

Enhancement Program Procedure Manual



Orange, VA

Virginia Department of Transportation

October 2009

FORWARD

Greetings from VDOT's Enhancement Program staff! We have updated the Enhancement Program Procedure Manual to provide you the most current information regarding the Transportation Enhancement project development process.

The purpose of this manual is to guide local Sponsors through the project development and construction phases of a federally funded Transportation Enhancement project. This update also coincides with an update to the Locally Administered Projects (LAP) Manual, a separate manual developed by the Department's Local Assistance Division to provide guidance to localities administering and constructing traditional roadway projects. We continue to maintain the Enhancement Program Procedure manual separately because these non-traditional projects although similar, are often less complex and have unique program features that differ from traditional roadway construction projects.

Last year we completed the transition of project management to our local VDOT District Offices. The day-to-day coordination activities for Transportation Enhancement projects are now fully managed through the Department's nine (9) highway districts. Each district has one or more designated District Enhancement Coordinators and with few exceptions, all Transportation Enhancement projects are now being managed by these coordinators.

The Central Office Enhancement staff located in VDOT's Local Assistance Division will continue to act as liaisons with the Federal Highway Administration (FHWA) on program eligibility and compliance during project development. Although we still maintain ties to project management, our main focus has shifted to overall program policy and training, as well as development of a compliance program to evaluate the completed projects and monitor program accomplishments!

Current updates to the manual include:

- Changes in the pre-award and local forces thresholds
- New mandatory "Project Status Report" form and required submission dates
- Handy references to the Locally Administered Projects (LAP) Manual which provides more detailed guidance and explanation of process and procedures for locally administered projects
- Shift in the roles and responsibilities of the local VDOT Residency Offices with more emphasis on the District Enhancement Coordinator as the primary point of contact.

As always, consult the Enhancement Program Procedure Manual carefully as your project progresses from phase to phase and please call the local VDOT District Enhancement Coordinator if you have any questions!

TABLE OF CONTENTS

Project Administration Agreement	4
Quarterly Project Status Report	6
Match Requirements	6
Billing Procedures	7
Preliminary Engineering Phase	13
Right of Way Phase	23
Advertisement and Construction Phase	27
Project Sponsor Checklist	35
Glossary – note highlighted text	38
Appendix A: Project Status Report	47
Appendix B: Reimbursement Procedures and Match Requirements	49
Appendix C: Sample Reimbursement Request and Reimbursement Summary Sheets	56
Appendix D: Environmental Document	
*Programmatic Categorical Exclusion	63
*Categorical Exclusion	64
Appendix E: Excerpts from VDOT Manual on Procurement of Consultant Services	70
Appendix F: Pre-Award Audit of Professional Service Contracts	77
Appendix G: Recommended Plan Details	79
Appendix H: Sample Letter Requesting Right of Way Certification	81
Appendix I: VDOT Form C-5	83
Appendix J: Project Development and Process Flowcharts	85

Project Administration Agreement

In Virginia, federal Transportation Enhancement funds are awarded by the **Commonwealth Transportation Board (CTB)** in May / June of each year in conjunction with the Department's 6-Year Program. Once final allocations are announced and the **Statewide Transportation Improvement Program (STIP)** has been finalized, the Department will forward a **Project Administration Agreement** to the Project Sponsor for review and signature. Keep in mind that the Federal fiscal year does not begin until October 1 even though project awards are announced in June. The Project Agreement will then need to be signed by both parties before funds become available for reimbursement.

The Department has simplified the project agreement format and developed what is referred to as an "Appendix A" which provides the project specific information for each agreement. Because it details project funding amounts and local match commitments, the **Appendix A** must be signed as part of the agreement before returning it to the Department for execution. The Appendix also includes project estimates, funding time limits, and any items that may have already been identified as ineligible for reimbursement. It is important to realize that even though a project receives federal Transportation Enhancement funds, there may be items within the project scope that are not eligible for reimbursement.

Once the STIP has been approved by the **Federal Highway Administration (FHWA)**, the Project Agreement will be sent to the local government or state / federal agency that endorsed the application as **Project Sponsor**. In some cases, the Sponsor may elect to have a non-profit organization or consultant firm act as the **Project Manager**, handling the daily administration of a project. This practice is acceptable; however, it is the Project Sponsor that must execute the agreement and who is ultimately responsible for the project's development including compliance with all federal and state regulations and guidelines. Also note that if someone other than the Sponsor is acting as Project Manager, they cannot act as **fiscal agent** for the project. All fiscal issues including reimbursement requests must come through the Project Sponsor.

In addition to the required signatures on the Project Agreement and its Appendix A, the Project Sponsor must also include documentation of **signatory authority** for the local official signing the agreement. There must be documented evidence demonstrating that the official has "authority" to enter into an administration agreement with the Department. Signatory authority can be in the form of a local resolution authorizing an official to sign agreements, or it may be a local code reference stating that the official, because of his/her position has authority to execute agreements on behalf of the locality. Agreements will not be executed by the Department without this documentation.

Once the Agreement has been signed by the locality and returned, the Department's **Local Assistance Division (LAD)** will secure the required federal Preliminary

Engineering (PE) authorization. At this point, the Department of Transportation Commissioner will execute the agreement and the Sponsor will be notified in writing to proceed with preliminary engineering (PE) activities.

It is important to remember that specific documents must be completed and written authorization received from the Department before a sponsor can begin project development including preliminary engineering, land acquisition, and construction activities!

After the initial award, if additional Enhancement funds are allocated to a project in subsequent years, the Appendix A in the Project Agreement will be updated to reflect the increased federal funding amount. No supplemental agreement will be sent, just a new Appendix A for signature by the Project Sponsor and Department. Once the updated Appendix has been signed by both parties, a copy will be returned to the Project Sponsor for inclusion in the original Project Agreement. At this point, the old Appendix A can be removed and replaced by the updated one.

The new Appendix may also include updated project cost estimates and approved time extensions for expending the federal funds. The Commonwealth Transportation Board policy allows four (4) years from the date federal funds become available to complete the project and/or expend all federal Transportation Enhancement funds. Keep in mind that additional allocations will not automatically extend the original four-year time limit as established in the initial Appendix A. A request for time extension must be made in writing to the VDOT Local Assistance Division **Enhancement Program Manager** with a copy provided to the District Enhancement Coordinator. The request should include justification for the extension and an updated schedule for project completion. If approved, the time extension will be included in the updated Appendix A.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Be sure to sign all three copies of the Project Agreement and Appendix A
- Don't forget the witness signature!
- Enclose signatory authority for the local official signing the Agreement. Signatory authority can be in the form of a local resolution or local code reference.
- Do not begin any preliminary engineering activities that you want to be reimbursed for (even hiring a consultant) until you have received a copy of the fully executed Project Administration Agreement and written notice from VDOT that preliminary engineering activities can proceed!

Quarterly Project Status Report

As previously stated, the Project Sponsor has four (4) years to expend federal funds awarded to a Transportation Enhancement project. To assist in monitoring this effort, the Department has developed a new **Project Status Report** for tracking progress through the project development milestones. Submission of this form is *mandatory* in order that we can better assess the current status of these locally administered projects. Use of this form should be discussed with the VDOT **District Enhancement Coordinator** at the project coordination, or kick-off meeting.

The Project Status Report form will be supplied by the VDOT District Enhancement Coordinator and is due quarterly in January, April, July, and October of each year. The report should identify the critical milestones accomplished to date, as well as, any delays or difficulties encountered. For your reference, a copy of the form has been included in Appendix A of this manual.

Once the Project Agreement has been fully executed, the Project Sponsor should begin submitting status reports to the District Enhancement Coordinator identifying progress that has been made, detailing the activities accomplished since the last report, and noting the activities planned for the next three (3) months. The form should also be used to explain any delays and the efforts being made to resolve any outstanding issues. Upon submission, send a copy of the report to the VDOT Local Assistance Division Enhancement Program Manager as well.

Match Requirements

The Transportation Enhancement program is a federally funded reimbursement program established by Congress in 1991. The program provides federal transportation funds to reimburse up to a maximum 80% of the **eligible costs** for projects qualifying in one or more of the 12 Enhancement activities as set forth in the federal legislation. The program requires a minimum 20% local match.

It is important to understand that the local **match requirement** is not 20% of the federal amount, but 20% above the federal amount. To calculate match, take the federal allocation, divide it by 0.80, the result will be the total “grant” amount. Multiply the total “grant” amount by 0.20, and the result will be the required 20% local match.

Example: Federal allocation = \$100,000
Match required = \$25,000

$$\$100,000 \div 0.80 = \$125,000$$

$$\$125,000 \times 0.20 = \$25,000$$

The match requirement can be met using local, state or federal funds. As a general rule however, Sponsors CANNOT use federal or state transportation funds, including state Revenue Sharing or Recreational Access funds, as match to a Transportation Enhancement grant. Transportation funds may be used in addition to federal Transportation Enhancement funds to pay “excess” project costs as described below, but they cannot be used to fulfill the local match requirement. With passage of SAFETEA-LU in 2006, an exception was made in respect to federal Recreational Trail funds. The new legislation allowed that federal Recreational Trail Program funds CAN now be used to match federal Transportation Enhancement funds. Other federal transportation funds however, remain ineligible as match.

In lieu of cash, the local match requirement can also be fulfilled through the use of **in-kind match**. These are eligible project costs that are: 1) paid for by the Sponsor and not submitted for reimbursement, or 2) donated to the project from an outside source. Contributions may include land, volunteer labor, and donated services / materials. To be eligible as match, volunteer labor and donated services must provide services that might otherwise be hired or contracted out. Examples might include: design work, legal assistance, survey, carpentry, painting, or inspection. Keep in mind that to be eligible as match, the project costs must otherwise be eligible for reimbursement. The Sponsor cannot use **ineligible costs** to fulfill the match requirement. For multi-phased projects, eligible project costs from a prior phase may be eligible as in-kind match for later phases if they meet federal match requirements. The multiple phases however, must be within the defined scope of the approved Enhancement project.

If the CTB does not award a full 80% of the project costs, or if elements of the project are deemed to be ineligible costs, the “excess” costs are 100% the responsibility of the Project Sponsor. These “excess” project costs can be paid for with: local cash funds, other grant funds, transportation funds, private/corporate cash donations, or any combination thereof. If other grant funds or transportation funds are used to pay these “excess” project costs, the funds may be from both federal and non-federal sources. Remember, this is for expenses above and beyond the federal and local match requirement.

Billing Procedures

Once the project is under agreement and the appropriate federal **authorization** has been received — PE, R/W, or Advertisement – the Sponsor may begin incurring reimbursable expenses. Appendix B of this manual provides further explanation of the enhancement match requirement and eligible costs; it also touches on audit and documentation requirements.

It is recommended that once the Sponsor begins incurring reimbursable expenses, that they begin submitting reimbursement requests immediately and continuously.

The Federal Highway Administration (FHWA) measures a project's progress based on the federal funds expended. It is expected that reimbursements will be made at a minimum of every 90 days on active projects. If a project does not demonstrate sufficient progress, the FHWA may request to de-obligate the federal funds.

Reimbursement for expenses may be requested up to once a month based on the following process:

- Design consultant and/or construction contractor bills the Project Sponsor
- Project Sponsor pays the invoice
- Project Sponsor submits a request for reimbursement to the VDOT District Enhancement Coordinator along with copies of the invoice(s) and evidence of payment
- If someone other than the Sponsor is managing the project (non-profit group or consultant) the request for reimbursement must first go to the Project Sponsor for review and approval, and then be forwarded to the VDOT District Enhancement Coordinator as noted above
- VDOT District Enhancement Coordinator reviews the request for completeness and forwards it to the VDOT Local Assistance Division Enhancement Program Manager for approval and processing
- VDOT Central Office Fiscal Division processes the request and authorizes reimbursement to the Project Sponsor within 30 days of receipt by the District Enhancement Coordinator. Time will not begin until a complete request is received from the Sponsor.

The same process should be followed when the Project Sponsor is performing work in-house and wants to be reimbursed. In this case, the Sponsor will prepare an itemized breakdown of costs incurred and submit it along with supportive documentation, to the VDOT District Enhancement Coordinator requesting reimbursement. Reimbursement for in-house expenses must be directly related to the project and include employee names, hours, hourly rates; a simple definition of work performed (grant administration, clerical support, design, etc.); and receipts for any non-salaried direct costs (consultants, printing, postage, advertising, etc.). Keep in mind that we cannot reimburse for general office supplies or equipment (computers, software, etc.) because these are not "project specific" and are usually considered an overhead expense.

When submitting a reimbursement request, submit only those costs that have already been incurred. Costs cannot be reimbursed until an invoice has been paid. The same is true for in-kind match. Anticipated services or donations not yet received cannot be counted towards match until the services have been rendered or materials received (cash donations will be valued based on the purchase(s) made with the donated funds).

On each reimbursement request, summarize the eligible project costs; breaking items down as much as possible in order to identify exactly what is being reimbursed. If there are ineligible costs included on the invoice, these must be clearly identified as ineligible, and the cost deducted from the reimbursement request. For example, installation of storm water management systems (drainage infra-structure) is generally not eligible for reimbursement. These improvements can be included in the plans and construction contract, but they cannot be reimbursed. In this case, when the contractor's invoice is submitted to VDOT for reimbursement, the drainage items must be identified and the cost of these items deducted from the reimbursement amount. Note that these costs cannot be used as match since they are not eligible for reimbursement.

If a reimbursement request includes expenditures on multiple developmental phases, it is important that the costs associated with each **phase** (PE, RW, CN) be kept separately and clearly identified. For example, all preliminary engineering costs should be summarized and kept separate from the right of way costs.

Included in Appendix C of this manual is a sample Reimbursement Request and Reimbursement Summary Sheets that may be used by Project Sponsors when requesting reimbursement. Use of these forms however, is not mandatory. When submitted, each request should have the appropriate support documentation for expenses incurred, including copies of invoices, receipts, timesheets, etc.; and evidence of payment including canceled checks if possible. It is also important to clearly identify which expenses are being included in the reimbursement request if there are multiple expenses on a source document. For example, if a bill from the local newspaper is included as a source document, and the Sponsor placed several ads for different projects that month, the specific cost related to the Enhancement project should be clearly identified on the newspaper invoice submitted for reimbursement.

As a general rule, the Project Sponsor will be reimbursed 80% of the eligible project expenses incurred. If the match requirement has been met with in-kind match and reimbursement is to be at 100%, this should be clearly stated on the request and documentation supplied identifying the source of match used. Match documentation may include receipts for materials that were purchased or services provided; it may include an appraisal or sale documentation for land and/or building (an historic depot, etc.); it may be a volunteer log showing the names, hours, rates and work performed by local volunteers. Ideally, in-kind match documentation should be submitted separately to the Local Assistance Division Enhancement Program Manager prior to the submission of any reimbursement requests. This allows the Program Manager time to make a determination regarding match eligibility. As in-kind match is accumulated throughout project development – additional materials are donated, additional volunteer hours are accumulated, etc – this documentation should be collected and periodically submitted to the Enhancement Program Manager for review and approval.

Although the local Project Sponsor is administering the project, VDOT may be requested, or required as part of its oversight role, to perform certain work activities related to the project. These activities may include preparation and/or approval of the environmental document; plan review; evaluation of property appraisals; and construction inspection / oversight. Because these are locally initiated projects, the Department does not have funding available to cover project expenditures and therefore must seek reimbursement from the Sponsor's federal allocation. Eighty percent of the Department's cost will be deducted directly from the project's federal allocation and the remaining 20% will be deducted from the Sponsor's reimbursement. As such, the Sponsor may not collect the full federal share of the approved allocation. It is therefore strongly recommended that any anticipated **VDOT charges** be included in the project budget and thereby the federal amount requested when applying for Transportation Enhancement funding.

The amount of VDOT charges actually assessed can be affected by several factors: the complexity of the proposed project; whether or not the project is within VDOT right-of-way; and the Project Sponsor's experience and available resources. The VDOT District Enhancement Coordinator will be better able to estimate VDOT costs based on information provided by the Sponsor at the coordination (kick-off) meeting.

The Project Sponsor should maintain all project cost documentation, identifying eligible (reimbursable) and ineligible expenditures on each source document. If the Sponsor uses in-kind match to fulfill the local match requirement, these costs must also be clearly identified and documented. This documentation will be critical in satisfying the federal audit requirements. Maintaining project cost records and reimbursement records is the Project Sponsor's responsibility; it is not the responsibility of the Department. These records should be maintained a minimum of three (3) years after the FHWA approves final payment of the federal Transportation Enhancement funds allocated to a project. If there are multiple project phases, the 3 year record retention period does not begin until the last project phase utilizing federal funds has been completed and/or all federal funds have been expended.

