the technologies or practices proposed are new or have only rarely been used for unique or special applications and represent significant improvement to the state or local agency's conventional practice.)	
Contact Information (Name, Phone, Email)	

B. Eligibility Determination (completed and signed by FHWA Division Office)

- In each fiscal year, a State may apply up to 10 percent of its combined apportionments under the National Highway Performance Program (NHPP), Surface Transportation Block Grant (STBG) Program, National Highway Freight Program (NHFP) or Metropolitan Planning (PL) (funds apportioned under 23 U.S.C. 104(b)(1), (2), (5)(D) and (6)) for this increased federal share provision.

Would approving the increased federal share proposed for this project exceed the limitation of funds available?

☐ Yes ☐ No

- The Federal share payable may be increased by up to 5 percent of the total project cost, not to exceed 100 percent, for projects determined to meet the requirements specified in 23 U.S.C. 120(c)(3).

Would approving the increased federal share proposed exceed the allowable adjustment for the project?

☐ Yes ☐ No

- Provide a short narrative that substantiates how the proposed project meets or does not meet the eligibility requirements for the increased federal share provision.

Comments:

Based on a review of the application submitted by the _____ Department of Transportation, project _____ is determined to be:

☐ Eligible ☐ Not Eligible

for participation in increased Federal share for project level innovation in accordance with 23 USC 120(c)(3).

SIGNATURE: _____

NAME (PRINTED): _____

FHWA DIVISION OFFICE: _____

DATE: _____





New Specification: 109 INFS

Arizona Division Office

**Description of IFS
Component**

**IFS cannot be removed
without State & FHWA
consent**

**Lessons Learned Report and
Closeout Meeting is required**



U.S. Department of Transportation
Federal Highway Administration

NEW Specification

****USE ON PROJECTS WITH INCREASED FEDERAL SHARE****
****DESCRIBE THE INNOVATIVE TECHNOLOGY IN THE SECOND PARAGRAPH****

(109INFS, XX/XX/XX)

SECTION 109 MEASUREMENT AND PAYMENT: of the Standard Specifications is modified to add:

109.14 Increased Federal Share:

(A) General:

Increased federal share has been approved by FHWA for an innovative technology and practice. The increased federal share on this project is 5 percent.

The innovation includes *(Describe specific innovation – information can be found on the Increased Federal Share Application.)*

Due to the increased federal share, the project components related to the innovation described above must be constructed with the materials, quantities, methods, and innovations as shown on the project plans and specifications. If the contractor requests materials, quantities, methods, or innovations other than those included in the plans and specifications, the request must be reviewed and approved by the Department and FHWA. Approved changes shall be at no additional cost to the Department, and shall not increase contract time.

(B) Post-Activity Report and Meeting:

The contractor shall prepare a report that includes a general summary of the daily operations and discussion of the overall effectiveness of the innovative technology, in a format provided by the Department. A description of additional means of quality control and any benefits realized or detriments suffered relating to implementation and utilization of the innovative technology shall be included. Comments provided by equipment operators, laborers, field personnel, or other personnel who adapted to the use of the technology, positive or negative shall be included.

The contractor shall schedule a closeout meeting with the Engineer within 30 days of the innovative technology completion to review and discuss the findings contained in the report.



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THANK YOU



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