

**STEWARDSHIP AND OVERSIGHT AGREEMENT
ON PROJECT ASSUMPTION AND PROGRAM OVERSIGHT
BY AND BETWEEN
FEDERAL HIGHWAY ADMINISTRATION, CALIFORNIA DIVISION
AND THE
STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)**

SECTION I. BACKGROUND AND INTRODUCTION

The Federal-aid Highway Program (FAHP) is a federally-assisted program of State-selected projects. The Federal Highway Administration (FHWA) and the State Departments of Transportation (State DOTs) have long worked as partners to deliver the FAHP in accordance with Federal requirements. In enacting 23 U.S.C. 106(c), as amended, Congress recognized the need to give the States more authority to carry out project responsibilities traditionally handled by FHWA. Congress also recognized the importance of a risk-based approach to FHWA oversight of the FAHP, establishing requirements in 23 U.S.C. 106(g). This Stewardship and Oversight (S&O) Agreement sets forth the agreement between the FHWA and the State of California Department of Transportation (Caltrans) on the roles and responsibilities of the FHWA and Caltrans with respect to Title 23 project approvals and related responsibilities, and FAHP oversight activities.

The scope of FHWA responsibilities, and the legal authority for State DOT assumption of FHWA responsibilities, developed over time. The U.S. Secretary of Transportation delegated responsibility to the Administrator of the FHWA for the FAHP under Title 23 of the United States Code, and associated laws. (49 CFR 1.84 and 1.85) The following legislation further outlines FHWA's responsibilities:

- Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991;
- Transportation Equity Act for the 21st Century (TEA-21) of 1998;
- Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005; and
- Moving Ahead for Progress in the 21st Century Act (MAP-21) of 2012 (P.L. 112-141).

The FHWA may not assign or delegate its decision-making authority to a State DOT unless authorized by law. Section 106 of Title 23, United States Code (Section 106), authorizes the State to assume specific project approvals. For projects that receive funding under Title 23, U.S.C., and are on the National Highway System (NHS) including projects on the Interstate System, the State may assume the responsibilities of the Secretary of the U.S. Department of Transportation under Title 23 for design, plans, specifications, estimates, contract awards, and inspections with respect to the projects unless the Secretary determines that the assumption is not appropriate. (23 U.S.C. 106(c)(1)) For projects under Title 23, U.S.C. that are not on the NHS, the State shall assume the responsibilities for design, plans, specifications, estimates, contract

awards, and inspections unless the State determines that such assumption is not appropriate. (23 U.S.C. 106(c)(2))

For all other project activities which do not fall within the specific project approvals listed in Section 106 or are not otherwise authorized by law, the FHWA may authorize a State DOT to perform work needed to reach the FHWA decision point, or to implement FHWA's decision. However such decisions themselves are reserved to FHWA.

The authority given to Caltrans under Section 106(c)(1) and (2) is limited to specific project approvals listed herein. Nothing listed herein is intended to include assumption of FHWA's decision-making authority regarding Title 23, U.S.C. eligibility or Federal-aid participation determinations. The FHWA always must make the final eligibility and participation decisions for the Federal-aid Highway Program. The final eligibility and participation determination on a Federal-aid project is normally made at the time that a Project Agreement is signed by FHWA.

Section 106(c)(3) requires FHWA and Caltrans to enter into an agreement relating to the extent to which Caltrans assumes project responsibilities. This Stewardship and Oversight Agreement (S&O Agreement) defines the extent to which Caltrans assumes these statutory responsibilities of FHWA, includes information on specific project approvals and related responsibilities, and provides the requirements for FHWA oversight of the FAHP (Oversight Program), as required by 23 U.S.C. 106(g).

SECTION II. INTENT AND PURPOSE OF S&O AGREEMENT

The intent and purpose of this S&O Agreement is to document the roles and responsibilities of the FHWA's California Division Office (FHWA or Division) and California (State DOT or Caltrans) with respect to project approvals and related responsibilities, and to document the methods of oversight which will be used to efficiently and effectively deliver the FAHP.

The Project Action Responsibility Matrix, Attachment A which is attached to and made a part of this S&O Agreement by reference (further described in Section VIII), identifies FHWA FAHP project approval actions and related responsibilities of Caltrans and FHWA respectively on a program-wide basis pursuant to 23 U.S.C. 106(c) and other legal authorities. Upon execution of this agreement, Attachment A shall be controlling and except as specifically noted in Attachment A, no other agreements, attachments, or other documents shall have the effect of delegating or assigning FHWA approvals to State DOT on a program-wide basis under 23 U.S.C 106 or have the effect of altering Attachment A.

Caltrans and the FHWA will work in partnership to deliver the FAHP to ensure integrity, value, and quality for system stakeholders and all of its customers. In order to meet this desired outcome, the agencies will implement effective strategies, and employ a variety of tools to assess and continuously monitor the overall health of the FAHP to enhance the transportation system within the State of California. This document represents the current S&O Agreement between the Division and Caltrans. It supersedes the previous S&O agreement dated October 14, 2010.