The last request for reimbursement on a project should be clearly identified as the "FINAL" reimbursement. In some instances, the last reimbursement request will not coincide with project completion because the project costs have exceeded the federal funds available. In these cases, the Department will reimburse until all federal funds have been expended even if this amounts to less than the amount requested for reimbursement. When all federal funds have been expended, the Department will notify the Project Sponsor in writing. If the Project Sponsor feels that additional funds are due, they must notify the VDOT Local Assistance Division Enhancement Program Manager in writing, providing justification for the additional payment.

If on the other hand, the project is completed and there are still federal funds available, the Project Sponsor has two possible options: 1) request a transfer of the remaining funds to another ongoing Enhancement project within the same locality, or

2) return the remaining federal allocation for re-allocation to another project within the same highway district. Which project receives the re-allocated funds will be determined by the District CTB member during the next annual application cycle. Any request for re-allocation of funds should be made in writing to the VDOT Local Assistance Enhancement Program Manager with a copy sent to the VDOT District Enhancement Coordinator.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Make sure you have the appropriate federal authorization before incurring any reimbursable expenses!
- Remember that this is a reimbursement program – only paid expenses can be reimbursed!
- Make sure to provide complete documentation to avoid invoice processing delays – include copies of all contractor invoices / receipts and evidence that payment has been made (cancelled checks if possible).
- If in-kind match is being used, clearly indicate this on the reimbursement request, otherwise it will be reimbursed at the standard 80%!
- Processing reimbursement requests is easier and faster if we have in-kind match documentation on file ahead of time. Clearly mark it as “match”!
- Keep accurate cost records!

Project Development

With rare exception, all Transportation Enhancement projects are locally administered projects and the Project Sponsor is responsible for all project development. In some cases, non-profit entities secure the federal funding and are put in charge of project development by the Project Sponsor. This procedure manual has been developed for use by Sponsors large and small. While it details all the critical steps in the project development process for Enhancement projects; if additional details and more thorough explanations are desired, the **Locally Administered Projects (LAP) Manual** is a good resource. The LAP Manual is available electronically at

http://www.virginiadot.org/business/locally_administered_projects_manual.asp .

Throughout this manual, there will be references made to specific sites within the LAP Manual for more detailed guidance to better understand the different aspects of project development for traditional highway projects. In addition, Part 4 of the LAP Manual provides samples of completed forms needed for submittal. An overview of the entire project development process for a federal project is outlined in Chapter 9 of the LAP Manual and is a good overall reference for the project development process. Realize that some differences do exist between the larger highway project and the smaller, sometimes non-traditional Transportation Enhancement project, and the two manuals may have slightly different requirements to adjust for this. For example, highway projects in general require three (3) formal plan reviews at 30, 60 and 90 percent; smaller Enhancement projects generally require only two (2) reviews – one informal at 50% and one formal at 90 to 100 percent. Other differences include steps such as required public hearings and project scoping that are not generally required on Enhancement projects.

Projects that receive Transportation Enhancement funds must meet the same federal requirements as any other federal-aid project, except that projects off highway rights of way and not linked to a regular federal-aid project have specific exemptions from certain federal-aid requirements. These exemptions are identified in federal law and further clarified in several FHWA directives and guidance documents. Further information can be found Chapter 5 of the LAP Manual. The VDOT Project Coordinator should be consulted regarding whether the project qualifies for any streamlining opportunities prior to assuming it applies.

Preliminary Engineering Phase

It is recommended that the Project Sponsor schedule a **coordination meeting** or “kick-off” with the VDOT **District Enhancement Coordinator** before beginning any preliminary engineering (PE) activities. This meeting will help further define the scope of the project and outline the key requirements for project development. It will also identify the roles and expectations of each party, establish a project contact list, and outline a tentative schedule of critical activities or project milestones. Discussion at the meeting may also offer insight into any possible ineligible project costs.

The following are activities that usually occur during the **Preliminary Engineering (PE)** phase of a project:

Environmental Document

Because all Enhancement projects are federally funded, a **National Environmental Policy Act (NEPA)** document, often called an “environmental document” is required before any land acquisition or construction can begin.

The NEPA document is an “umbrella” document that evidences compliance with a number of different environmental laws, regulations, and Executive orders, including **Section 106** of the National Historic Preservation Act (sometimes referred to as “cultural resources”); the Threatened and Endangered Species Act; the Clean Water Act; and many others. Because most Enhancement projects are smaller and less complex, they will qualify for the basic level of **environmental document** – either a **Programmatic Categorical Exclusion (PCE)** or a **Categorical Exclusion (CE)**. Copies of both the PCE and CE documents are included in Appendix D of this manual.

Beginning in 2008, the Department instituted a policy wherein VDOT environmental staff would prepare the environmental documents for all locally administered projects initiated in 2008 and later. This means that for any project awarded federal Transportation Enhancement funds for the first time in June 2008 or later, VDOT will provide the basic coordination and required NEPA document for the Sponsor. For older projects, those awarded funding prior to 2008; it will still be the Project Sponsor’s responsibility to perform the research and coordinate with the required agencies to complete the NEPA document. For detailed guidance for Project Sponsors preparing environmental documents and obtaining environmental clearances, visit our webpage:

http://www.virginiadot.org/business/environmental_requirementsTEP.asp

Always remember, any right of way transaction or construction activity performed prior to approval of the environmental document cannot be reimbursed regardless of who is preparing the document!

The Project Sponsor should realize that the Department is only performing the basic coordination and preparing the required NEPA document. There may be cases requiring the Project Sponsor to provide some additional coordination or investigation in order to obtain the necessary final environmental clearances and required permits. In some instances, the Project Sponsor may be directed to conduct additional environmental studies by the regulatory agencies, such as limited archaeological surveys, or wetland findings/delineations. The Sponsor is responsible for completing this work or for obtaining qualified professionals to perform the work. If the project was initiated after 2008 and VDOT has the resources available, VDOT may offer to perform the services or utilize their consultant to perform the work. Prior to performing any additional work however, the Department will provide the Project Sponsor with an estimated cost for the additional services. The Sponsor will then have the option to authorize VDOT to continue with the required work, or to hire their own consultant firm to complete the required coordination/studies.

There may also be **environmental commitments** identified by the coordinating agencies that must be taken care of. These commitments are the Project Sponsor's responsibility regardless of who – VDOT or Sponsor – prepares the document. Project Sponsors must follow up on any and all commitments as outlined in the various agency capstone letters.

Additionally, coordination of hazardous materials issues (such as underground petroleum tanks, asbestos and lead paint in structures being rehabilitated, etc.) is evidenced in the Hazardous Materials Due Diligence Certification (Form EQ-121). This Due Diligence form must be completed, signed, and submitted to the VDOT District Environmental Manager before an Enhancement project will be authorized to proceed to construction. Forms are available on VDOT's website at http://www.virginiadot.org/business/environmental_requirementsTEP.asp

When completing the environmental documentation, be sure to include the total land area the project will impact including temporary easements, parking, benches, signage, etc. To avoid having to update the document later, the Project Description should detail all phases, or activities, planned for the project. This includes phases or activities to be completed at a later date. For instance, the construction of a trail that will include the addition of restrooms and parking in later phases; all three activities should be included in the Project Description for the trail.

Once the environmental document has been prepared and responses received from all necessary regulatory agencies, that information should be forwarded to the VDOT District Environmental Manager for review and processing. Once the document has been approved by FHWA, VDOT will return a copy to the Sponsor for their records.

Prior to receiving federal authorization for R/W acquisition and prior to authorization to advertise for construction bids, the VDOT District Environmental Manager must certify to FHWA that the environmental documentation is complete and valid based

on the final plans/plats submitted. This process is generally referred to as “re-evaluation”. The VDOT District Environmental Manager will review the final plans/plats submitted by the Project Sponsor to see if the original scope of the project has changed, or the geographical limits have expanded since approval of the environmental document. They will also verify that any required environmental commitments have been implemented or incorporated into the construction plans by the Sponsor.

If the proposed work is a continuation of a multi-phased project having the same state project number, and is within the original project limits and scope of work as reflected in the approved environmental document, no additional coordination is required. If uncertain, please contact the VDOT District Enhancement Coordinator or the VDOT District Environmental Manager.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- It is best to prepare the environmental document to cover all anticipated phases and elements of your project (including materials purchases, later construction phases, etc.) in order to avoid rewriting and submitting the document numerous times. This is a real time saver!
- Do not forget environmental commitments – these must be addressed during design or construction!
- The Project Sponsor is responsible for securing any required water quality permits.

Professional Services Contract

If design or administration of the project is to be done by Consultant, the selection of that consultant firm must follow requirements of the **Brooks Act**. This federal mandate requires public advertisement for proposals and selection of a firm based on qualifications, not price. It is allowable to use an on-call consultant already on-board, provided it can be shown that a competitive, qualifications-based process was used to select the firm, that the advertised request for services was not project specific, and that the scope of services advertised included the skills and experience needed for the Enhancement project. It must also be shown that appropriate federal provisions and **Disadvantaged Business Enterprise (DBE)** language was included in the procurement process.

In cases where an on-call consultant will be utilized, it is important that the Project Sponsor have adequate documentation on file outlining the selection process used. This should include a copy of the Request for Proposal (RFP), a copy of the advertisement, the criteria used to evaluate the proposals, a list of the firms

interviewed and the interview results. The file should also include a copy of the award notification, signed contract, and fee information.

If the Project Sponsor chooses to advertise for professional services, the Sponsor must first prepare a **Request for Proposal (RFP)**. In this document, the Sponsor should clearly define the project scope and the services that need to be provided. Before preparing the RFP, it is important for the Sponsor to evaluate the resources and expertise available in-house and identify what additional services will be needed. Are the required services for design only, or will you need survey, geological testing, environmental research, cost estimating, etc.? Also consider the need for contract administration and project inspection once the construction contract is awarded. If the project involves building rehabilitation, consider having the consultant provide asbestos and lead paint inspection during the design phase. The RFP should also identify the criteria to be used in evaluating the proposals and clearly state that the selection process will focus on selecting the most qualified firm. A request for prices should NOT be included in the proposal. Further guidance in preparing an RFP, including a sample RFP template, is available in Chapter 11 of the LAP Manual.

Prior to advertisement, the proposed RFP and a cost estimate for the services to be provided should be submitted to the VDOT District Enhancement Coordinator. The RFP will be reviewed by VDOT District Civil Rights staff to ensure that the required federal provisions and applicable Disadvantaged Business Enterprise (DBE) language has been included in the document. Upon completion of the review, the Sponsor will be provided comments and/or missing provisions for inclusion in the RFP.

Included in Appendix E of this manual are excerpts from the VDOT Procurement Manual regarding procurement of consultant services. This information is intended to provide guidance in advertising, selecting and negotiating for professional services. It also reiterates **competitive negotiation**, which requires consideration of factors such as technical expertise, previous experience, adequate staffing, and location, in selection of a consultant; not price. Note that since Enhancement projects involve federal funds, interviews must be held with a minimum of three (3) firms; provided three or more firms meet the selection criteria.

It is the Project Sponsor's responsibility to negotiate a fair and reasonable price for the services being provided. Once the best qualified firm has been selected, the Project Sponsor should request that a cost proposal including the proposed tasks / services, man-hours, labor classifications, hourly rates, overhead rates, and net fees be submitted for review. Once it is received, the cost proposal should be evaluated based upon the services that are required for the project and the initial cost estimate developed by the Project Sponsor. If a reasonable price cannot be agreed upon, negotiations with this firm should be formally terminated and negotiations started with the second highest ranked firm.

All professional service contracts over \$50,000 must undergo a **pre-award audit** by VDOT External Audit Division prior to signing. Once a firm is selected and fees negotiated, a copy of the proposed consultant contract including the cost proposal and supporting documentation, should be sent to the VDOT District Enhancement Coordinator for submission to VDOT auditors. Appendix F identifies the major items evaluated in the pre-award audit as required by federal guidelines. This evaluation is to review proposed rates and provide guidelines for federal reimbursement. It does not evaluate the firm's qualifications or the proposed contract document; these assessments must be made by the Project Sponsor.

If the Project Sponsor proposes to utilize the services of an existing on-call consultant firm, the Department will require a pre-award audit evaluation prior to execution of any task order greater than \$50,000. The task order should include a project description, a well defined scope of services, and fees based on the original professional service contract. If the on-call contract has already undergone a pre-award audit by the Department, no additional review is required provided the proposed task order fees comply with Department guidelines presented in the original audit evaluation.

Once the pre-award audit has been completed, the Sponsor will be sent comments regarding the evaluation of payroll and hourly rates, overhead and net fee, as well as guidelines on reimbursement of non-salaried direct costs such as travel and mileage. If the audit finds rates that are unacceptable or do not comply with current Department guidelines, these rates should be adjusted prior to execution of the contract or task order. For an existing on-call contract, any required adjustments will only apply to the task order rates. The original contract fees / rates being utilized for other local projects do not need to be changed. Realize that any reimbursed amount found to be ineligible at the time of final audit is subject to repayment by the Sponsor.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Remember that VDOT Civil Rights must review your RFP for professional service prior to advertisement!
- Determine what type of project you have and what experience you need: Is it a streetscape project requiring a civil engineering firm? What about utility coordination? Is it restoration of an historic building that will require an architectural firm? Is a greenway that may do better with a landscape architect? Make sure to get the project specific experience you need!
- When interviewing firms, ask how much work will be sub-contracted and how much will be done in-house.
- Lump sum amounts should be justified based on specific tasks, estimated hours, and employee hourly rates.

- Ensure that the executed contract includes appropriate provisions including maximum compensation limits, tentative schedules for task completion, instructions for addressing additional services / fees, etc.
- If building rehabilitation is involved, consider having your architectural / engineering firm perform the asbestos and lead paint inspections. Inspection reports will be required.
- Give consideration to who will provide construction inspection and contract administration once construction begins. This may be something to include in the RFP now or you may want to wait and hire a separate firm later. Either option is acceptable!

Plan Design

Project plans may be prepared in-house using staff employees or may be contracted out to an engineering firm. Either method can be reimbursed through the Enhancement Program. Keep in mind that the Department must review the proposed RFP prior to advertisement and the fee proposal for professional service contracts prior to award!

Plans should be prepared in accordance with VDOT's Road & Bridge Standards if the project will be maintained by the Department. If the project is outside VDOT right-of-way and will not be maintained by the Department, plans should comply with AASHTO design standards. Plans may be prepared using local **design standards** provided they meet or exceed the required standards and are approved by the Department before design work begins. To request the use of local design standards, the Project Sponsor must submit a request for approval along with a copy of the local standards to the VDOT District Enhancement Coordinator prior to beginning design.

All trail, roadside, and bridge plans must be reviewed by the Department; however Enhancement projects do not require Department signatures on the title sheet. When plans are submitted for review, the title sheet should include the project name, state project number, local signature boxes, and a professional engineer's seal. It should also specify the standards and specifications under which the project is to be constructed. See Appendix G for information on recommended plan details.

In cases where the project involves construction or rehabilitation of a building, VDOT will rely on the locality's building official to provide a code compliance review and issue any required building permits. The Department does not review building plans except in cases where the structure will be on State-owned property. If however, the building plans include site improvements such as parking lots, walkways, lighting or landscaping, VDOT will require a plan review for the site improvements. For historic structures, or structures within an historic district, the building plans must also be reviewed by VDHR. If VDHR determines that the proposed improvements will have

an adverse effect on cultural resources, additional coordination and possible modification to the plans will be required to ensure federal reimbursement.

Preliminary plans should be submitted to the VDOT District Enhancement Coordinator for an informal review at approximately 50% complete. This early review will ensure plans are being prepared in accordance with the appropriate standards, and that no known conflicts exist between the proposed work and any current, or future, VDOT improvements. It may also help in identifying any ineligible project costs.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- The more detailed the plans, the more accurate the bid prices – don't leave the contractors guessing!
- Do your homework – perform any necessary testing (hazardous materials, subsurface conditions, location of existing utilities, etc.) prior to releasing plans for bid. Not only will you get better prices, but you may be able to avoid unnecessary claims and change orders!
- The materials / methods chosen for construction will affect prices – investigate all options!
- Make sure to show right of way / property lines on your plans.
- These are federal funds – all plans must meet ADA (Americans with Disabilities Act) guidelines. This includes walkways which must have a firm, stable and slip-resistant surface; and buildings that must provide appropriate access to public spaces.
- All pedestrian walkways must be 5 feet wide and multi-use trails must be at least 10 feet wide in accordance with AASHTO (American Association of State Highway Transportation Officials) guidelines.
- During design, remember that the Project Sponsor will be responsible for maintaining all proposed improvements to an acceptable level unless otherwise agreed upon by the Department prior to construction.

Public Hearing

The public hearing held by the Project Sponsor prior to submitting an application for funds fulfills the initial federal “public participation” requirement for Enhancement projects. We strongly encourage however that the Sponsor include public participation throughout the project development process.

We recommend that if significant plan revisions or changes in scope have occurred since the initial hearing, that an additional Public Hearing or the posting of a “**Notice of Willingness**” take place. Generally it is a good idea to hold a Public Hearing or post a Willingness when 1) the acquisition of private property is planned; 2) the project has changed from what was presented at the initial hearing; or 3) concerns

have been expressed by the community. Local standards and guidelines should be followed for all public hearings.

Final Plan Design and Bid Document Preparation

As plans near completion, the bid document, including all applicable specifications and federal provisions, should be prepared. This document should include the technical specifications and administrative requirements as well as Instructions to Bidders and Bid Form. The VDOT District Enhancement Coordinator can assist in providing the required federal provisions and current Davis - Bacon wage rates.

If sufficient funding is unsure, it is recommended that the bid items be set up as a "Base Bid" including the essential project items, and "Bid Alternates" that can be awarded if the budget allows. Negotiation with bidders is strictly prohibited by VDOT and federal guidelines, therefore, the use of Bid Alternates and individual line items (rather than lump sum contracts) offer some flexibility if bids come in higher than expected. Bid alternates can be additive or deductive, and can allow for exploring other material choices or construction methods.

If Bid Alternates are used, the bid document must clearly explain how the low bidder will be determined. There are two methods that may be used:

- 1) The low bidder can be determined by the lowest Base Bid amount not including any bid alternates. The bid document must then further explain that if awarded, the contract may include any or none of the Bid Alternate items. This method allows full flexibility in both the number of alternates awarded and *which* alternates are awarded.
- 2) The low bidder can be determined by the lowest of the combined Base Bid amount and bid alternates awarded in the order that they are listed. This allows flexibility in how many alternates are awarded, but does not allow any flexibility in the order in which they are awarded. This too must be explained in the bid document.

A cost estimate, or **Engineer's Estimate** will also need to be submitted. This estimate should be broken down into line items or at a minimum, broken down by the major components of the project and priced. If the estimate is not as specific as possible, it will be difficult to perform a cost analysis once bids come in. When developing the Bid Form, keep in mind that it will be easier to evaluate contractor prices if they too are required to submit unit prices rather than a lump sum. The engineer's estimate submitted to VDOT should be current (ideally within the past 90 days) and take into account current market trends in material and labor costs. It should also consider any hand-work, which is more labor-intensive, or specialty equipment needed (a crane for example), as well as access to the work site. Is the

site easily accessible for larger equipment or will material have to be “carried” in? All of these factors will affect the bid prices received.

As plans are finalized, the Project Sponsor should review them for completeness, accuracy, and constructability (perform a QA/QC review). Remember that there may be environmental commitments such as Virginia Department of Historic Resources (VDHR) requirements that must be incorporated into final design plans to avoid an adverse effect or they may require that the completed plans be submitted to them for a final review. Be sure to verify that all commitments have been addressed as needed.

Once the plans have been reviewed and approved by the Project Sponsor, they should be submitted to the VDOT District Enhancement Coordinator at approximately 90 to 100% complete. At this point they will be forwarded to various disciplines within the local VDOT District Office – Environmental, Location & Design, Traffic Engineering, and Bridge as required for review and comment. Plans for site improvements (walkways, landscaping, parking, etc.) associated with building rehabilitation and building construction projects should also be submitted to the VDOT District Enhancement Coordinator for review at this time. Keep in mind that the Department’s review is meant to be a cursory review to ensure compliance with appropriate design and ADA standards and provide guidance if deficiencies are found. It is not meant to ensure quality or constructability. This is the Sponsor’s responsibility as a locally administered project.

It is recommended that the VDOT District Enhancement Coordinator be contacted prior to submitting plans in order that the appropriate number of copies is sent. Being able to have the plans reviewed by multiple disciplines simultaneously will expedite the review process tremendously.

At the same time the 90% plans are submitted, three (3) copies of the proposed bid document and current engineer’s estimate (preferably dated within the past 90 days) should also be submitted to the VDOT District Enhancement Coordinator for review. The bid document will be reviewed by VDOT Scheduling & Contract Division to ensure compliance with federal and state procurement guidelines. An evaluation by VDOT Civil Rights will also be made to ensure that all required federal forms and/or provisions have been included and to determine whether or not DBE (Disadvantaged Business Enterprise) goals will be established for the project. This determination will be based on the type of work being performed, the estimated dollar value of the work (goals will not be established for projects estimated to cost less than \$100,000), and the availability of “local” DBE firms to do this type of work. Note that if a DBE goal is established, this goal must be included in the bid document prior to final review by VDOT. Further guidance regarding the DBE goal setting process is available in Chapter 17.4.3 of the LAP Manual.

This preliminary “bid package” should be submitted to the VDOT District Enhancement Coordinator a minimum of 90 – 120 days prior to the planned advertisement date:

- 1) 90 to 100% plans – multiple copies depending on project elements involved
- 2) three (3) copies of the proposed bid document
- 3) one copy of the current engineer’s estimate

Once the Department completes its review of the plans and bid document, the VDOT District Enhancement Coordinator will forward comments and/or recommendations to the Project Sponsor. These recommendations should be incorporated into the project plans and specifications as they are finalized. If significant comments or revisions are made, an additional Department review may be requested.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Want to start construction in the spring when the weather warms up? Have plans ready for submission in the summer / early fall to allow plenty of time for VDOT reviews and plan updates!
- Perform QA/QC review on the proposed plans to ensure quality and constructability before submitting to VDOT
- Plan title sheet should include project name, state project number, and signature blocks for local officials – VDOT does not sign or “approve” plans for Enhancement projects – the locality needs to sign and approve them.
- Final plans must include a professional engineer’s seal. If plans include bridges or overlooks; make sure to have them sealed by a structural engineer
- Make sure the engineer’s estimate is accurate and captures all possible cost factors – specialty equipment required (crane, etc.); labor intensive / specialty activities with limited contractor availability (brick / stone work, etc.); market trends for labor and material costs (shortages, etc.); limited access to the site that may require non-traditional methods. All these factors can affect prices!
- Do not prepare an estimate to “fit” the budget – this will only hurt in the long run.
- Prepare the Bid Form using line items rather than a lump sum amount – it will provide the information needed for analysis once bids are received!
- If the budget is limited use bid alternates – they will allow for some flexibility if the bids are high!
- Make sure the Instructions to Bidders clearly identify the forms that need to be included with all bid submissions especially the required federal and DBE forms.

Right of Way Phase

The **Right of Way (R/W)** phase may include the following activities: acquisition of property or buildings; purchase of easements, and adjustment / relocation of overhead utilities.

In general, the use of federal funds to construct an enhancement project requires protection of that investment. Protection of property rights for the continued use and upkeep of a facility (sidewalks, landscaping, building, etc.) for perpetuity should be captured in the form of a legal document which can be recorded in the land records. These property reservations may be in the form of deeds, leases, easements, or other evidence of a property, recognized by the Commonwealth of Virginia. For example, if federal funds are used to restore an historic building for use as a transportation museum, the building must continue this specified public use even if it is sold or leased at a later date. Language ensuring this continuation must be made part of the deed. If not, and the building is sold and opened later as a restaurant, the Project Sponsor may be required to re-pay the federal funds spent in its rehabilitation!

Acquisition of Property

Prior to beginning negotiations or taking title to any property that you want to be reimbursed for, a licensed appraiser will need to establish the fair market value of the property. This includes battlefield property, historic buildings, and/or easements required for construction of sidewalks and trails. The VDOT District Right of Way Manager can offer assistance in getting the names of certified appraisers and providing the proper appraisal format to be used.

If reimbursement is expected, a federal Right of Way authorization from VDOT is required prior to acquiring property of any value including easements. The following should be submitted to the VDOT District Enhancement Coordinator when requesting authorization:

- 1) approved environmental document
- 2) plat(s) of the property or Right-of Way plans
- 3) appraisal(s) approved by the VDOT District Right of Way Manager

Once federal authorization has been received from the FHWA, you will be notified in writing by the VDOT District Enhancement Coordinator that the required authorization has been secured. Do not proceed with acquisition until this notification has been received.

As discussed earlier, the federal investment must be protected. For this reason, FHWA requires that conservation easements be placed on historic and scenic lands purchased with Enhancement funds. This will preserve the open space and protect it from future development.

The acquisition of real property must be in accordance with the federal **Uniform Relocation Assistance and Real Property Acquisition Policies Act** as amended. When property is acquired, either purchased or donated, the Sponsor must give a copy of the appraisal and title examination report to the landowner. In cases of donation, the landowner must be informed that they are entitled to just compensation and must sign a waiver of this right.

It is possible for property donated or purchased prior to an executed Project Agreement to be counted towards local match, as long as it can be shown that the property was specifically intended for use as part of the Enhancement project. Realize however, that this cost can only be used towards match and cannot be reimbursed since it was incurred prior to an executed Project Agreement, and prior to obtaining the required federal authorization. The value of property to be used as match shall be determined based on an appraisal method acceptable to the VDOT District Right of Way Manager. In addition, the value used will be based on the value of the property at the time it was sold or donated in accordance with federal regulations and only that portion of the property required for the project will be allowable as match.

Condemnation, or the use of **eminent domain**, is not a course of action recommended by VDOT for use on Enhancement projects. As such, the costs associated with these actions are not eligible for reimbursement.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Do not proceed with right of way acquisition for which you want to be reimbursed until you have received right of way authorization from VDOT!
- It is recommended that you use a VDOT certified appraiser to prepare the required appraisal – this will help ensure the proper format is used.
- To save time and money, it may be more efficient to purchase small easements with local funds.
- The value of purchased or donated property used as local match must be based on the value of the property at the time of acquisition / donation.
- All fees incurred as part of a right of way acquisition – appraisal fees, legal fees, etc. are reimbursable!
- Allow plenty of extra time for working with railroads on right of way issues!
- Placement of conservation easements is required when historic property and/or scenic open space is purchased with Enhancement funds.

Relocation of Utilities

Some right of way expenses may be incurred for work performed by utility companies that is incidental to construction and not part of the construction contract. For a streetscape project this may be the cost of local utility companies (VA Dominion Power, AEP, Verizon, Sprint, etc.) to relocate overhead utilities lines underground or transfer the utilities to alleyways as a scenic improvement. It may also be for the electric company to replace existing street lights with more aesthetically pleasing pedestrian fixtures.

Before incurring these reimbursable expenses, federal right of way authorization must be secured. To get federal authorization for these incidental expenditures, the following should be submitted to the VDOT District Enhancement Coordinator:

- 1) approved environmental document
- 2) set of utility plans from the utility company
- 3) estimate from the utility company including the scope of services to be performed

Once federal authorization has been received from FHWA, you will be notified in writing by the VDOT District Enhancement Coordinator that the required authorization has been secured. Do not allow utility companies to proceed until this notification has been received.

If on the other hand, utility work is being performed by the construction contractor as part of his contract (i.e. not performed by a utility company) a separate R/W authorization is not required. This is probably more applicable to underground utilities such as water, sewer, and gas lines; most general construction contractors perform this type of work as part of the contract.

Realize that unless the underground utility work (water, sewer, gas, etc.) is caused or necessitated by qualifying Enhancement activities, these project costs are not eligible for reimbursement. Replacing and/or installing underground utilities does not qualify under one of the 12 eligible Enhancement activities. However, if relocation of the overhead utilities causes a conflict underground – requires that a gas (water, sewer, etc.) line be relocated – the cost of relocating the gas line is eligible because it was necessitated by the relocation of the overhead utilities (qualifying activity).

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Work performed by a utility company requires a federal R/W authorization. Do not allow utility companies to begin work until you are notified by VDOT that this authorization has been received!

Right of Way Certification

Different from Right of Way Authorization which is needed to purchase property or perform utility work, **Right of Way Certification** is a certification required prior to advertisement for construction bids. The Project Sponsor must certify that the right of way is clear for construction on all projects, including projects with donated right of way and those being constructed within existing VDOT or local right of way.

Once the right-of-way is obtained and “clear”, the Project Sponsor should submit a letter to the VDOT District Right-of Way Manager requesting Right of Way certification. A sample letter has been included in Appendix H of this manual. The letter should certify that the Sponsor has ownership (through deed, permanent easement, public land, etc.) of all properties required for construction, that utilities have been relocated or provisions have been made, that there is no soil contamination or that it has been mitigated, and that required railroad agreements are on file. Deeds and/or leases for property that has been acquired (including donations) should be included with the correspondence.

If the property being used for construction (building or land) is leased, the Project Sponsor should submit a copy of the lease to the VDOT District Enhancement Coordinator for review prior to submitting of a request for R/W certification. In general, the proposed lease should be long-term and not year-to-year. Acceptance of the lease will be dependent upon the type of work being performed and the federal investment involved. For example, the lease requirements for proposed landscape improvements to cost \$15,000 will be less strict than for restoration of an historic building involving a federal investment of \$900,000.

Once a request for certification is received, the following will occur:

- VDOT District Right of Way Manager will review the submission and if acceptable, will submit the information to the State Right of Way Manager requesting that Right of Way Certification be issued
- State Right of Way Manager will prepare and release the required certification to VDOT Scheduling and Contract Division

The resulting certification will be part of the required final bid package needed to request federal authorization to advertise. All right of way must be clear prior to advertisement for construction bids.

ENHANCEMENT STAFF TIPS

- Right of way certification is required for ALL projects!

Advertisement and Construction Phase

With few exceptions, federal guidelines require that all work performed and materials purchased be awarded on a competitive basis. The only exceptions would be work performed by local forces and requests for sole source, both of which require prior federal approval. If these procurement options are being considered, discuss this at the coordination meeting or as early in the preliminary engineering phase as possible. These two methods of procurement do not require public advertisement, but must follow all other requirements for construction including a federal authorization and Department approval prior to beginning work!

If the Project Sponsor wishes to perform work using **local forces** in lieu of a contractor and receive reimbursement for this work, VDOT and FHWA must approve this prior to construction. Note that this method of construction can only be used for projects having a total estimated cost of less than \$600,000. State law requires competitive bids for all projects having a higher cost.

To request approval for local forces the Project Sponsor should submit a **public interest finding** to the VDOT District Enhancement Coordinator as soon as the plans and estimate are completed to a point that the final cost can be reasonably projected. This documentation should include a breakdown of all estimated local costs including labor, equipment, material, and any proposed sub-contractor costs. It should also include an estimate from a local contractor to perform the same work. A narrative explaining the benefits of performing the work with local forces and demonstrating that the work can be done more cost effectively and more efficiently with local forces, should also be included. The public interest finding will be reviewed and if found to be acceptable, will be approved by the VDOT Scheduling & Contract Division and FHWA. If approved to use local forces, the Project Sponsor will need to submit the following for federal authorization and award: final plans, a copy of the approved environmental document, and certification stating that all plan comments have been addressed.

Because state and federal procurement guidelines require **competitive bidding** for construction activities, the use of **sole source** procurement is limited to those instances where it can be demonstrated that only one source is practicable available and capable of performing the work. A case must be made that the work is so specialized and the specifications so unique, that no one else can perform the work. As with local forces, prior approval is required for any sole source recommendations. To get approval, the Project Sponsor must submit documentation to the VDOT District Enhancement Coordinator justifying 1) why this is the only firm that can meet the Sponsor's needs, 2) why this firm is the only source from which to obtain these services, and 3) why the price is considered to be reasonable. Once reviewed by the Department, this documentation will be forwarded to FHWA for acceptance and approval. If approved for sole source, the Project Sponsor should submit the following for federal authorization and award: final plans, a copy of the approved

environmental document, and certification stating that all plan comments have been addressed.

Authorization to Advertise

For work being performed by a contractor, federal authorization must be obtained prior to the project being advertised. Reimbursement cannot be made for any work performed on a contract that was advertised prior to receiving the proper authorization!

Once the plans and bid document are finalized, the Project Sponsor should submit the following to the VDOT District Enhancement Coordinator requesting authorization to advertise:

- 1) Two sets of the final construction plans
- 2) Two copies of the final bid document including federal provisions, Davis-Bacon wage rates, and DBE goal requirements (if applicable)
- 3) Statement certifying that all Department plan and bid document comments have been addressed
- 4) If plans include building / structural improvements, submit a letter from the local building official stating that the plans meet all code requirements
- 5) Current engineer's estimate
- 6) Copy of approved environmental document
- 7) Copy of Right-of-Way certification

Note that purchasing materials is considered a construction activity. As such, no price quotes can be solicited or material purchased, until written authorization is received from the Department! To secure federal authorization to purchase materials, the following should be submitted to the VDOT District Enhancement Coordinator requesting authorization:

- 1) Bid Form / Solicitation listing the required materials including the estimated quantities and pay units of each (LS, LF, EA, etc.) – this form will be used later to obtain price quotes from vendors
- 2) Specifications, plans, and/or drawings as applicable
- 3) Cost estimate
- 4) Copy of approved environmental document

NOTE: Contact the VDOT District Enhancement Coordinator if the estimated construction cost for your project is less than \$50,000; state procurement policy may allow for some procedures to be simplified on smaller construction projects like gateway signs and kiosks.

Prior to a request for advertisement going to FHWA, VDOT Environmental staff will re-evaluate the environmental document against the final plans to ensure the scope and project limits have not changed during plan development; and that all applicable environmental commitments have been addressed. If acceptable, the project will receive the final environmental approval necessary to proceed.