SECTION III. ASSUMPTION OF RESPONSIBILITIES FOR FEDERAL-AID PROJECTS ON THE NATIONAL HIGHWAY SYSTEM

- A. Caltrans *may assume* the FHWA's Title 23 responsibilities for design; plans, specifications, and estimates (PS&E); contract awards; and inspections, with respect to *Federal-aid projects on the National Highway System (NHS)* if both Caltrans and FHWA determine that assumption of responsibilities is appropriate.
- B. Approvals and related activities for which Caltrans has assumed responsibilities as shown in Attachment A will apply program wide unless project specific actions for which the Division will carry out the approval or related responsibilities are documented in accordance with the FHWA Project of Division Interest/Project of Corporate Interest Guide (FHWA PoDI/PoCI Guide) located at: (<http://www.fhwa.dot.gov/federalaid/stewardship/>) and the Division Risk Based Stewardship and Oversight (RBSO) Standard Operating Procedure (SOP).
- C. Caltrans may not assume responsibilities for Interstate projects that are in high risk categories. (23 U.S.C. 106(c)(1))
- D. Caltrans is to exercise any and all assumptions of the Secretary's responsibilities for design; PS&E; contract awards; and inspections of delegated Federal-aid projects on the NHS in accordance with Federal laws, regulations and policies.

SECTION IV. ASSUMPTION OF RESPONSIBILITIES FOR FEDERAL-AID PROJECTS OFF THE NATIONAL HIGHWAY SYSTEM

- A. Caltrans *shall assume* the FHWA's Title 23 responsibilities for design, PS&Es, contract awards, and inspections, with respect to *Federal-aid projects off the NHS (non-NHS)* unless Caltrans determines that assumption of responsibilities is not appropriate. (23 U.S.C. 106(c)(2))
- B. Except as provided in 23 U.S.C.109(o), Caltrans is to exercise the Secretary's approvals and related responsibilities on these projects in accordance with Federal laws.
- C. Caltrans, in its discretion, may request FHWA carry out one or more non-NHS approvals or related responsibilities listed as "State" in Attachment A on a program-wide basis. For a project specific request, the State may request FHWA carry out any approval or related responsibility listed in Attachment A off the NHS. Such project-specific requests shall be documented in accordance with the FHWA PoDI/PoCI Guide. Notwithstanding the requirement under Section XII E, such project specific request does not require an amendment to Attachment A.

- D. Pursuant to 23 U.S.C. 109(o), non-NHS projects shall be designed and constructed in accordance with State laws, regulations, directives, safety standards, design standards, and construction standards.

SECTION V. ASSUMPTION OF RESPONSIBILITIES FOR LOCALLY ADMINISTERED PROJECTS

It has been determined under 23 U.S.C. 106(c) that Caltrans may permit local public agencies (LPAs) to carry out Caltrans's assumed responsibilities on locally administered projects. Caltrans is responsible and accountable for LPA compliance with all applicable Federal laws and requirements.

SECTION VI. PERMISSIBLE AREAS OF ASSUMPTION UNDER 23 U.S.C. 106(c)

State DOT assumption of responsibilities under 23 U.S.C. 106(c) may cover only activities in the following areas: design; plans, specifications, and estimates (PS&E); contract awards; and inspections, which are defined as follows:

- A. Design, which includes preliminary engineering, engineering, and design-related services directly relating to the construction of a FAHP-funded project, including engineering, design, project development and management, construction project management and inspection, surveying, mapping (including the establishment of temporary and permanent geodetic control in accordance with specifications of the National Oceanic and Atmospheric Administration), and architectural-related services.
- B. PS&E, which represents the actions and approvals required before authorization of construction. The PS&E package includes geometric standards, drawings, specifications project estimates, and certifications relating to completion of right-of-way acquisition and relocation, utility work, and railroad work.
- C. Contract awards, which include procurement of professional and other consultant services and construction-related services to include advertising, evaluating, and awarding contracts.
- D. Inspections, which include general contract administration, material testing and quality assurance, review, and inspections of Federal-aid contracts as well as final inspection/acceptance.
- E. Approvals and related responsibilities affecting real property as provided in 23 CFR 710.201(i) and any successor regulation in 23 CFR Part 710.

SECTION VII. FEDERAL APPROVALS AND RELATED RESPONSIBILITIES THAT MAY NOT BE ASSUMED BY CALTRANS

A. Any approval or related responsibility not listed in Attachment A cannot be assumed by Caltrans without prior concurrence by FHWA Headquarters. The following is a list of the most frequently-occurring approvals and related responsibilities that may not be assumed by Caltrans:

- Civil Rights Program approvals;
Environmental approvals, except those specifically assumed under other agreements, the Law including but not limited to 23 USC §326, 23 USC §327, and any subsequent authorization and assumption assignments.

Note: Caltrans and the FHWA California Division agreed to the assignment of responsibilities to Caltrans for categorical exclusions (CEs) 23 USC § 326. This assignment is described in the FHWA-Caltrans MOU dated June 7, 2010. Caltrans has also taken full advantage of the NEPA assignment allowed by 23 USC §327. The FHWA-Caltrans MOU dated October 1, 2012, details the scope of this assignment of responsibilities to Caltrans. Pursuant to the assignment of responsibilities under Sections 326 and 327, Caltrans serves as the lead federal agency for most projects. However, the FHWA remains the lead federal agency for specific projects and certain categories of projects listed in the Section 327 MOU as being exempt from this assignment.

- Federal air quality conformity determinations required by the Clean Air Act;
- Approval of current invoices and final vouchers;
- Approval of federally-funded hardship acquisition, protective buying, and 23 U.S.C. 108(d) early acquisition;
- Project agreements and modifications to project agreements and obligation of funds (including advance construction);
- Planning and programming pursuant to 23 U.S.C. 134 and 135;
- Special Experimental Projects (SEP-14 and SEP-15);
- Use of Interstate airspace for non-highway-related purposes;
- Any Federal agency approval or determination under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended, and implementing regulations in 49 CFR Part 24;
- Waivers to Buy America requirements;
- Approval of Federal participation under 23 CFR 1.9(b);
- Provide pre-approval for preventive maintenance project (until FHWA concurs with State DOT procedures);
- Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations, or other contributions applied to a project;
- Functional replacement of property;
- Approval of a time extension for preliminary engineering projects beyond the 10-year limit, in the event that actual construction or acquisition of right-of-way for a highway project has not commenced;

- Approval of a time extension beyond the 20-year limit for right of way projects, in the event that actual construction of a road on the right-of-way is not undertaken;
 - Approval of a time extension beyond the second year following the year in which a disaster occurred for Emergency Relief permanent restoration construction obligation.
 - Determine need for Coast Guard Permit;
 - Training Special Provision – Approval of New Project Training Programs; and
 - Any other approval or activity not specifically identified in Attachment A unless otherwise approved by the FHWA, including the FHWA’s Office of Chief Counsel.
- B. For all projects and programs funded with Federal-Aid highway funds, Caltrans will comply with Title 23 and all applicable non-title 23, U.S.C., Federal-aid program requirements, such as metropolitan and statewide planning; environment; procurement of engineering and design related service contracts (except as provided in 23 U.S.C. 109(o)); Civil Rights including Title VI of the Civil Rights Act of 1964, and participation by Disadvantaged Business Enterprises; prevailing wage rates; and acquisition of right-of-way, etc.
- C. This Agreement does not modify the FHWA’s non-Title 23 program approval and related responsibilities, such as approvals required under the Clean Air Act; National Environmental Policy Act, Executive Order on Environmental Justice (E.O. 12898), and other related environmental laws and statutes; the Uniform Act; and the Civil Rights Act of 1964 and related statutes.

SECTION VIII. PROJECT ACTION RESPONSIBILITY MATRIX

Attachment A, Project Action Responsibility Matrix, to this S&O Agreement identifies FAHP project approvals and related responsibilities. The Matrix specifies which approvals and related responsibilities are assumed by Caltrans under 23 U.S.C. 106(c) or other statutory or regulatory authority, as well as approvals and related responsibilities reserved to FHWA.

SECTION IX. HIGH RISK CATEGORIES

- A. In 23 U.S.C. 106(c), Congress directs that the Secretary shall not assign any approvals or related responsibilities for projects on the Interstate System if the Secretary determines the project to be in a high risk category. Under 23 U.S.C. 106(c)(4)(B), the Secretary may define high risk categories on a national basis, State-by-State basis, or national and State-by-State basis.
- B. The Division has determined there are no high risk categories.

SECTION X. FHWA OVERSIGHT PROGRAM UNDER 23 U.S.C. 106(g)

- A. In 23 U.S.C. 106(g), Congress directs that the Secretary shall establish an oversight program to monitor the effective and efficient use of funds authorized to carry out the FAHP. This program includes FHWA oversight of the State's processes and management practices, including those involved in carrying out the approvals and related responsibilities assumed by the State under 23 U.S.C. 106(c). Congress defines that, at a minimum, the oversight program shall be responsive to all areas relating to financial integrity and project delivery.
- B. The FHWA shall perform annual reviews that address elements of Caltrans's financial management system that affect projects that are approved by FHWA in accordance with 23 U.S.C. 106(g)(2)(A). FHWA will periodically review Caltrans's monitoring of sub recipients pursuant to 23 U.S.C. 106(g)(4)(B).
- C. The FHWA shall perform annual reviews that address elements of the project delivery systems of Caltrans, which elements include one or more activities that are involved in the life cycle of project from conception to completion of the project. The FHWA will also evaluate the practices of Caltrans for estimating project costs, awarding contracts, and reducing costs. 23 U.S.C. 106(g)(2) and (3).
- D. To carry out the requirements of 23 U.S.C. 106(g), the FHWA will employ a risk management framework to evaluate financial integrity and project delivery, and balance risk with staffing resources, available funding, and the State's transportation needs. The FHWA may work collaboratively with Caltrans to assess the risks inherent with the FAHP and funds management, and how that assessment will be used to align resources to develop appropriate risk response strategies

Advance planning and resource allocation by involved agencies is a key component for the success of the Oversight Program. FHWA will submit a comprehensive annual work plan, for all the reviews it plans to conduct during the Federal Fiscal year (FFY), to Caltrans, at the beginning of every FFY to allow sufficient time for Caltrans to allocate sufficient resources for these reviews.