Once all the required documentation has been reviewed, the Department will submit a request to FHWA for federal authorization to advertise.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Do not purchase materials for reimbursement without federal authorization!
- Update the Engineer's estimate prior to submitting to VDOT
- Remember that the Sponsor is responsible for ensuring all environmental commitments are satisfied; this may include a note on the plans or a provision in the bid document / contract. It may also include additional plan submissions to VDHR for review.
- Each new "advertisement" or project phase requires a separate federal authorization – group small construction activities and/or material purchases as much as possible!
- Bid Forms for soliciting price quotes must be very specific in order to ensure all vendors / contractors are pricing the same thing. You cannot be comparing apples and oranges when trying to determine the low bidder!

Advertisement

Once the Sponsor has received written authorization from VDOT to advertise, the following procedures for competitive, sealed bidding must occur:

- 1) publicly advertise the project a minimum of 3 weeks prior to receipt of bids
- 2) receive and publicly read bids on the specified date
- 3) review bids for accuracy and completeness
- 4) select contractor based on the lowest, **responsive** and **responsible** bid.

NOTE: Negotiation with bidders prior to award is strictly prohibited in accordance with federal guidelines!

If a DBE goal has been established for the project, it may be beneficial for the Sponsor to hold a pre-bid meeting to discuss the proposed work including the required DBE participation. Remember that it is the Sponsor's responsibility to ensure that prospective bidders understand the contract requirements. Also note that failure to meet the required goal utilizing VDOT certified DBE contractors may result in rejection of the low bid. It is recommended that all bidders use the DMBE

website to identify potential VDOT certified DBE contractors. Realize too that a DBE contractor is not the same as a SWAM contractor and that a SWAM contractor does not meet the federal DBE requirement. If assistance is needed, please feel free to contact the VDOT District Civil Rights staff for additional guidance.

Just prior to advertisement, or while the project is being advertised, is a good time to review the Engineer's Estimate one last time. If the prices need updating, this can be done up until the day before the bid opening. Realize that this estimate will become the baseline for bids received and if not accurate, may result in rejection of the low bid. If the Engineer's Estimate is updated at any time, ensure that the VDOT District Enhancement Coordinator receives a copy.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- Update the estimate now!!! Look at it from a contractor's perspective and make sure it includes all factors that may affect pricing – including labor, equipment, and materials.
- Cast your net wide – advertise as widely and as long as you can (30 days if possible) to get the best competition you can!
- Mandatory pre-bid meetings are recommended if unusual circumstances will be encountered or if special restrictions apply
- Any pre-qualification of contractors must be done prior to the bid opening if you want to use this to determine acceptability of the low bidder.
- Make sure any DBE participation goals are made clear and prospective bidders understand this requirement!

Contract Award

State guidelines require contracts to be approved by the Department prior to award by the Project Sponsor. In cases where the recommended award is greater than \$2 million, the Commonwealth Transportation Board (CTB) must approve the award. Those for less than \$2 million will be approved by the Commissioner.

Once bids have been opened and verified for accuracy and completeness, a **bid tabulation** or summary of bids received, should be prepared. In cases of small purchase procurement (materials and construction less than \$50,000), the summary should identify all vendors that were solicited regardless of whether or not they submitted a price quote. The Project Sponsor shall then prepare a cover letter to the VDOT District Enhancement Coordinator recommending award to the apparent low bidder. If a project is advertised and fewer than two (2) bids are received, state law allows that consideration may be given to performing the work – up to \$1 million, with local forces.

The Sponsor's letter requesting contract award should include: the date bids were opened and by whom; the low bidder's name and location; and the amount of the recommended award – this is especially important if "Bid Alternates" were used. If the recommended low bid exceeds the most current Engineer's Estimate by more than 10%, the cover letter should also provide a justification for the award. The Project Sponsor must explain why the price is so far above the Engineer's Estimate and demonstrate that this is indeed a fair market price for the work to be performed. Was there something that was missed in the Engineer's Estimate? Were there unforeseen activities that affected the labor and/or materials market? How does the low bid compare with the other bids received?

If the bid document included a DBE goal requirement, the Sponsor's letter should also address whether or not the low bidder met the goal, and if not, provide a determination as to whether or not the low bidder demonstrated sufficient "Good Faith Effort". Good Faith Efforts may include advertisements specifically targeting DBE contractors; calling and faxing information to known DBE firms; utilizing the DMBE (Department of Minority Business Enterprises) and VDOT resources for locating DBE firms; providing DBE firms adequate time to prepare bids / price quotes; and exploring multiple construction activities for possible DBE participation. Further details on determining Good Faith Efforts can be found in Chapter 17.4.4 of the LAP Manual.

To request award approval, the Project Sponsor should submit the following information to the VDOT District Enhancement Coordinator once bids have been evaluated:

- 1) Cover letter from the Project Sponsor recommending award to the low bidder
- 2) bid tabulation or summary of all bids received
- 3) a copy of the low bidder's submittal including the required VDOT forms and DBE documentation (if applicable)

Upon receipt, the VDOT District Enhancement Coordinator will review the package for compliance with state and federal guidelines. If a DBE goal was established for the project, the low bidder's submission will be sent to VDOT Civil Rights Division for evaluation. Once this evaluation is made, or in cases where there are no DBE goals, the low bidder's submittal will be forwarded to VDOT Scheduling and Contract Division for presentation to the Commissioner; or if need be, the CTB.

If the award requires Board approval (is greater than \$2 million), it will be scheduled for the next Board meeting provided there is sufficient time to get it on the agenda. If not, it will be held until the next meeting. If you think Board approval is going to be necessary, it is best to have all required documentation to VDOT prior to the first of the month. The Board generally meets on the third Thursday of each month and agendas are prepared early for their review. After award, the VDOT District

Enhancement Coordinator will notify the Project Sponsor in writing that the low bid has been approved and the contract can be executed.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- DO NOT negotiate with the low bidder!!
- Do not explain a high bid by saying the estimate was out of date.
- Make sure that proposed DBE contractors are VDOT certified DBE's and not SWAM contractors
- Include recommendations regarding success in meeting DBE participation goals and justifications for awards that are significantly over the engineer's estimate.
- Include all required documentation with submission
- If projected contract award is greater than \$2 million, allow sufficient lead time to have the project placed on the CTB meeting agenda – plan on submitting request at least one (1) week prior to the first of the month.

Post – Award

Once a construction contract has been executed, the Project Sponsor should schedule a **pre-construction meeting**. Even though these are locally administered projects, the Department must continue its oversight role throughout construction due to the federal funding involved. At a minimum, the Project Sponsor should invite the following VDOT staff members to the pre-construction meeting: District Enhancement Coordinator, District Construction, District Civil Rights, and District Environmental. Depending on the type of project and its complexity, other VDOT staff may need to be involved as well. The level of oversight will vary from project to project and should be discussed at the pre-construction meeting. If for example the proposed project is off VDOT right-of-way and involves restoration of an historic structure, VDOT oversight will be minimal. If however, the project is within VDOT right-of-way and involves streetscape improvements, VDOT oversight will be more involved. Communication is a critical component of locally administered projects. For this reason, a standard communication plan and contact list should also be established at the pre-construction meeting.

As a locally administered project, the Sponsor is responsible for providing appropriate project management, quality assurance, testing, and on-site inspection. This includes maintaining adequate **project records** and materials documentation including test reports and material tickets, as well as appropriate construction inspection to ensure that the project is completed in accordance with the approved plans and specifications. Depending on the level of oversight required, VDOT staff may periodically stop by a construction site to review project records, maintenance of traffic, and construction activities being performed. Further guidance on these

requirements is available in Chapter 13 of the LAP Manual as well as VDOT's Construction, Inspection, and Post-Construction manuals on the Department's website. Also available on the website is the VDOT Materials Division Manual of Instruction for guidance on materials acceptance procedures.

Inspection and/or testing services can be provided by local forces or may be procured in accordance with state and federal guidelines. In many instances, these services are provided for in the initial RFP for professional services, but they may also be obtained later as a separate contract. Just as with hiring an engineering / architectural firm, the request for these services must be publicly advertised and include a qualification based selection process. The contract will also require VDOT approval and pre-award audit (if greater than \$50,000) prior to execution by the Project Sponsor.

The Project Sponsor is also responsible for securing any required permits prior to beginning construction activities. If work is being performed within VDOT right-of-way, a VDOT land-use permit will be required. This would also include any environmental permits and/or commitments as identified through the NEPA process. Note that any permit fees incurred are an eligible project expense and can be submitted for reimbursement or used as local in-kind match.

Safety is of the utmost concern during construction activities. This includes not only the safety of construction staff, but also safety precautions for the traveling public. All construction activities should be in compliance with the Occupational Safety and Health Administration (OSHA) regulations, the Manual of Uniform Traffic Control Devices (MUTCD) guidelines, and the Virginia Work Area Protection Manual.

The Project Sponsor should maintain contact with VDOT staff throughout construction as provided for at the pre-construction meeting. This may include but is not limited to: schedule changes, significant construction activities, and change orders. Any proposed **change order** meeting the criteria outlined in Chapter 13.3.3 of the LAP Manual should be submitted to the Department for review prior to execution. If the change order involves restoration of an historic structure or improvements being made within an historic district, the Department of Historic Resources (DHR) should also be consulted.

Keep in mind that additional work included in change orders may or may not be eligible for reimbursement. Questions regarding eligibility should be discussed with the VDOT District Enhancement Coordinator. If sufficient federal funds are not available, or the additional work is deemed ineligible, the Project Sponsor is responsible for 100% of these costs. Copies of all approved change orders should be forwarded to the VDOT District Enhancement Coordinator with a second copy sent to the VDOT Local Assistance Division Enhancement Program Manager for reference at the time of reimbursement.

In order to keep the Department informed of all on-going construction projects, the Sponsor must notify the Department of all “begin” and “end” dates for active projects. The method most commonly used for accomplishing this is the Form C-5 (see Appendix I). This form, or a form similar in format created by the Sponsor, should be prepared and signed by the Project Sponsor once the contractor begins work. The signed form should then be submitted to VDOT Construction staff for appropriate Department distribution. Unless otherwise agreed, the Project Sponsor should schedule a final inspection with VDOT staff when all work is complete. Any punch list items should be identified and corrected prior to **final acceptance**. Once it is agreed that the project is acceptable, the Project Sponsor should submit an ending Form C-5 as noted above.

If the project includes landscape items with an establishment period, a “preliminary” Form C-5 should be submitted at the end of construction to indicate the project is complete with exception of the establishment period. A final inspection should be performed at this time to identify any possible punch list items. At the conclusion of the establishment period (this date should be identified on the Form C-5), a second inspection should be held to ensure all punch list items have been corrected and the landscape items are acceptable. If the project is accepted, the ending Form C-5 should be submitted as noted above.

If any claims are submitted they are to be handled by the Project Sponsor within 60 days of final payment to the contractor. If it is determined that additional financial compensation is due the contractor, a copy of the proposed claim settlement should be submitted to the VDOT Local Assistance Division Enhancement Program Manager for a determination regarding possible federal participation.

ENHANCEMENT STAFF TIPS FOR PROJECT SPONSORS

- The importance of quality project management and inspection cannot be overstated!!
- Construction issues and/or claims should be addressed in a timely manner.
- A good set of project records will help tremendously if issues arise.
- Don't forget safety!

PROJECT SPONSOR CHECKLIST



Remember – Do not proceed with any property acquisition, materials purchase, or work that you want reimbursement for until advised to do so by VDOT!

Project Agreement

- Enhancement funding approved by the Commonwealth Transportation Board
- Project Agreement received from VDOT
- Agreement signed and returned to VDOT Enhancement Program Manager
- Written authorization to proceed with preliminary engineering activities received from VDOT along with executed copy of the Agreement

Preliminary Engineering

- Coordination, or kick-off, meeting scheduled with VDOT District Enhancement Coordinator
- Environmental coordination with VDOT District Environmental Manager
- Approved environmental document received from VDOT
- Proposed RFP for professional services submitted to VDOT District Enhancement Coordinator for Civil Rights review prior to advertisement
- Approval to advertise RFP received from VDOT
- Proposed contract and fee proposal for professional services submitted to VDOT District Enhancement Coordinator for pre-award audit
- Audit of professional services contract completed by VDOT and comments received
- Contract for professional services awarded by Project Sponsor
- Plan design underway
- Public Hearing held or a “Notice of Willingness” posted if required

Right of Way

- Coordination with VDOT District Right of Way Manager to get list of certified appraisers
- Appraisal obtained for property to be purchased
- Appraisal sent to VDOT District Right of Way Manager for review
- Approval of appraised value received from VDOT District Right of Way Manager

- ❑ Approved appraisal; a copy of the plat; and the approved environmental document sent to VDOT District Enhancement Coordinator requesting Right of Way authorization
- ❑ Written authorization to proceed with property acquisition received from VDOT
- ❑ Utility plans, cost estimate, and approved environmental document sent to VDOT District Enhancement Coordinator requesting authorization for utility work
- ❑ Written authorization to proceed with utilities received from VDOT

Plan Design and Bid Document Preparation

- ❑ Preliminary plans submitted to VDOT District Enhancement Coordinator for review at approximately 50% complete
- ❑ Comments received from VDOT
- ❑ Preliminary plans revised to include VDOT recommendations
- ❑ Bid document prepared including all applicable specifications and federal provisions
- ❑ Engineer's Estimate prepared
- ❑ Right of Way information submitted to VDOT District Right-of-Way Manager with a request for right of way certification
- ❑ Preliminary bid package including plans, bid document and estimate submitted to VDOT District Enhancement Coordinator for review and comment **** this should be submitted a minimum of 90 days prior to the planned advertisement date ****
- ❑ Comments received from VDOT
- ❑ Plans and bid document revised to include VDOT recommendations
- ❑ Final plans, bid document, and estimate submitted to VDOT District Enhancement Coordinator requesting advertisement authorization
- ❑ Written authorization to proceed with project advertisement received from VDOT

Advertisement and Construction

- ❑ Project publicly advertised for a minimum of 3 weeks
- ❑ Bids received and read publicly
- ❑ Bids reviewed and verified for accuracy; low bidder identified
- ❑ Bid information, including bid summary and letter of recommendation from Project Sponsor submitted to VDOT District Enhancement Coordinator requesting approval to award
- ❑ Low bid approved by Department

- ❑ Written authorization to proceed with execution of contract received from VDOT
- ❑ Construction contract awarded to low bidder
- ❑ Pre-construction meeting scheduled
- ❑ Construction begins and Form C-5 issued
- ❑ Project records kept daily
- ❑ Coordination with VDOT Construction staff as necessary
- ❑ Change Orders submitted to Department for review (as necessary)
- ❑ Final inspection scheduled with VDOT Construction staff
- ❑ Construction complete and Form C-5 issued

A completed Project Status Report is due quarterly in January, April, July and October of each year once the Project Agreement has been executed. This form should be submitted to the VDOT District Enhancement Coordinator with a copy sent to the VDOT Local Assistance Division Enhancement Program Manager.

GLOSSARY

Appendix A – attachment included in Project Agreement that outlines the specific funding limits, match requirements for each type of fund, project cost estimates, time limit for expending funds, and any items identified as ineligible for reimbursement.

Authorization – approval required before reimbursable expenses can be incurred. Specific documents are required in order to request federal approval to proceed to a new phase – preliminary engineering, right of way, or advertisement. Any expenses incurred prior to receiving the appropriate federal authorization will not be eligible for reimbursement.

Bid Alternate – when the budget is limited, select bid items may be removed from the “Base Bid” and bid as alternates, only to be awarded if funds are available. The use of bid alternates allows some flexibility if bids come in higher than expected. They also allow for pricing alternate materials or construction methods – perhaps to see how much it would cost to up-grade to granite curb rather than standard concrete.

Bid Document – the proposal used to advertise for construction bids. It usually contains the Invitation to Bid; Instructions to Bidders, and Bid Form, as well as project administrative procedures and project specifications.

Bid Tabulation – summary of all bids received including the unit prices / lump sum received for each

Brooks Act – Federal Act that requires a hiring agency to select consultant services for engineering and design upon a qualifications-based selection process. A qualification based selection does not allow for price to be used as a factor in the selection process.

Categorical Exclusion (CE) – a category of action that does not individually or cumulatively have a significant effect on the environment and has been found to have no such effect on a federal agency’s implementing regulation. Therefore, neither an environmental assessment (EA) nor environmental impact statement (EIS) is required. This determination is made in consultation with the VDOT District Environmental Manager.

Change Order – addendum to the construction contract

Commonwealth Transportation Board (CTB) – the Board is made up of 17 members appointed by the Governor and approved by the General Assembly. The Board is charged with selection of Enhancement projects and the allocation of federal enhancement funds based on applications received. The Code of Virginia also requires that the Board approve the award of any construction contract

(including Enhancement projects) over \$2 million. The Department's Commissioner has been authorized to approve all contracts for less than \$2 million. The Board generally meets on the third Thursday of each month.