1. Techniques the Division and Caltrans may use to identify and analyze risks and develop response strategies include the following:
 - Program Assessments;
 - Financial Integrity Review and Evaluation (FIRE) Reviews;
 - Program Reviews;
 - Certification Reviews;
 - Recurring or periodic reviews such as the Compliance Assessment Program (CAP); and
 - Inspections of project elements or phases.

These techniques will be carried out in a manner consistent with applicable Division Standard Operating Procedures or other control documents relating to program assessments, FIRE, program reviews, CAP, etc.

2. The following techniques and processes will be used to carry out the requirements of 23 U.S.C. 106(g):

- (a) The FHWA and Caltrans will work cooperatively to identify appropriate stewardship and oversight initiatives using a risk-based approach. This process should result in a mixture of initiatives to achieve strategic goals, meet customer needs and expectations, yield high benefits or pay-offs, result in systemic improvement, deploy innovative technology, provide technical assistance, and ensure that the FAHP is being delivered consistent with laws, regulations, policies and strategic goals. The risk based approach will cover the two broad areas of oversight, programmatic and project level.

- (b) Programmatic oversight includes both the annual processes FHWA and Caltrans initiate to ensure the ongoing compliance of the delivery of the FAHP as well as the as needed risk based assessments. Annual activities include program analysis and risk assessment, some program reviews, and program indicators, as well as the routine day-to-day interactions between FHWA and Caltrans staff related to the delivery of the program. Risk based program oversight may include targeted program reviews as well as well as additional reviews initiated by external entities such as the Office of the Inspector General (OIG), the Government Accountability Office (GAO), or other auditors. Additional details on these types of assessments are included below. Attachment B also highlights programmatic oversight responsibilities.

- (c) Project level oversight includes both oversight of projects delegated to State or Local agencies for assumed responsibility, and those retained by FHWA as PoDI or POCI projects. Additional details on these reviews are included below, as well as in the following section on Oversight Responsibility. Attachment A also highlights project oversight responsibilities.

3. Programmatic Oversight

(a) Program Analysis and Risk Assessment

Program assessments are an evaluation tool or technique that may take many forms including joint risk assessments and self-assessments. These tools are based on the common concepts of identifying strengths, weaknesses, and opportunities and provide an

avenue for determining the current health and effectiveness of the FAHP and assessing future risk.

Caltrans and the FHWA will jointly conduct Program Analyses and implement principles of Risk Management in assessing the health of the FAHP. Principles of Risk Management include assessing risk, prioritizing risk events and statements, and implementing response strategies to effectively manage risk. This will be accomplished by performing a joint Annual Program Analysis and Risk Assessment in core program areas. The Program Analysis will identify initiatives that could be accomplished to “close the gap” between the effectiveness of the current state of the program and the program vision of where it should be in three years. In order to accomplish this, a Risk Assessment will be conducted to identify future risk events or elements that may affect the program.

In addition, information obtained from oversight activities and performance measures/indicators will be considered when performing the program analysis and risk assessment. The program analysis will outline response strategies and initiatives to effectively manage risk. Response strategies may include training, program reviews, updating manuals/guidance, and providing technology transfer/technical assistance. Each year both Caltrans and FHWA will update the program analysis and risk assessments to reflect the most current information, while maintaining a focus on the program vision.

Program assessments may be prompted by national requirements, such as new laws or initiatives or the desire to strive for continual improvement. These may also include an FHWA review by Headquarters, the Resource Center or another Federal Government Agency, such as the Inspector General or the Government Accountability Office. These reviews may include verification of selected project level approval activities in order to verify their compliance with laws and regulations. These activities will be selected strategically based on findings from program assessments, reviews, or performance measures, while maintaining a focus on efficient project delivery.

The Division Office has a Standard Operation Procedure (SOP) documenting the process for conducting Program Analysis and Risk Assessments. Records of the outcome of this annual process are retained by the Division. The “Top Risks”, as identified collectively by the Division Office, are shared with Caltrans management as part of the annual strategic planning cycle. One typical way these risks may be mitigated is through the use of program reviews.