Competitive Bidding – a method of contractor selection requiring projects to be publicly advertised and awarded to the lowest responsive and responsible bidder. Federal guidelines require Enhancement projects to be publicly advertised a minimum of 21 calendar days prior to the opening of bids.

Competitive Negotiation – a method of contractor selection where factors such as technical expertise, previous experience, adequate staffing, and location are used to procure professional services. Price is not considered when a consultant is selected; initial selection is based solely on qualifications.

Conservation Easement – easement placed on historic and often scenic properties to protect them from future development.

Coordination Meeting – it is recommended that once a project receives funding and a Project Agreement is executed, that a “kick-off” meeting be scheduled with the local VDOT Residency Administrator and other staff members to discuss the scope of the project and define the roles and expectations of each party. It will also allow the Sponsor to ask questions and identify the next steps needed to proceed with project development.

Cost Effective – the efficient use of labor, equipment, and materials to assure the lowest overall cost.

Cultural Resources – in accordance with Section 106 of the National Historic Preservation Act, Federal Agencies are required to take into account the effect of their undertaking on properties included in, or eligible for inclusion in, the National Register of Historic Places. The applicant is responsible for identifying and evaluating historic properties. In Virginia, the Department of Historic Resources (VDHR) is responsible for assisting in the determination of effects on historic properties.

Davis-Bacon – federal statute requiring the payment of minimum wages, including fringe benefits, to laborers and mechanics engaged in construction activity under contracts entered into, or financed by, agencies of the United States or the District of Columbia. Wages are based on determinations by the Secretary of Labor of the wage rates and fringe benefits prevailing for the corresponding classes of laborers and mechanics employed on similar projects in the local areas where such work is to be performed.

Design Standards – projects must be designed in accordance with American Association of State Highway and Transportation Officials (AASHTO) and/or state approved standards. It is permissible for plans to be prepared in accordance with

the Sponsor's standards and format, provided these meet or exceed VDOT standards.

Disadvantaged Business Enterprise (DBE) – a small business owned and controlled by socially and economically disadvantaged individuals. To be eligible as DBE credit the firm must be VDOT certified.

District Enhancement Coordinator – VDOT employee chosen in each of the nine highway districts to manage the district's Transportation Enhancement projects. The coordinator will assist local Project Sponsors with project development questions, coordinate required reviews, and provide guidance regarding state and federal guidelines.

Eligible Costs – those expenditures that can be reimbursed through the Enhancement program. These include design and engineering, acquisition of property, construction, and construction engineering. To be eligible for reimbursement, proper federal authorization is required before the costs are incurred.

Eminent Domain – a government's right to take private property for public use when it is deemed to be within the public's best interest.

Engineer's Estimate – a preliminary cost estimate to determine a fair and reasonable market price for the work to be performed. The estimate should be representative of current market conditions including the availability of resources and materials. It should also take into account existing site conditions and any potential restraints placed on productivity by weather, environmental requirements, small quantities, traffic conditions or seasonal limitations.

Enhancement Program Manager – VDOT Central Office – Local Assistance Division – employee assigned to manage the Transportation Enhancement program. This position will act as a liaison with the Federal Highway Administration on program eligibility issues, compliance during project development, and obtaining the required federal authorizations. The manager will focus more on overall program policy and training rather than day-to-day project management.

Environmental Commitments – these are commitments that must be met based on coordination done during the NEPA process. Implementation is not optional; non-compliance with these commitments may jeopardize federal funding for the entire project.

Environmental Document – umbrella document that provides evidence of compliance with a number of different environmental laws and regulations. Final design activities, property acquisition, purchase of construction materials, or project construction cannot proceed until the environmental documentation has been approved by FHWA. The PCE and CE are the two types of federal environmental

documents used for Enhancement projects. The scope of work involved will determine which form must be completed.

FHWA – Federal Highway Administration; branch of the U. S. Department of Transportation. The Transportation Enhancement program is a federal program administered by the Department. The FHWA must authorize each phase of project development before the Sponsor moves forward. They also provide program guidelines regarding eligibility and reimbursement.

Final Acceptance – acceptance of all contract work after completion and final inspection. If the final inspection discloses any work, in whole or in part, to be incomplete or unacceptable, the Contractor shall immediately correct the deficiency. Upon completion of the corrective work, another inspection shall be made.

Fiscal Agent – the Enhancement program requires that the Project Sponsor act as the fiscal agent, submitting all reimbursement requests to the Department and receiving all reimbursement payments from the Department. A non-profit organization cannot act as fiscal agent for an Enhancement project.

Form C-5 – VDOT form recording the beginning and ending dates of construction activity on a project.

Hazardous Materials/Wastes – chemical substances or residues and other waste materials that have a potential harmful effect on human health or the environment. Hazardous materials/waste issues can lead to significant project delays and costs. Potential hazardous materials and/or waste sites must be evaluated and mitigated prior to construction. For Enhancement projects this can typically include asbestos and lead paint contained in older buildings being rehabilitated. The Sponsor will have to provide certification that a hazardous materials inspection has been conducted before proceeding with building rehabilitation activities.

In-eligible costs – those expenditures that cannot be reimbursed through the Enhancement program. These are generally activities that do not qualify as one of the 12 eligible Enhancement activities set forth in the federal legislation. Because they are ineligible for reimbursement, these costs cannot be used to fulfill the local match requirement.

In-Kind Match – eligible services and/or materials donated to the project. Contributions can include design services, volunteer labor, land, materials, and administrative services. The value of in-kind contributions should be documented and can be used to meet the 20% local match requirement. This may include Project Sponsor expenditures that are not submitted for reimbursement.

Local Assistance Division – Division within VDOT Central Office charged with management of the federal Transportation Enhancement Program. Local Assistance staff will act as liaison with the FHWA throughout Enhancement project

development. The Division also manages other local programs including: First Cities, Revenue Sharing, Recreational Access, Industrial Access, as well as Scenic Byways and Rural Rustic Roads.

Local Forces – construction performed by a Sponsor’s own work force rather than by a contract awarded through the competitive bidding process. If a local government wishes to use local forces, VDOT and FHWA must approve the cost effectiveness of this method. Use of local forces is limited to work having a total estimated cost of less than \$600,000. [Note that convict labor cannot be used on federally funded projects]

Locally Administered Projects (LAP) Manual – a separate manual developed by the VDOT Local Assistance Division to provide guidance to local governments administering and constructing traditional roadway projects.

Match Requirement – the Enhancement Program requires that the Project Sponsor provide a minimum 20% match to the total federal allocation granted to a project. This non-federal share may consist of cash, materials, services or the value of donated property. For in-kind services or donations to be counted towards the match requirement, they must be expenses that would otherwise be eligible for reimbursement. The Sponsor is ultimately responsible for all project costs over the federal allocation; it is therefore critical that all project expenditures be closely monitored.

Metropolitan Planning Organization (MPO) – regional organizations that are comprised of local elected officials, appropriate agency officials and state officials or their representatives. MPOs are responsible for the development of transportation plans and programs for the urbanized area they represent. All enhancement projects require that the local MPO be notified of a Sponsor’s intent to file an enhancement application with VDOT. If the project is selected to receive enhancement funds, the MPO must approve its addition to their local Transportation Improvement Program (TIP) prior to federal funds being available.

National Environmental Policy Act (NEPA) – enacted in 1969, requires that any activity or project receiving federal funding or other federal approvals (including transportation enhancement projects) undergo an analysis of potential impacts to the environment. Under NEPA, FHWA works closely with other federal agencies and state, local, and tribal governments; public and private organizations; and the public to understand a project’s impact on the human and natural environment. This process involves striking a delicate balance among many different factors – mobility needs, economic prosperity, health and environmental protection, community and neighborhood preservation, and quality of life for present and futures generations.

Notice of Willingness – a public notice posted to indicate a willingness on the localities’ part to hold a public hearing if one is requested.

Phase – every project is broken down into separate developmental phases in which different activities occur. These phases include Preliminary Engineering, Right of Way, Advertisement and Construction. The Project Sponsor must receive written authorization from the VDOT District Enhancement Coordinator prior to beginning a new phase.

Plans, Specifications and Estimate (PS&E) – approval of the PS&E package must occur before federal funds will be authorized for advertisement of the project.

Pre-Award Audit – evaluation a consultant’s cost proposal prior to contract initiation, to assess the reasonableness and accuracy of the proposed costs as well as the adequacy of the consultant’s accounting system to account properly for project costs.

Pre-Construction Meeting – coordination meeting held before construction activities begin. All necessary participants should be present – local Project Sponsor, project management team, inspector(s), contractor, VDOT representatives, and utility companies if applicable.

Preliminary Engineering (PE) – first phase of project development including environmental studies, related engineering studies, design, agency coordination, and public involvement.

Programmatic Categorical Exclusion (PCE) – a class of projects that do not induce impacts to planned growth or land use for the area; do not require any relocations; do not require substantial land acquisition; do not require any U.S. Army Corps of Engineers Section 404 permits; do not have an adverse effect on historic properties; do not use land protected by Section 4(f); do not involve significant air, noise or water quality impacts; do not impact wetlands; do not have significant impact on travel patterns; do not require any changes in interstate access control; do not otherwise, either individually or cumulatively, have any significant environmental impacts; these qualify as a programmatic categorical exclusion. This determination is made in consultation with the VDOT District Environmental Manager. To determine whether an Enhancement project qualifies for a PCE, coordination with the VDHR is required as well as a determination from regulatory agencies on whether water quality permits are necessary.

Project Administration Agreement – written Agreement between VDOT and the Project Sponsor stating each party’s responsibility in managing the project. The Agreement includes an Appendix A which identifies the maximum amount of federal funds available to the project, the time limit for expending the funds, and any items that have been identified as ineligible for reimbursement.

Project Manager – party responsible for daily administration of a project. This may be the Project Sponsor, or it may be a non-profit organization or consultant firm acting on behalf of the Sponsor.

Project Records – this refers to the daily project records kept during construction. This includes the project diaries that track activities, weather, personnel, equipment, and pay items each day. It also includes materials documentation and test reports. See the Department's Inspection and Construction Manual for further guidance.

Project Sponsor – the local government or state/federal agency ultimately responsible for administration of the Enhancement project. This is the party that enters into and signs the Project Agreement with VDOT. The Project Sponsor is responsible for ensuring that all state and federal requirements are fulfilled including environmental documentation and local match.

Project Status Report – a report summarizing the critical milestones for project development. The report is mandatory and should be submitted to the District Enhancement Coordinator quarterly in January, April, July, and October of each year. It should reflect progress being made through project development and construction including identification of any delays / problems encountered.

Public Advertisement – posting in newspapers of general circulation in the area. For construction advertisement, depending on the size and type of work to be performed, you may want to extend the circulation area to include other urbanized areas in order to ensure maximum exposure. The more exposure a proposal gets, generally the more interest and more competitive bids that are received.

Public Hearing – an advertised public meeting to present transportation proposals and provide the opportunity for public comment. A public hearing must be held for all transportation Enhancement projects prior to submittal of an application. Requirements for the initial public hearing should follow guidelines or procedures as established by the local government.

Public Interest Finding – documented evidence that the proposal is cost effective and will result in the lowest overall cost.

Public Involvement Process – process by which the general public has the opportunity to review and address issues in relation to transportation projects.

Request for Bids (RFB) – soliciting unit prices from contractors interested in providing construction services.

Request for Proposal (RFP) – soliciting qualifications from engineering firms interested in providing professional services. The information received will be used to short list and interview qualified firms. No pricing details should be included in the proposals.

Responsible Bidder – a person or firm that has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will assure good faith performance.

Responsive Bidder – a person or firm that has submitted a bid conforming in all material respects to the Invitation to Bid.

Right of Way (RW) – preliminary phase of project development involving the acquisition of property and the relocation of utilities.

Right of Way Certification – a document from the State VDOT Right of Way Manager certifying the status of property clearance prior to construction. It is required on all projects before authorization can be given for advertisement and/or the purchase of materials. This certification is required even when property is donated or in cases where no additional Right of Way / property is needed for construction.

Section 106 – see Cultural Resources

Section 4(f) – Section 4(f) applies only to agencies of USDOT and requires the preservation of public park and recreation lands, wildlife and waterfowl refuges, and historic sites. Use of these lands may only be approved if there is no prudent and feasible alternative to using that land, and the project includes all possible planning to minimize harm to the park, recreation area, wildlife and waterfowl refuge, or historic site resulting from the use. VDOT will consult with FHWA to make this determination during coordination of the environmental document prior to approval.

Signatory Authority – this is required by the Attorney General’s Office to document that the local official signing the Project Agreement is “authorized” to enter into agreements on behalf of the locality.

Sole Source – method of procurement in instances where there is only one practicably available source for the item / service needed. It is the Project Sponsor’s responsibility to research their needs to make sure there is no other available source. To utilize sole source procurement requires prior approval from FHWA.

Statewide Transportation Improvement Program (STIP) – a federally mandated document that lists the transportation projects and programs to be federally funded statewide. All transportation systems and facilities, including Enhancement projects, must be included. Projects must be included in the STIP before federal authorization can be requested.

Transportation Improvement Program (TIP) – a transportation program developed by the MPOs listing federally participating projects to be funded over the next 3 years. All projects that will use Federal funds, including Enhancement projects, must be included in the TIP.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) – procedures and requirements in the acquisition of real property and relocation of persons and businesses for federally funded projects. Enhancement projects must adhere to requirements of the Uniform Act.

VDOT – Virginia Department of Transportation; the state highway agency. The Department is made up of nine (9) highway Districts. The Central Office, located in Richmond, houses the policy Divisions – Local Assistance, Scheduling & Contract, Programming, and Environmental, which ultimately provide approval and authorization for the separate phases of each Enhancement project.

VDOT Charges – these are expenses incurred by the Department for staff time devoted to project development activities including plan review, environmental assistance, appraisal reviews, inspection, civil rights reviews, and in rare instances, utility coordination.

Virginia Public Procurement Act – the Commonwealth of Virginia’s requirements for securing a professional services contract or construction contractor. See the Code of Virginia—Title 2.2-4300.

Appendix A:

Quarterly Project Status Report

QUARTERLY PROJECT STATUS REPORT

Project Name: _____
Project Number: _____
Sponsor: _____

Month: _____
Year: _____

Current Project Phase: (Check each activity that applies)

PE Consultant Acquisition

- Not Applicable
- RFP advertised
- Consultant selected
- Pre-Award audit complete

Design

- Preparing plans
- 50% Plans submitted to VDOT for review
- 100 % Plans submitted to VDOT for review
- Bid document submitted to VDOT for review

Environmental

- Preparing NEPA document
- NEPA document approved

Right-Of-Way / Utilities

- Requested authorization from VDOT
- RW acquisition complete
- Utility relocation complete
- RW certification received

Construction Authorization

- Requested authorization from VDOT
- Authorization received

Contractor Acquisition

- Project advertised
- Recommended award to VDOT
- Construction contract awarded

Construction

- Project under construction

Project Completed

- Requested final inspection by VDOT

Provide a brief description of progress made since last report:

Explain any delays experienced and efforts made to correct:

Describe anticipated work efforts over the next three (3) months:

Completed by: _____
Title: _____

Complete form quarterly and submit to District Enhancement Coordinator in January, April, July, and October of each year.

cc: Local Assistance Division - Enhancement Program Manager

Appendix B:

Reimbursement Procedures & Match Requirements

REIMBURSEMENT PROCEDURES AND MATCH REQUIREMENTS

Federal-Aid Highway Program

The Federal-Aid Highway Program is designed to share with states the costs associated with federal-aid highways. The program funding is provided on a cost reimbursable basis. Therefore, eligible project cost must be incurred before funds may be received from the Federal Highway Administration (FHWA).

In determining incurred costs, federal regulations allow expenditure records to be kept on the cash or accrual basis. The Department (VDOT) will accept the localities' cost records from its automated system based on either accounting basis.

Matching Requirements

The FHWA works as a partner with the states. Accordingly, the financial obligations of the federal-aid highways are shared between FHWA and the states. This cost sharing principle requires state funds to finance the non-federal share. For the Enhancement Program, the typical federal share is 80 percent, requiring a match of 20 percent from state funds.

Title 23 of the United States Code, Section 101 defines state funds as "...funds raised under the authority of the State or any political or other subdivision thereof, and made available for expenditure under the direct control of the State highway department." Therefore, the match must be provided by VDOT or the local government sponsor. VDOT's Enhancement Program policy requires the matching share of state funds to come from the sponsoring locality. This can be in the form of local cash, private contributions, donations of goods and services and/or land value.

Private Contributions:

Contributions of private / corporate funds and donated goods or services can be used on the Enhancement projects to reduce the total cost of the federal project. Realize that private funds must be used to purchase goods / services before they can be credited toward the match requirement. Donated services should be services that might otherwise be hired or contracted out; they should not include meeting or travel time.