(b)Program Reviews

Program reviews analyze key program components and the processes employed by Caltrans and the FHWA in managing the program. Individuals or teams from FHWA and Caltrans and other stakeholder groups or organizations can conduct program reviews. When appropriate, the program review should include a financial component and involve members of the FHWA Financial Services Unit to determine if appropriate

internal controls exist within the program that are intended to detect and/or prevent possible waste, fraud and abuse of Federal-aid funds. Program reviews are often an outcome of program assessments or performance indicators/measures that suggest a need for improvement. Performance indicators/measures may also be developed as a part of program reviews to help highlight and quantify successes and problem areas. In general, the reviews will:

- Gauge compliance with Federal requirements;
- Identify opportunities for greater efficiencies and improvements to the program;
- Identify areas that need attention and make recommendations for improvement;
- Follow up to ensure that recommendations have been implemented; and
- Identify exemplary practices;

While many program reviews may be specific to identified areas of risk, others may be needed on a recurring basis to continually assess either high risk or high priority areas of the FAHP. An example is the annual reviews as part of the Financial Integrity Review and Evaluation (FIRE) Program. This is a review and oversight program in support of the FHWA's annual certification of internal and financial controls.

The Division Office has a SOP documenting the program review process. Records of all Program Reviews conducted are retained by the Division Office. Observations and findings from Program Reviews are listed in a Review Recommendation Database and tracked until there are resolved. Resolution, or lack thereof, will contribute to future program analysis and risk assessment as well as subsequent program reviews. Program reviews may also establish measures or indicators to help determine future compliance in various areas of the FAHP.

(c) Program Indicators

FHWA and Caltrans will routinely review measures which help assess the status and health of the FAHP. These measures include both internal indicators of program delivery as well as external indicators of the overall performance of the Federal Aid Highway System. Some measures are unique to each agency, and others are shared between them. The sources of measures in use of evaluation of the FAHP come from a range of sources, are reported through multiple platforms, and are assessed on varied cycles. The details of these measures and how they are evaluated will be contained in a separate Program Indicators and Performance Measures list.

4. Project Oversight

In addition to its programmatic oversight activities, which may include program driven reviews and inspections of projects, the Division and Caltrans will routinely engage in regular oversight of projects to ensure effective and compliant delivery of the FAHP. Project level compliance is assured through the Compliance Assessment Program

(CAP). Additional projects inspections are routinely done on PoDI and PoCI projects as well as any other projects identified for review by the Division or Caltrans. Additional details on these types of inspections are included below, as well as in the following section on Oversight Responsibility. Appendix A also highlights project oversight responsibilities.

(a) Compliance Assessment Program (CAP)

The FHWA Compliance Assessment Program (CAP) uses a statistical approach to establish minimum compliance review requirements for Federal-aid highway projects. The purpose of the CAP is to provide reasonable assurance, at both the national and local level, that Federal-aid highway construction projects are in compliance with key federal requirements. It does this by providing a framework to make statistically valid inferences across national and local populations. The approach is objective and defensible and will inform risk assessments with statistically valid information and data. The CAP is one element of project oversight and it will supplement and strengthen the agency's movement toward being more data-driven and risk-based.

The Division Office will conduct a CAP review on each of the projects included in their random-sample. The CAP review will require the completion of the CAP Core Question Form and additional CAP Review Guide or questions as deemed necessary by the Division Office. FHWA provides detailed guidance related to the delivery of the CAP. This guidance, as well as any CAP findings or updates, can be made available to Caltrans as requested.

(b) Projects of Division Interest (PoDI)

Projects of Division Interest (PoDI) are projects where a State DOT can assume Section 106(c) responsibilities but FHWA has retained responsibility for (1) one or more of the Section 106(c) items, or (2) FHWA has not retained responsibility for any such items but the projects are otherwise designated as either a PoDI by the Division. PoDIs are identified by the Division on a cyclical basis. On Projects of Corporate Interest (PoCI), a State DOT can assume Section 106(c) responsibilities, but FHWA has identified the projects as requiring staffing resources at a corporate level. PoCIs are identified by FHWA on an annual basis. Project-specific plans for PoDIs and PoCIs, or plans on groups of PoDI and PoCI projects, can be used to document any of FHWA's retained assumptions or other oversight strategies. These PoDI and PoCI plans are deemed to be incorporated into this S&O Agreement. Projects identified and added to the PoDI/PoCI list will be done in collaboration with Caltrans according to a process documented in the Division RBSO SOP. This SOP establishes 1) the process for identifying PoDI and PoCI 2) the Project Oversight Agreement (POA) established on each PoDI defining the oversight responsibilities to be retained by the Division and those to be delegated to the State 3) the required actions to be taken by the Division and State to ensure proper FAHP compliance of PoDI and 4) a reference to an online updating listing showing current

PoDI projects as well as POAs to show the oversight responsibilities for both the Division and Caltrans.

A list of current PoDI and PoCI projects will be maintained by the Division Office and made available to Caltrans quarterly, and upon request. Projects identified and added to the PoDI/PoCI list will be done in collaboration with Caltrans according to a documented process. The details of this process are contained in a separate PoDI/PoCI Identification and Oversight agreement.

Any project that does not have a signed POA at the time of signing a Project Agreement will be considered a delegated project.

E. Program Responsibility Matrix

Attachment B to this S&O Agreement is the Program Responsibility Matrix that identifies all relevant FHWA program actions, and Division and State DOT program contact offices.

F. Manuals and Operating Agreements

State DOT manuals, agreements and other control documents that have been approved for use on Federal-aid projects are listed in Attachment C to this S&O Agreement.

G. Stewardship and Oversight Indicators

The Division and State DOT may jointly establish Stewardship and Oversight Indicators (Indicators). The Indicators should set targets, track trends, and implement countermeasures and actions when the data is moving away from the desired target direction. Indicators can provide documented evidence that Caltrans assumption of responsibilities is functioning appropriately. Stewardship and Oversight Indicators should be reviewed on an annual basis. If utilized, the Indicators shall be incorporated by reference to this S&O Agreement.

Both Caltrans and FHWA can identify measures they wish to use to assess their delivery of the FAHP. Additionally mutually agreed upon measures will be used to assess delivery of the FAHP as well as compliance with performance measures identified under 23 USC 150.

SECTION XI. STATE DOT OVERSIGHT AND REPORTING REQUIREMENTS

A. State DOT Oversight and Reporting Requirements

Caltrans is responsible for demonstrating to the FHWA how it is carrying out its responsibilities in accordance with this S&O Agreement. In order to fulfill this

responsibility, Caltrans will undertake activities, implement policies, and provide internal reports quarterly, and annual report by December 31. The activities include

- Quarterly review of programmatic performance measures, including costs, civil rights goals, budgetary responsibilities and technical quality control;
- Quarterly review of project-level risks, costs, schedule;
- Post-project audits of selected projects;
- Implement policies, practices according to the control documents listed in Attachment C to this S&O Agreement.

Quarterly Project Delivery Reports document programmatic performance measures and risk-related project watch lists. These reports, in addition to annual reports of capital costs, staffing, programmatic performance measures, and agreed-upon FHWA Performance Indicators, will be provided to FHWA at least annually before December 31. Caltrans will include a status report of corrective recommendations identified in the FHWA Program Reviews.

Caltrans will work cooperatively with FHWA to identify appropriate stewardship and oversight initiatives using a risk-based approach as well as Program Assessments/Reviews, Compliance Assessments, and PoDI/PoCI in accordance with Section X.

B. Caltrans Oversight of Locally Administered Projects

- B.1. Caltrans is required to provide adequate oversight of subrecipients including oversight of any assumed responsibilities which Caltrans delegates to a LPA.
- B.2. Pursuant to 23 U.S.C. 106(g)(4), Caltrans shall be responsible for determining that subrecipients of Federal funds have adequate project delivery systems for locally administered projects and sufficient accounting controls to properly manage such Federal-aid funds. The State DOT is also responsible for ensuring compliance with reporting and other requirements applicable to grantees making sub-awards, such as monthly reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, PL 109-282 (as amended by PL 110-252).
- B.3. Caltrans acknowledges that it is responsible for sub-recipient awareness of Federal grant requirements management of grant awards and sub-awards, and is familiar with and comprehends pass through entity responsibilities (2 C.F.R 200.331 Requirements for pass-through Entities). Caltrans shall carry out these responsibilities using the following actions, programs, and processes:

Caltrans acts on behalf of FHWA on these projects with the expectation that it exercises similar judgment based on Federal laws, regulations, and FHWA policies. The goal is to ensure that sub-recipients are aware of federal-aid requirements, management, and compliance responsibilities. This is accomplished through application of established policies, guidance, standard procedures, and programmatic agreements that were developed with FHWA input and involvement to ensure that Title 23 and Title 49 requirements are met.

- B.4. Caltrans shall assess whether a sub-recipient has adequate project delivery systems and sufficient accounting controls to properly manage projects, using the following actions, programs, and processes:

Subrecipient project delivery systems are assessed by State DOT through various monitoring activities described in the *Local Assistance Procedures Manual (LAPM)* such as:

- Field reviews at project initiation
- Key milestones (PS&E, construction contract award, post project)
- Inactive project monitoring and review
- “Preliminary Engineering over 10 Years”
- Review and approval of NEPA documents
- Acceptance of Right of Way certifications
- Review of final report of expenditures
- Construction oversight reviews

Caltrans assesses subrecipient accounting controls through various monitoring activities described in the LAPM such as:

- Indirect Cost Allocation Plan (ICAP) acceptance and audit process
- Incurred cost audits
- Pre-award agency audits
- Single Audits

- B.5. Caltrans shall assess whether a sub-recipient is staffed and equipped to perform work satisfactorily and cost effectively, and that adequate staffing and supervision exists to manage the Federal project(s), by using the following actions, programs, and processes:

Subrecipient staffing and supervision adequacy, and work performance cost effectiveness are assessed by Caltrans through various monitoring

activities described in the LAPM, the PDPM, and the Oversight Resident Engineer Guidelines such as:

- Field reviews at project initiation
- Key milestones (PS&E, construction contract award, post project)
- Inactive project monitoring and review
- “Preliminary Engineering over 10 Years”
- Review and approval of NEPA documents
- Acceptance of Right of Way certifications
- Review of final report of expenditures
- Independent Quality Assurance (IQA)/oversight reviews of project design, PS&E, and construction

- B.6. Caltrans shall assess whether sub-recipient projects receive adequate inspection to ensure they are completed in conformance with approved plans and specifications, by using the following actions, programs, and processes:

Adequate project inspection is handled through construction IQA/oversight reviews and final inspections after project completion as described in the LAPM.