Donated Right of Way:

Private contributions of donated right of way can meet the match requirements. The value of right of way donated to the project sponsor qualifies as matching funds. However, the value of this donated right of way is limited to the amount needed for the project.

Example: Project sponsor receives a donation of 3 acres of land from a local trail group for use as a trailhead facility. The property is assessed at the time of donation at \$2,500 / acre.

3 acres of land donated at a value of \$2,500 / acre = \$ 7,500
Only 1 acre of land needed for trailhead facility = \$2,500
Value of eligible in-kind match = \$2,500

Project Expenditures

The expenditure documents (time sheets, vendor invoices, consultant and contractor payments, etc.) must identify all project charges as federally participating or non-participating. Non-participating charges are usually expenditures that are ineligible for FHWA reimbursement. FHWA will reimburse VDOT for the federal share (80%) of the participating costs. When federal-aid projects are approved, the plans must specify the scope of work and identify all items as participating or non-participating. All non-participating costs must be borne by non-federal sources. The locality is responsible for all non-participating costs (100%) for the Enhancement Program.

OMB Circular A-87 establishes principles and standards for determining eligibility on federal-aid projects. The Circular states for costs to be allowable or participating, they must "...be necessary and reasonable for proper and efficient administration of the grant program..." Following are examples of participating and non-participating charges:

Participating costs include the costs of salaries and related expenses for the following activities provided they are within the scope of the project and incurred **after** federal authorization –

- A. Preliminary Engineering – locations, design and related work preparatory to the advancement of a project to physical construction (23 CFR 140 and 23 CFR 172)
- B. Construction Engineering – supervision and inspection of construction activities, materials testing and checking shop drawings (23 CFR 140).
- C. Acquisition of Right of Way – preparation of right of way plans, appraisals, purchase price and other related expenses (23 CFR 140 and 23 CFR 172).
- D. Construction Costs – physical construction by contract (23 CFR 140 and 23 CFR 635).

Non-participating costs include all costs incurred **before** federal authorization or outside the scope of the approved federal-aid project. Examples are as follows –

- A. Before federal authorization – locality begins work on its Enhancement project on August 1, 2001. The federal authorization is approved and signed by FHWA on September 1, 2001. All costs incurred between August 1 and September 1 are ineligible for federal participation. Therefore, the before federal authorization costs must be charged as non-participating (23 CFR 1).
- B. Outside of scope – a federal project includes two miles of bike path connecting the local elementary school and library and it is decided to add an additional mile of trail construction at a location 10 miles from the library. The additional trail work is non-participating because it is outside the scope of the original project.
- C. General administration and other overhead – it is the intent that federal participating charges should be directly related to the Enhancement project (see Participating Costs above). Indirect expenditures such as office supplies and equipment are generally not participating since they are not project specific
- D. Refer to OMB Circular A-87 for examples of unallowable costs for federal reimbursement.
- E. Refer to VDOT’s fiscal policies for allowable expenditures such as reimbursement for travel expenses.

Non-participating costs may also include activities not within the 12 eligible Enhancement activities as outlined in the federal legislation.

If a project audit finds that reimbursement was made for ineligible expenses, the locality must reimburse VDOT for those unallowable charges.

Overview of the Billing Process

The locality sponsoring the project must incur costs before requesting funds from VDOT. The request is for the reimbursement of the federal share. The locality shall submit to VDOT, as frequently as monthly, the costs incurred to date on the project. The resulting payment to the locality will be the amount VDOT is expecting to collect from FHWA as the federal share (80%) of the locality’s incurred costs.

Example 1: Project Sponsor has \$100,000 in consultant invoices for engineering services. No in-kind match is being used and reimbursement is requested at the regular 80% reimbursement rate. No VDOT charges are assessed.

Local expenditures	\$100,000
Federal reimbursement	\$ 80,000
Local match in cash	\$ 20,000

Example 2: Project Sponsor has \$100,000 in consultant invoices for design services to restore an historic depot. The local Railroad donated the depot valued at \$65,000 to the Sponsor. This will be used as in-kind match and the Sponsor is requesting 100% reimbursement of the design invoices. No VDOT charges are assessed.

Local expenditures / invoices	\$100,000
Local expenditures / donated depot	\$ 25,000
Total local expenditures	\$125,000
Federal reimbursement	\$100,000
Local in-kind match used	\$ 25,000

In-kind match required based on \$100,000 in invoices is calculated as follows:

$$\begin{aligned} \$100,000 \div 0.80 &= \$125,000 \text{ total expenditures} \\ \$125,000 \times 0.20 &= \$ 25,000 \text{ match required} \end{aligned}$$

Total land value	\$65,000
Land value used	\$25,000
Match still available	\$40,000

The approved estimate for the Enhancement project should include all estimated costs. VDOT may be requested or required to perform certain work activities such as plan reviews and inspections. The related VDOT costs will be federally participating and included in the reimbursement request submitted to FHWA. Therefore, these costs should be included in the project's estimated budget.

Although the locality is administering a project, VDOT may be requested or required to perform certain work activities related to the project. Therefore, the locality may not be able to collect the full federal share of the approved federal Enhancement allocation. VDOT must be reimbursed for the costs it incurs. FHWA will reimburse VDOT for the 80% federal share of VDOT costs out of the federal project allocation (grant amount) and the locality must provide reimbursement for the 20% match. This match for VDOT's incurred costs will be deducted from the payment to the locality.

Example 3: Project Sponsor has \$100,000 in consultant invoices for engineering services. No in-kind match is being used and reimbursement is requested at the regular 80% reimbursement rate. VDOT charges of \$5,000 for plan review are

assessed on this reimbursement. Remember that 20% of the VDOT charges will be deducted from the locality's reimbursement and 80% will be deducted directly from the federal allocation (grant amount). In this example, the Sponsor has a \$400,000 federal allocation for the project.

Local expenditures	\$100,000
Federal reimbursement	\$ 80,000
Less: 20% match for VDOT charges	\$ 1,000
Reimbursement received by locality	\$ 79,000

The federal allocation is affected as follows:

Federal Enhancement allocation	\$400,000
Less: Federal reimbursement to date	\$ 80,000
Less: Federal share of VDOT charges	\$ 4,000
Federal Enhancement allocation left	\$316,000

The following is a summary of the billing process for Enhancement projects –

- 1) Submit reimbursement request to the appropriate VDOT District Enhancement Coordinator, this should be on the locality's letterhead stationery. A copy of the reimbursement request can be found in Appendix C of this manual.
- 2) Identify project costs to date in summary form (i.e. list contractors names, list number of hours times the rate including fringe benefits for salaries and wages, list other miscellaneous items to help identify exactly what VDOT is reimbursing the locality),
- 3) Identify participating and non-participating expenditures on the statement,
- 4) Maintain documentation of all project costs at the locality, participating and non-participating expenditures should be identified on each source document,
- 5) Reimbursement from VDOT to the locality should be received within 30 days of receiving an acceptable statement from the locality.

Audit Requirements

The FHWA and VDOT require certain financial audits and certifications for federal-aid projects. VDOT has agreed to provide this service to the localities on projects they administer.

Following is a list of the required financial audits and certifications –

- A. Pre-award audits and the resultant audit opinions are required for all contracts for engineering and design related services.
- B. A certification by VDOT that the utility work is complete, acceptable, and in accordance with the terms of the federal project agreement (23 CFR 140).
- C. A certification by VDOT that the railroad work is complete, acceptable, and in accordance with the terms of the federal project agreement (23 CFR 140).
- D. Final audit of all consultant contracts and certification that the costs are allowable for federal-aid participation.

Records Retention

All state and local administrative and financial records related to the federal-aid project must be maintained for three years after final disposition of the project by FHWA. Contractors and consultants must retain all supporting records for three years after receiving final payment from the locality (49 CFR 18).

Related Federal Documents

The following federal documents explain in detail many of the items discussed. They can be purchased from the U. S. Government Printing Office, Superintendent of Documents, Mail Stop: SSOP, Washington, D. C. 20402-9328, telephone number (202) 783-3238.

Code of Federal Regulations:
Title 23 – Highways
Title 48 – Federal Acquisition Regulations System
Title 49 – Transportation

Office of Management and Budget:
Circular A-87 – Cost Principles for State and Local Governments

Appendix C:

Sample Reimbursement Request & Reimbursement Summary Sheets

SAMPLE REIMBURSEMENT REQUEST
 (Must be submitted on Sponsor's letterhead)

Date _____

District Enhancement Coordinator (Name)
 Virginia Department of Transportation
 VDOT District Office Address
 City, State Zip

RE: Reimbursement for Transportation Enhancement Program Funds for [project name]

Dear Residency Administrator:

In accordance with the Agreement dated _____ for the utilization of Transportation Enhancement Program funds for the subject project, this is to request reimbursement for the costs incurred in performing tasks in the approved scope of work.

TOTAL FEDERAL ALLOCATION: \$ _____ PERCENT FEDERAL SHARE: % _____

PROJECT NUMBER / UPC: _____

INVOICE NUMBER: _____

INVOICE PERIOD: From _____ To _____

	<u>TOTAL EXPENDITURES</u>	<u>CURRENT EXPENDITURES</u>
1. EXPENDITURES	\$ _____	\$ _____
2. LESS LOCAL SHARE (20%)	\$ _____	\$ _____
3. REIMBURSEMENT (Federal Share 80%)	\$ _____	\$ _____

I certify that the enclosed invoices have been paid and the referenced funds have not been previously submitted for reimbursement..

 Signature Title Date

Attachments

PRELIMINARY ENGINEERING REIMBURSEMENT SUMMARY

SPONSOR NAME: _____
PROJECT NAME: _____
PROJECT NUMBER: _____
INVOICE NUMBER: _____
PAYMENT PERIOD: _____ From: _____ To: _____

	TOTAL EXPENDITURES	LESS PRIOR EXPENDITURES	CURRENT EXPENDITURES
Administrative Salaries (attach list employees, rate, hours)			
Administrative Travel			
Miscellaneous Administrative Costs (brief description)			
Consultant(s) Name			
TOTAL PE PHASE			

Detail support of ALL costs must be maintained at the locality

RIGHT-OF-WAY REIMBURSEMENT SUMMARY

SPONSOR NAME: _____
PROJECT NAME: _____
PROJECT NUMBER: _____
INVOICE NUMBER: _____
PAYMENT PERIOD: _____ From: _____ To: _____

	TOTAL EXPENDITURES	LESS PRIOR EXPENDITURES	CURRENT EXPENDITURES
Administrative Salaries (attach list employees, rate, hours)			
Administrative Travel			
Miscellaneous Administrative Costs (brief description)			
Miscellaneous Fees			
Purchases			
TOTAL RW PHASE			

Detail support of ALL costs must be maintained at the locality

CONSTRUCTION REIMBURSEMENT SUMMARY

SPONSOR NAME: _____
PROJECT NAME: _____
PROJECT NUMBER: _____
INVOICE NUMBER: _____
PAYMENT PERIOD: _____ From: _____ To: _____

	TOTAL EXPENDITURES	LESS PRIOR EXPENDITURES	CURRENT EXPENDITURES
Administrative Salaries (attach list employees, rate, hours)			
Administrative Travel			
Miscellaneous Administrative Costs (brief description)			
Contractor(s) Name			
Miscellaneous Construction Costs			
TOTAL CN PHASE			

Detail support of ALL costs must be maintained at the locality

MATCH SUMMARY INFORMATION

SPONSOR NAME: _____
PROJECT NAME: _____
PROJECT NUMBER: _____
INVOICE NUMBER: _____
PAYMENT PERIOD: _____ From: _____ To: _____

*SOURCE OF MATCH	TOTAL MATCH TO DATE	LESS MATCH USED TO DATE	AVAILABLE MATCH
Cash			
Services			
Land Value			
Other			
TOTAL			

**Provide detail support of Match with request*

	CURRENT EXPENDITURES	LESS MATCH REQUIRED	REIMBURSEMENT
Preliminary Engineering Phase			
Right-Of-Way Phase			
Construction Phase			
TOTAL			

Detail support of ALL costs must be maintained at the locality

Appendix D:

Sample Environmental Documents

PCE – Programmatic Categorical Exclusion

CE – Categorical Exclusion

TO: Mr. Roberto Fonseca-Martinez
 FROM: Locality
 DATE: / /

PROGRAMMATIC CATEGORICAL EXCLUSION DOCUMENTATION

Route:
 Project Number:
 From:
 To:
 Federal Project:
 County/City:
 UPC ID:

The subject project meets the criteria for Programmatic Categorical Exclusion in accordance with:

- 23 CFR 771.117 (c)(1)
- Agreement approved by the Federal Highway Administration on December 29, 2004 (d)(1) (select from list in attachment).



PCE Agreement.pdf

Description of CE Category:
 Project Description:

USGS Map
 N/A (For Non-highway construction only)

IMPACTS:

	YES	NO
Significant Impacts to Planned Growth or Land Use.	<input type="checkbox"/>	<input type="checkbox"/>
Relocations. <i>Source:</i>	<input type="checkbox"/>	<input type="checkbox"/>
Substantial Land Acquisition	<input type="checkbox"/>	<input type="checkbox"/>
USCG Construction Permit, USACE Individual Section 404 Permit. <i>Source:</i>	<input type="checkbox"/>	<input type="checkbox"/>
Adverse Effect on Historic Properties. <i>Source:</i>	<input type="checkbox"/>	<input type="checkbox"/>
Use of Land Protected by Section 4(f).	<input type="checkbox"/>	<input type="checkbox"/>
Significant Air, Noise or Water Quality Impacts. <i>Source:</i>	<input type="checkbox"/>	<input type="checkbox"/>
Significant Impacts on Travel Patterns.	<input type="checkbox"/>	<input type="checkbox"/>
Changes in Interstate Access Control.	<input type="checkbox"/>	<input type="checkbox"/>
Individual or Cumulative Significant Environmental Impacts.	<input type="checkbox"/>	<input type="checkbox"/>

TO: Mr. Roberto Fonseca-Martinez
 FROM:
 DATE: / /

**CATEGORICAL EXCLUSION
 DOCUMENTATION**

Date CE level document approved by FHWA VA Division: / /

FHWA Contact:

Route:

State Project Number:

From:

To:

Federal Project Number:

County/City:

UPC ID:

Project in STIP: Yes

Project Description:

CE Category 23 CFR 771.117:

Description of Category:

USGS Map

Logical Termini and

Independent Utility: Yes N/A (For Non-highway construction only)

Comments:

Typical Section:

Structures:

SOCIO-ECONOMIC	PRESENT		IMPACTS	
	YES	NO	YES	NO
Minority/Low Income Populations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disproportionate Impacts to Minority/Low Income Populations: Yes <input type="checkbox"/> No <input type="checkbox"/>				
Existing or Planned Public Recreational Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				
Community Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				
Consistent with Local Land Use: Yes <input type="checkbox"/> No <input type="checkbox"/>				
Source:				

Comments:

SECTION 4(f) and SECTION 6(f)	YES	NO
Use of 4(f) Property: Acres:	<input type="checkbox"/>	<input type="checkbox"/>

Individually Eligible Historic Property:	<input type="checkbox"/>	<input type="checkbox"/>
Contributing Element to Historic District:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		
Public Recreation Area:	<input type="checkbox"/>	<input type="checkbox"/>
Public Park:	<input type="checkbox"/>	<input type="checkbox"/>
Public Wildlife/Waterfowl Refuge:	<input type="checkbox"/>	<input type="checkbox"/>
Planned Public Park, Recreation Area, Wildlife or Waterfowl Refuge:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		
Constructive Use:	<input type="checkbox"/>	<input type="checkbox"/>
Section 4(f) Evaluation Attached:	<input type="checkbox"/>	<input type="checkbox"/>
Conversion of 6(f) Property: Acres:	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

CULTURAL RESOURCES	COMPLETE	N/A
<i>Source:</i>		
"No Effect" Pursuant to 1999 DHR Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Phase I Architecture Conducted	<input type="checkbox"/>	<input type="checkbox"/>
Phase II Architecture Conducted	<input type="checkbox"/>	<input type="checkbox"/>
Phase I Archaeology Conducted	<input type="checkbox"/>	<input type="checkbox"/>
Phase II Archaeology Conducted	<input type="checkbox"/>	<input type="checkbox"/>

Effect on Historic Properties:

DHR Concurrence on Effect: Yes

MOA Attached:

Yes

N/A

Comments:

NATURAL RESOURCES	PRESENT		IMPACTS	
	YES	NO	YES	NO
Surface Water (Name:)	<input type="checkbox"/>	<input type="checkbox"/>	Linear ft.	
Source:				

Federal Threatened or Endangered Species: Terrestrial:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aquatic:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plants:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				
100 Year Floodplain: If "Yes" then identify the regulatory floodway zone:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				
Wetlands: If yes, there are no practicable alternatives to the construction in wetlands and the action will include all practicable measures to minimize harm to the impacted wetlands.	<input type="checkbox"/>	<input type="checkbox"/>	Acres Type	
Source:				
Permits Required: If yes, the project may qualify for NW #23	<input type="checkbox"/>	<input type="checkbox"/>		
Compensatory Mitigation Required:	<input type="checkbox"/>	<input type="checkbox"/>		
Source:				

Comments:

AGRICULTURAL/OPEN SPACE	Present		IMPACTS	
	YES	NO	YES	NO
Open Space Easements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				
Agricultural/Forestal Districts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				

Comments:

FARMLAND	YES	NO
NRCS Form CPA-106 Attached: Rating:	<input type="checkbox"/>	<input type="checkbox"/>
Alternatives Analysis Required:	<input type="checkbox"/>	<input type="checkbox"/>
If Form CPA-106 is not attached check all that are applicable:		
Land already in Urban use:	<input type="checkbox"/>	<input type="checkbox"/>
Entire project in area <i>not</i> zoned agriculture:	<input type="checkbox"/>	<input type="checkbox"/>
NRCS did not respond within 45 days:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		

Comments:

INVASIVE SPECIES	Present		
	YES	NO	UNKNOWN
Invasive Species in the project area:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VDCR indicated that the potential exists for some VDOT projects to further the establishment of invasive species. All seeds used will be tested in accordance with the Virginia Seed Law to ensure there are not prohibited Noxious Weed-Seeds in the seed mixes.