- B.7. Caltrans shall ensure that when LPAs elect to use consultants for engineering services, the LPA, as provided under 23 CFR 635.105(c), shall provide a full-time employee of the agency to be in responsible charge of the project. Caltrans’s process is documented in the LAPM, the PDPM, and the Oversight Resident Engineer Guidelines.

- B.8. Caltrans shall ensure that project actions will be administered in accordance with all applicable Federal laws and regulations. Caltrans will use the following process on required approvals on sub-recipient projects, and approved on sub-recipient administered projects.

The activities for ensuring compliance and maintaining oversight, as described in the LAPM, the PDPM, and the Oversight Resident Engineer Guidelines include:

- a. Consultant Selection;
- b. Environmental Procedures;
- c. Design Standards;
- d. Civil rights and Disadvantaged Business Enterprises;
- e. Accounting/Invoices;

- f. Right of Way; Utility Relocation;
 - g. Administer Construction Contracts
 - h. Contract administration, including Caltrans's responsibility to approve a sub-recipient to pursue a contract procurement method other than competitive bidding.
- B.9. Caltrans shall document its oversight activities for LPA-administered projects and findings, and how it will share this information with the FHWA.

On an annual basis, Caltrans will provide to FHWA a summary of any significant stewardship and oversight activities conducted during the previous Federal Fiscal year related to the oversight of Locally Administered Projects. This will include any major recurring activities related to oversight of the FAHP as well as any unique risk based initiatives that occurred during that year. Any key findings related to program or project delivery identified during this period will include an action plan highlighting the steps that will be taken to bring the element into compliance. This summary report will be made available within two months of the end of the Federal Fiscal Year (i.e., by December 31st) and will include several performance indicators.

SECTION XII. IMPLEMENTATION AND AMENDMENTS

- A. This S&O Agreement will take effect as of the effective date of the signature of the FHWA California Division Administrator, who shall sign this S&O Agreement last.
- B. The California Division and Caltrans agree that updates to this Agreement will be considered periodically on a case-by-case basis or when:
 - Significant new legislation, Executive orders, or other initiatives affecting the relationship or responsibilities of one or both parties to the S&O Agreement occurs;
 - Leadership, or leadership direction, changes at Caltrans or FHWA; or
 - Priorities shift as a result of audits, public perception, or changes in staffing at either Caltrans or the Division Office.
- C. The Division and Caltrans agree that changes may occur to the contents of the Attachments to this S&O Agreement and documents incorporated by reference into the S&O Agreement. Except as provided in paragraph XII.D and E., changes to the Attachments and documents incorporated by reference will not require the Division and

State DOT to amend the body of this S&O Agreement. The effective date of any revisions to one of these documents shall be clearly visible in the header of the document. This Agreement and any revised document shall be posted on the Division's S&O Agreement internet site within five (5) business days of the effective date.

- D. Any changes to the high risk categories must be documented by an amendment to this S&O Agreement.
- E. Any changes to the Project Action Responsibility Matrix- Attachment A must be approved by the FHWA Office of Infrastructure in writing and documented by an amendment to this S&O Agreement. However, as per Section IV C, Caltrans may request FHWA to carry out one or more non NHS approvals or related responsibilities assigned to Caltrans in Attachment A. Such project- specific request does not require an amendment to Attachment A, but such request shall be documented as required in Section IV C.

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EXECUTION BY THE FHWA CALIFORNIA DIVISION OFFICE

Executed this 28th day of May, 2015.

/s/ Vincent Mammano

Signature

Vincent Mammano
Division Administrator

EXECUTION BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION

Executed this 28th day of May, 2015.

/s/Malcolm Dougherty
Signature

Malcolm Dougherty
Caltrans Director

ATTACHMENT A
PROJECT ACTION RESPONSIBILITY MATRIX
(Based on FHWA Template dated February 6, 2015)

The following matrix identifies Federal-aid highway program (FAHP) project approvals and related responsibilities. The matrix specifies which ones are subject to State DOT assumption under the provisions of 23 U.S.C. 106(c) or other statutory or regulatory authority, as well as those which are reserved to FHWA.