Comments:

AIR QUALITY	YES	NO
<p>Air Analysis Required: If "No", indicate which exemption it falls under:</p> <p><input type="checkbox"/> Exempt Project – According to 40 CFR 93.126 (table 2 exempt project), the project is identified as being exempt from air quality analysis. Since the project is exempt from an air quality analysis, it can be concluded that the project will not significantly impact air quality nor will it cause or contribute to an exceedance of the National Ambient Air Quality Standard for carbon monoxide.</p> <p><input type="checkbox"/> LOS Criteria – All of the intersections/interchanges in the project area or directly affected by the project are forecasted to operate at a level of service (LOS) of "C" or better in the design year. According to 40 CFR 93.123, only a qualitative analysis must be conducted for this project, therefore, it can be reasonably concluded that this project will not significantly impact air quality nor will it cause or contribute to an exceedance of the National Ambient Air Quality Standard for carbon monoxide.</p> <p><input type="checkbox"/> Traffic Volume – The project does not include or directly affect any roadway whose design year daily traffic volume would exceed the traffic thresholds outlined in the Memorandum of Understanding (MOU) between VDOT and FHWA for streamlining the project-level air quality analysis process. Modeling using "worst" case parameters has been conducted for these thresholds and it has been determined that projects below these thresholds, such as this one, would not significantly impact air quality nor will it cause or contribute to an exceedance of the National Ambient Air Quality Standards for carbon monoxide.</p>	<input type="checkbox"/>	<input type="checkbox"/>
Air Analysis Attached:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		
Maintenance or Non-Attainment Area:	<input type="checkbox"/>	<input type="checkbox"/>

In Long Range Plan & TIP:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		

Comments:

NOISE	YES	NO
Type I Project:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		
Noise Analysis Attached:	<input type="checkbox"/>	<input type="checkbox"/>
Barriers Under Consideration:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		

Comments:

RIGHT OF WAY AND RELOCATIONS	YES	NO
Residential Relocations: If "Yes", number:	<input type="checkbox"/>	<input type="checkbox"/>
<i>Source:</i>		
Commercial Relocations: If "Yes", number:	<input type="checkbox"/>	<input type="checkbox"/>
<i>Source:</i>		
Non-profit Relocations: If "Yes", number:	<input type="checkbox"/>	<input type="checkbox"/>
<i>Source:</i>		
Right of Way required: If "Yes", acreage amount:	<input type="checkbox"/>	<input type="checkbox"/>
Source:		

	PRESENT		IMPACTS	
	YES	NO	YES	NO
Septic Systems or Public Water Supplies:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				
Hazardous Materials:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Source:				

Comments:

CUMULATIVE AND INDIRECT IMPACTS	Present		
	YES	NO	N/A
Present or reasonably foreseeable future projects (highway and non-highway) in the area:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Impact same resources as the proposed highway project (i.e. cumulative impacts):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indirect (Secondary) impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Source:</i>			

Comments:

PUBLIC INVOLVEMENT	YES	NO
Substantial Controversy on Environmental Grounds:	<input type="checkbox"/>	<input type="checkbox"/>
<i>Source:</i>		
Public Hearing: If "Yes", type of hearing:	<input type="checkbox"/>	<input type="checkbox"/>
Other Public Involvement Activities: If "Yes", type of Involvement:	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

COORDINATION

The following agencies were contacted during development of this study:

This project meets the criteria for a Categorical Exclusion pursuant to 40 CFR 1508.4 and 23 CFR 771.117 and will not result in significant impacts to the human or natural environment

Appendix E:

Excerpts from VDOT Manual on Procurement of Consultant Services

2.1 Advertisement Procedures

Public Notice Time Limit

The public notice of the Request for Proposal (RFP) must be published at least 10 workdays prior to the date set for receipt of expressions of interest. To allow a maximum number of offerors to respond, however, a reasonable amount of time in keeping with the project schedule is recommended. A typical amount of time is 3 to 4 weeks.

Request for Proposal

The request / invitation may include the following:

1. Narrative of services required
2. Disadvantaged Business Enterprise (DBE) Goal Requirements (as applicable)
3. Qualification questionnaire
4. Selection criteria that will be used
5. Other unique capability or qualifications that will be required

****NOTE: The RFP should not request an estimate of personnel hours or cost for services.**

Qualifications Questionnaire

The qualifications questionnaire may request the following information from firms:

1. Organizational structure
2. Names and addresses of all affiliated or subsidiary companies
3. Percentage of work that will be done in a Virginia office and percentage that will be done out of state for each firm involved
4. Names and experience background of key personnel assigned to the project
5. Indication of firm's ability to meet time schedule of project

6. Percentage of DBE participation and work to be performed by DBE firms
7. List of firms on the team that currently have work with VDOT or firms that have been selected for work not yet commenced and outstanding fees
8. Copies of GSA Forms 254 and 255 for all firms involved in the project
9. Any other information indicating the firm's qualifications to perform the proposed work required for the project
10. Information regarding conditions within firm or sub consultant that are relevant to determining responsibility
11. Indication of method of payment for contract and type of contract
12. Date, location, and time of scheduled pre-proposal conference and specification of whether attendance is mandatory

3.0 Competitive Negotiation

VDOT uses **competitive negotiation** to select consultants for professional services. Competitive negotiation is a selection method defined by Virginia law in the Virginia Public Procurement Act §2.2-430. The most important feature of competitive negotiation is that factors such as technical expertise, previous experience, adequate staffing, and location of the firm are considered. Price is not considered when a consultant is selected.

Virginia Public Procurement Act

The Virginia Public Procurement Act requires that a competitive negotiation process include the following steps:

1. Issue a Request for Proposal – Issue an RFP that contains the specifications and contractual terms and conditions of the procurement. The RFP must also include a statement of any requisite qualifications of potential contractors.
2. Publicize – Publish an RFP in a general circulation newspaper and post it in a designated public area. This must be done at least 10 workdays before the expressions of interest are due, preferably 4 weeks. Expressions of interest may also be solicited directly from potential contractors. [NOTE: Federal funds requires 21 days public advertisement]

3. Discuss – Hold individual discussions with two or more offerors who are deemed to be fully qualified, responsible and suitable to provide the services based on initial responses. If Federal Highway Administration (FHWA) funds are involved, discussions must be held with three offerors. Emphasis should be on professional competence. Repetitive informal interviews are permissible. Only non-binding estimates of project costs may be discussed at this stage.
4. Negotiate – Negotiate with the highest ranked firm. If a satisfactory contract can be negotiated that is considered fair and reasonable, the contract is awarded to that offeror. Otherwise, negotiations with the offeror ranked first are formally terminated and negotiations with the offeror ranked second are begun. This process is followed until a satisfactory contract can be made.

Evaluating Statements of Interest

Suggested criteria for evaluating statements of interest include:

1. Special expertise and experience of the firm's key employees and their availability and time commitment to the project
2. Proposed staffing for the project and previous experience of those identified
3. Experience of the firm and their personnel on previous projects similar to the one under consideration
4. Understanding of the project by the firm as demonstrated by their approach to organization and management of the work
5. Current workload of the firm and their ability to meet the proposed project schedule
6. Location of the firm's office where the work will be done
7. Quality of previous performance by the firm with VDOT [locality or similar enhancement project]
8. DBE participation whether as a prime or sub consultant
9. Use of sub consultants to accomplish work on the project
10. Equipment the firm has available and proposes to use on the project

11. Firm's familiarity with federal, state and local codes, requirements, standards and procedures

When reviewing highly technical expressions of interest, evaluation criteria generally should include the following as well:

1. Demonstrated competence
2. Innovative concepts
3. Approach to quality control
4. Comprehensiveness of proposal

3.1 Preparation for Consultant Interviews

To get the most out of interviews with consultants, one must prepare in advance. One needs to do more than arrange an interview with a consultant, listen to their presentation, and score them.

First, the interviewer should be aware that many firms are represented by a generalist who is a polished speaker and negotiator but may know very little about the specific work the firm is proposing to do for VDOT [Project Sponsor]. The interviewer should request in advance that all of the team leaders who will be working on the project be present at the interview, including sub consultants. They should be asked detailed questions about their respective areas of expertise.

Second, it is imperative that the interviewer prepares questions in advance of the interview. The questions should give the interviewer all the information he or she needs to make an informed decision. The interviewer should design a system of recording answers to the questions that will assist him or her later with explaining the reason for the decision not to select a firm. If the interviewer does not have a well-thought-out system of questioning and recording, he or she will not be able to provide satisfactory feedback.

In summary:

1. Request that all firm members involved with the project be present at the interview.
2. Request that sub consultants be present at the interview.
3. Prepare detailed questions in advance.

4. Develop a recording system that will enable you to give thorough feedback to firms after the interview process.

Ensure Fairness to Offerors

All offerors must be treated fairly. Fairness requires equal treatment of offerors with similar deficiencies. It does not require VDOT [Project Sponsor] to spend an equal amount of time with all offerors or to discuss the same areas. The content and depth of discussion with each offeror are determined by the deficiencies of the individual proposal. In addition, fairness to offerors includes ensuring confidentiality of certain information received from the offeror, such as financial information.

3.2 Effective Negotiation

There are four keys to effective negotiation, which spell the acronym TEAM:

- T**one: View consultants as potential teammates, not as adversaries. This will set a positive tone for the meetings.
- E**motions: Keep your emotions under control during negotiation meetings and be aware of others' sensitivities.
- A**ttitude: Approach negotiation positively. Remember, you may have to work with any one of the consultants in the future!
- M**anage: Take the initiative and actively manage negotiation meetings. Keep the discussion on track and on point.

3.4 Pre-Award Audit

A pre-award audit is the financial audit of a consultant's books that is conducted prior to contract initiation. Eighty-eight percent of states require a pre-award audit, including Virginia. Such audits are necessary when the agency has selected a firm it has not previously retained or a firm that has not worked for VDOT within the

previous year. The audit unit reviews the monetary records and bookkeeping practices.

The evaluation of a cost proposal is used as a management tool to assess the reasonableness and accuracy of the proposed costs, as well as the adequacy of the consultant's accounting system to account properly for project costs.

The pre-award audit also provides information to management regarding any potential problems relating to the consultant's financial capability. A written pre-award evaluation report setting forth the results of the auditor's review and analysis of cost data submitted on the consultant's cost proposal is issued to the VDOT contracting officers.

3.5 Accepted Final Offers

The objective of contract negotiations is to achieve complete agreement by the parties on all basic issues. The VDOT [Sponsor] negotiator must conduct discussions to the extent necessary to resolve uncertainties. Basic questions should not be left for later agreement during price revision or other supplemental proceedings. The issues should be resolved at the time of negotiation! Discussion resulting in final offers that are clear and free from indefinite terms and deficiencies eliminates the need for another round of discussions.

Appendix F:

Pre-Award Audit of Professional Service Contracts

PRE-AWARD AUDIT EVALUATION CHECKLIST

The prime consultant should submit a package that includes cost proposals for them and all of their sub-consultants that provide a breakdown of all costs and documentation supporting the proposed costs as described below:

Direct Labor Costs

- A listing of the proposed average hourly rates per classifications including the employee names and hourly pay rates used to determine the average hourly rates per classification supported by **actual payroll registers** for each employee proposed.
- A calculation showing how the escalation was derived with a breakdown of escalation amount per year of contract performance. Escalation is limited to 1.5% in the first year of the contract and 3% for all subsequent years.
- Principals, partners, executives etc. are considered administrative, and their costs should be included in the overheads. If a principal, etc. chooses to perform technical services, they can bill at the comparable rate to the technical activity or function being performed.

Indirect (Overhead) Costs

- Federal Acquisition Regulations (FAR) audit approval letter from VDOT External Audit Division, or an audit performed in accordance with the FAR by an independent CPA firm or cognizant government agency no older than 18 months.
- In the absence of a FAR audit we will allow up to 75% for the overhead rate to be used in the cost proposal and based on supporting documentation submitted by the consultant.
- The FAR audit requirement is waived for sub-consultants' whose cost proposal amount is less than \$25,000. We need documentation in support of the proposed overhead rate.

Net Fee

- The net fee should be negotiated and within VDOT guidelines, with written documentation to justify any net fee rate over 10%.

Non-Salary (Other) Direct Costs

- Costs for employees on travel status are limited to the VDOT travel policy for lodging, per diem, and mileage rates.
- All in-house developed rates proposed should be supported by proper source documentation.
- All other direct costs proposed should be reasonable, based upon actual costs (no mark-up), and in accordance with the VDOT policy.

Contingency

- The contingency should be negotiated and within VDOT guidelines, with written documentation to justify any contingency rate over 5%.

Appendix G:

Recommended Plan Details

RECOMMENDED PLAN DETAILS

For all projects, good planning and design lead to efficient construction, operation, and maintenance of accommodations. Good design results in a well-developed plan set that provide proper information for bidding and construction. To this end, plan sets for enhancement projects need to include the following:

Administrative Information

- title sheet with project title, description and VDOT project number
- location map showing orientation of project
- map indicating project phasing when multiple phases are involved
- sheet index

Detail Information

- typical sections with dimensions and notation by station or sheet, of where they are used
- range of varying dimensions or at the least the minimum dimension
- sidewalk and pavement structures if applicable to the project
- cross sections with scale
- detail sheets
 - current VDOT insertable sheets for applicable items
 - explicit details on the modifications which must be reviewed
- bridge plans including plan view and rail details
- signing and pavement marking plan
- landscaping plan
- lighting plan
- erosion and sedimentation control plan
- drainage calculations
- demolition plan
- construction sequence
- maintenance of traffic plan in accordance with the work area protection manual

Plan Sheets

- right-of-way lines
- location of utilities and amenities (benches, trash cans, etc.)
- horizontal and vertical sight distance if a VDOT roadway is involved in the project
- horizontal and vertical curve data
- radius for curb returns and curves
- plan and profile views
- existing and proposed contour lines with interval annotation
- grading (can be combined with drainage)
- drainage facilities (pipes, storm sewer, drop inlets, ditches, channels, etc)
- drainage and storm water management facilities, if required
- legends that are to be used consistently throughout the plan set
- street names and route numbers
- north arrow and scale

Appendix H:

Sample Letter Requesting Right of Way Certification

**SAMPLE LETTER REQUESTING
RIGHT OF WAY CERTIFICATION**

Date

VDOT District Right-of-Way Manager (Name)
Virginia Department of Transportation
VDOT District Office Address
City, State Zip

RE: Project Number
Request for Right of Way Certification

Dear District Right-of-Way Manager:

This letter is to request right of way certification on the above referenced project.

This project consists of streetscape improvements along Main Street from Liberty Avenue to Maple Street. All construction is to take place within the existing right of way; therefore, no additional right of way is required. There are no railroads or buildings affected by the proposed improvements.

In addition, to the best of our knowledge, the soil on the right of way within the referenced project limits is free of contaminants.

Arrangements have been made for all utility adjustments required for the project. This includes under-grounding overhead power lines and relocating existing utility lines in conflict with the proposed sidewalk improvements.

Please forward this information to the District Right of Way Engineer for preparation of the required Right of Way Certification.

Sincerely,

John Doe
Town Manager

cc: VDOT District Enhancement Coordinator

Appendix I:

VDOT Form C-5

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION
REPORTING STARTING AND COMPLETION OF PROJECTS

Date _____

County _____ Residency _____
 District _____ Contract Id. No. _____
 State Project No. _____ Federal Project No. _____
 UPC No. _____

Contractor _____

	DATE STARTED	DATE COMPLETED
Contract Work	_____	_____
State Force Account	_____	_____
R.R. Work	_____	_____
Utilities	_____	_____

All work on the Agreement Estimate dated _____ was completed _____ and this project is ready for final inspection by the Federal Highway Administration.

The above project was inspected on _____ by _____ (Name) _____ and found to be clear of all encroachments except permissible utilities otherwise noted below.

(Title)

All entrances have been inspected prior to final acceptance, as set forth in the Construction Manual, and found to be satisfactory excepts as noted below.

Unless otherwise noted below, the project termini were not altered during construction.

REMARKS OR EXPLANATIONS:

Area Construction Engineer

District Administrator

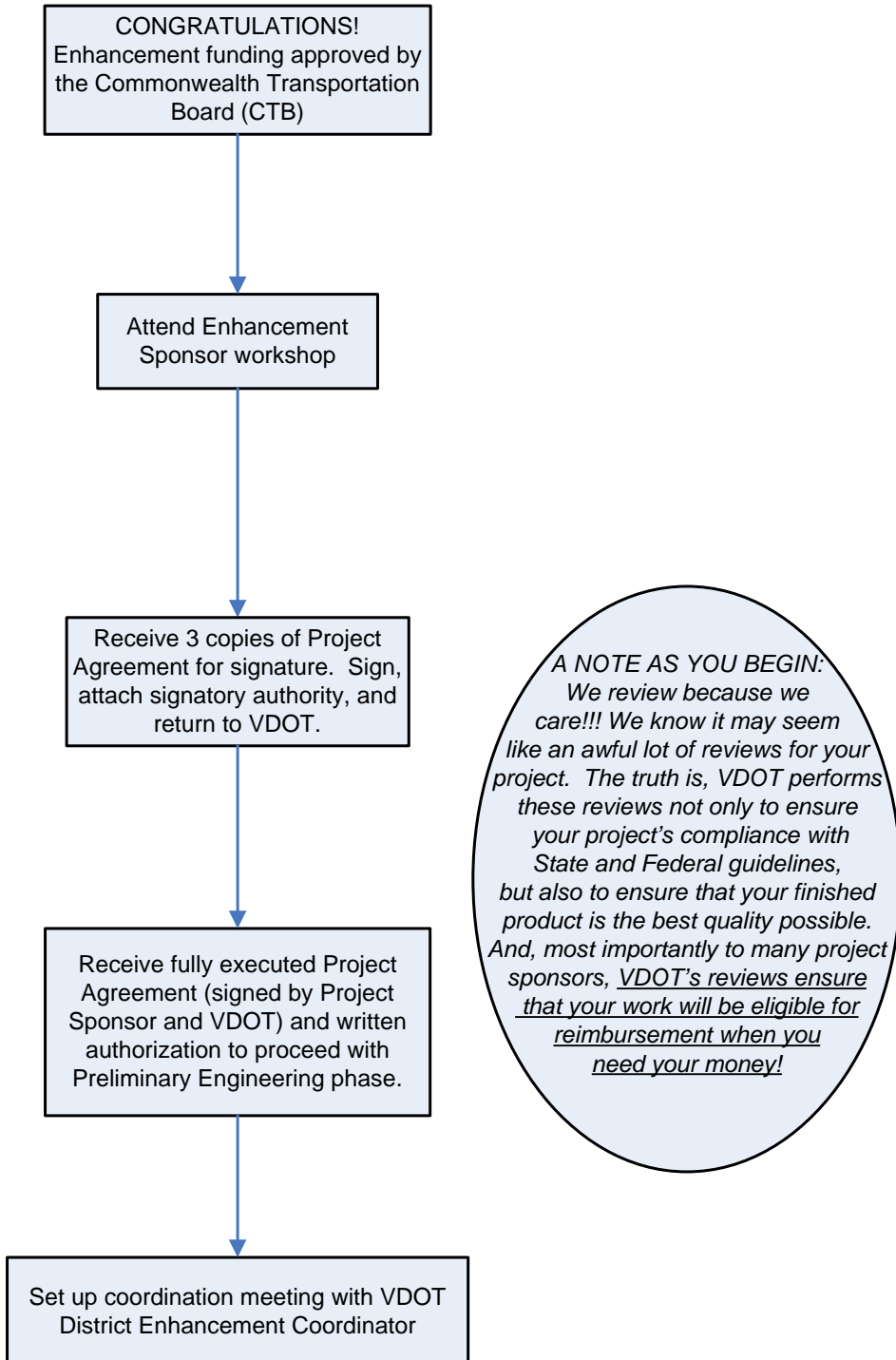
Copy:
 Scheduling & Contract Engineer
 Programming Division – Finance Section
 Location & Design Engineer
 Environmental Division Administrator
 Materials Engineer
 Right of Way & Utilities Director
 Fiscal Manager
 Project Manager
 Project Inspector
 State Traffic Engineer

Director of Rail, Department of Rail & Public Transportation (Projects Involving Railroads Only)
 Information Technology Division (HTRIS)
 Local Assistance Director
 Administrative Services Division Administrator (Capital Outlay Projects Only)
 Contractor (Starting and Completion of Contract Work Only)
 Division Administrator, Federal Highway Administration

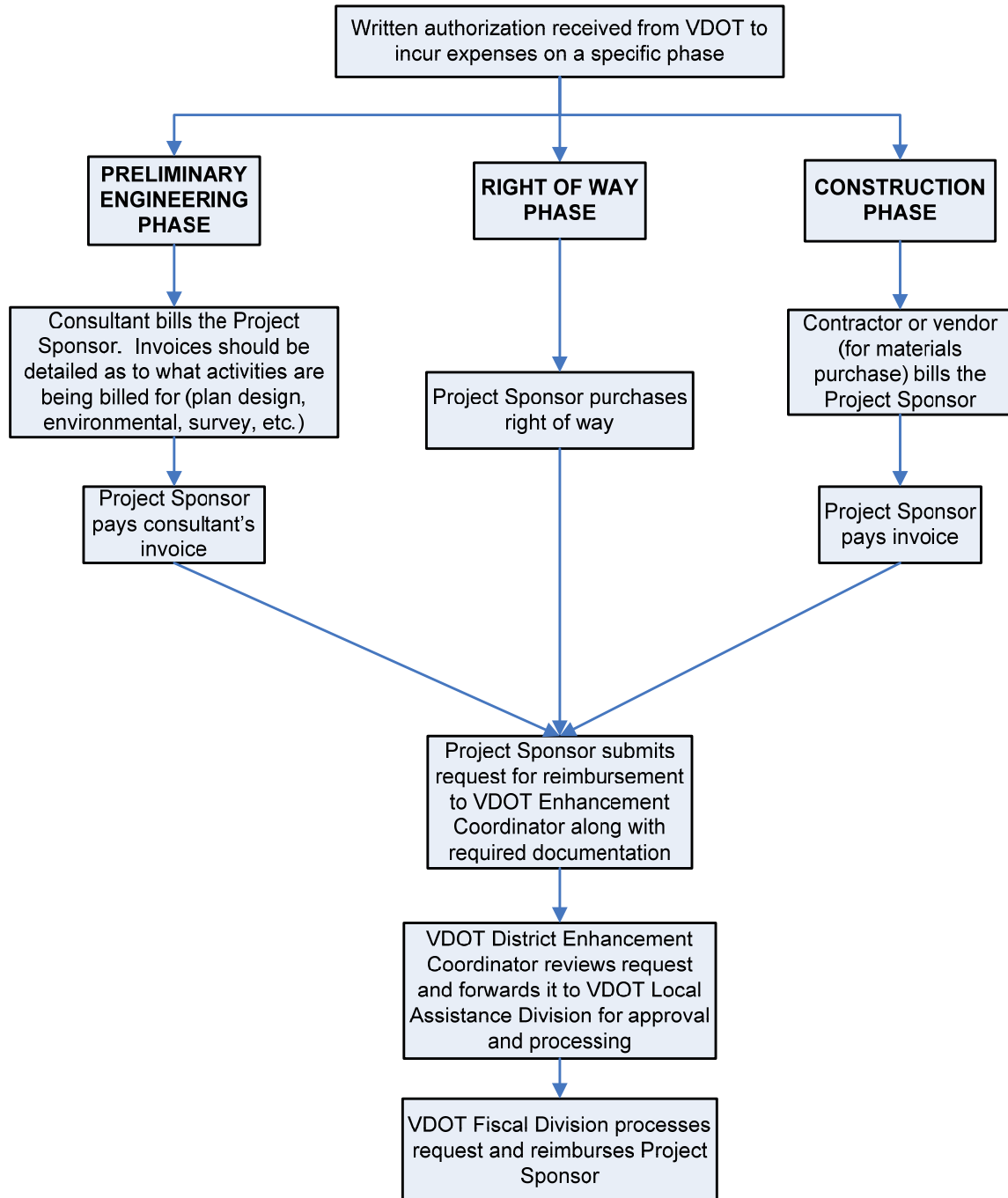
Appendix J:

Project Development and Process Flowcharts

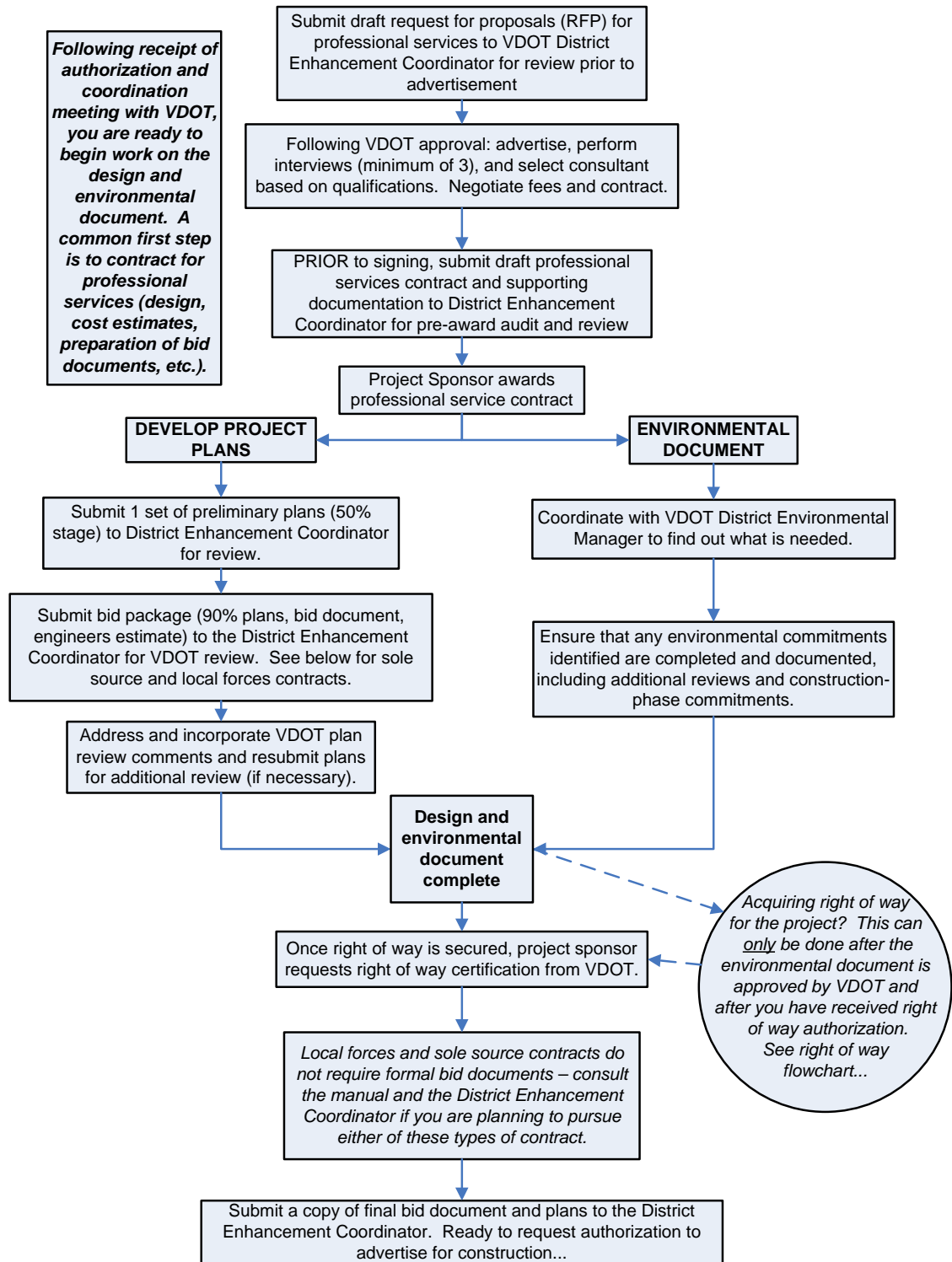
PROJECT AGREEMENT FOR TRANSPORTATION ENHANCEMENT PROJECTS



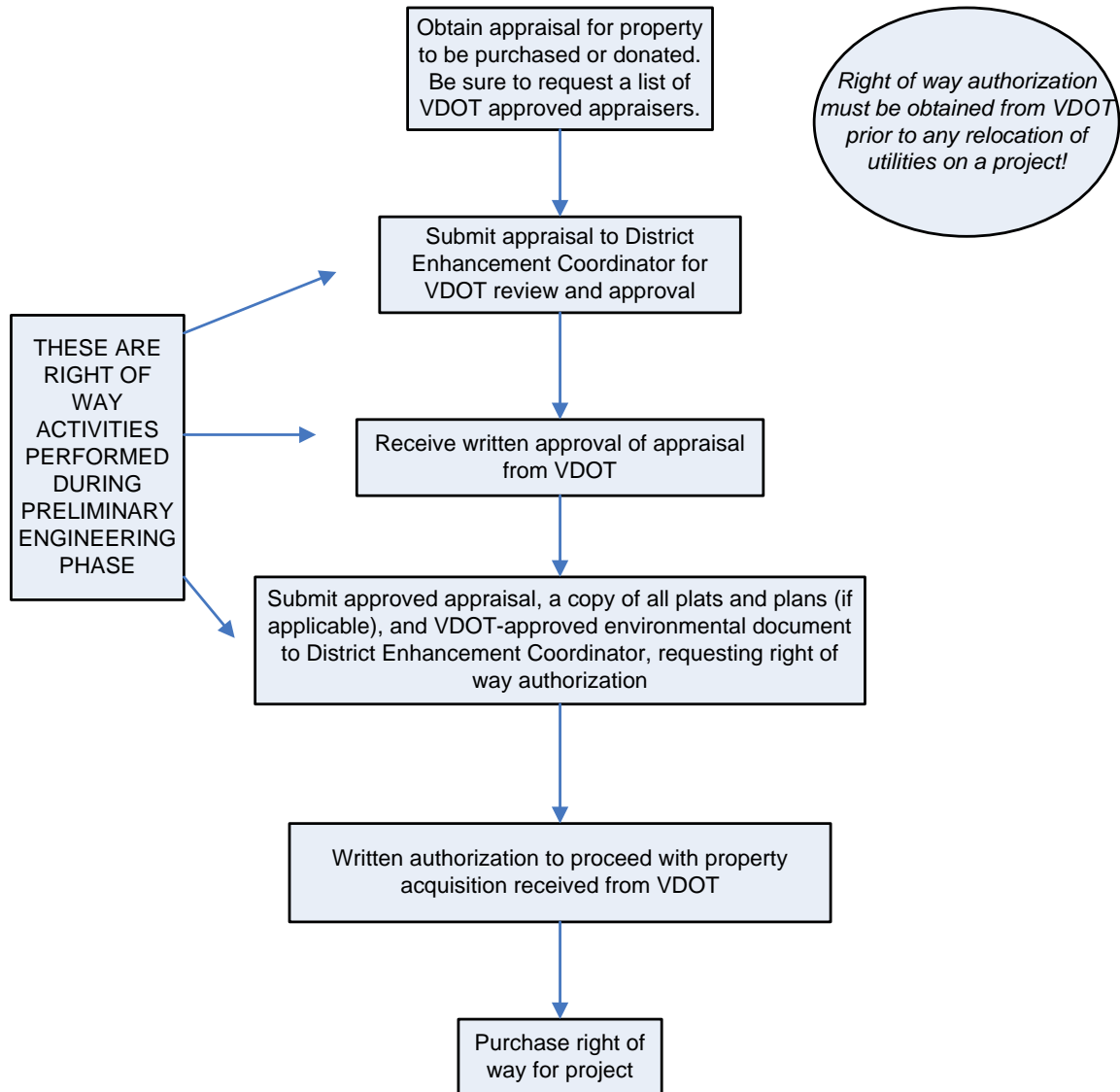
BILLING PROCEDURES FOR TRANSPORTATION ENHANCEMENT PROJECTS



PRELIMINARY ENGINEERING PHASE FOR TRANSPORTATION ENHANCEMENT PROJECTS



RIGHT OF WAY PHASE (PROPERTY ACQUISITION) FOR TRANSPORTATION ENHANCEMENT PROJECTS



ADVERTISEMENT AND CONSTRUCTION PHASE FOR TRANSPORTATION ENHANCEMENT PROJECTS