In the column entitled “Projects on the NHS” if an item is marked “STATE,” it means the State DOT may assume the specified approval and related responsibilities unless the Division determines that the assumption is not appropriate. For projects on the NHS, the FHWA may retain any approval or related action in any box marked “FHWA ” as deemed appropriate by the Division. If the FHWA retains any approval or related action in any box marked “FHWA ”, the project is a PoDI, and will require a PoDI plan.

For the column marked “Projects off the NHS”, the State DOT must assume all items marked “STATE” unless the State DOT determines the assumption of a particular item by the State DOT is not appropriate.

Except as expressly stated in notes to the matrix below, the State DOT cannot assume any item marked only as “FHWA” in either column. Any item marked only “FHWA” is reserved to FHWA because it is outside the scope of 23 U.S.C. 106(c), or otherwise is reserved to FHWA by law. State DOT is responsible for ensuring all individual elements of the project are eligible for FAHP funding, but all final eligibility and participation determinations are retained by FHWA. While FHWA may not delegate decision-making authority to a State DOT unless authorized by law, FHWA may authorize a State DOT to perform work needed to reach the decision point, or to implement the decision.

In the matrix, actions marked with an asterisk (“FHWA*”) are those that FHWA has retained but that could have been assumed by the State DOT through FHWA discretion (on the NHS) or by right (off the NHS). Projects requiring those actions are PoDI projects because of FHWA’s retained authority. Those projects will be governed by a separate PoDI Plan.

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
Ensure project in Federal Statewide Transportation Improvement Program (FSTIP)/Transportation Improvement Program (TIP)	STATE	STATE
Identify proposed funding category	STATE (1)	STATE (1)
Obligate funds/approve Federal-aid project agreement, modifications, and project closures (project authorizations) (Note: this action cannot be assumed by State)	FHWA	FHWA
Authorize current bill (Note: this action cannot be assumed by State)	FHWA	FHWA
Review and Accept Financial Plan and Annual Updates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] (Note: this action cannot be assumed by State)	FHWA	FHWA
Review Cost Estimates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] (Note: this action cannot be assumed by State)	FHWA	FHWA
Develop Financial Plan for Federal Projects between \$100 million and \$500 million. [23 U.S.C. 106(i)]	STATE	STATE
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations excluded from FHWA-CA 327 NEPA Assignment MOU.	FHWA (2)	FHWA (2)

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations included in the FHWA-CA 327 NEPA Assignment MOU.	STATE	STATE
Categorical Exclusion approval actions excluded from FHWA-CA 326 CE Assignment MOU	FHWA (2)	FHWA (2)
Categorical Exclusion approval actions included in the FHWA-CA 326 CE Assignment MOU	STATE	STATE
Consultant Contract Selection	STATE (3)	STATE (3)
Sole source Consultant Contract Selection	STATE (3)	STATE (3)
Approve hiring of consultant to serve in a “management” role (Note: this action cannot be assumed by State) [23 CFR 172.9]	FHWA	FHWA
Approve consultant agreements and agreement revisions (Federal non-Major Projects) [23 CFR 172.9]	STATE	STATE
Approve consultant agreements and agreement revisions on Federal Major Projects [23 CFR 172.9] (Note: this action cannot be assumed by State)	FHWA	FHWA
Approve exceptions to design standards [23 CFR 625.3(f)]	STATE	STATE
Interstate System Access Change [23 USC 111] (Note: this action cannot be assumed by State)	FHWA	N/A
Interstate System Access Justification Report [23 USC 111] (Note: action may be assumed by State pursuant to 23 USC 111(e))	STATE	N/A

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
Airway highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104]	STATE	STATE
Approve Project Management Plan for Federal Major Projects over \$500 million [23 USC 106(h)] (Note: this action cannot be assumed by State)	FHWA	FHWA
Approve innovative and Public-Private Partnership projects in accordance with SEP-14 and SEP-15 (Note: this action cannot be assumed by State)	FHWA	FHWA
Provide pre-approval for preventive maintenance project (until FHWA concurs with STATE procedures) (Note: this action cannot be assumed by State)	FHWA	FHWA
Provide approval of preliminary plans for unusual/complex bridges and other structures on the Interstate. [23 USC 109(a) and FHWA Policy]	FHWA (4)	N/A
Provide approval of preliminary plans for unusual/complex bridges or other structures (non-Interstate). [23 USC 109(a) and FHWA Policy]	STATE (4)	STATE
Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c)]	STATE	STATE
Approve use of local force account agreements [23 CFR 635.104 & 204]	STATE	STATE
Approve use of publicly owned equipment [23 CFR 635.106]	STATE	STATE
Approve the use of proprietary products, processes	STATE	STATE

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
[23 CFR 635.411]		
Concur in use of publicly furnished materials [23 CFR 635.407]	STATE	STATE
Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work [23 CFR 635.309(b)]	STATE	STATE
Make public interest finding on whether State may proceed with bid advertisement even though ROW acquisition/relocation activities are not complete for some parcels [23 CFR 635.309(c)((3))]	FHWA for Interstate STATE for Non-Interstate	STATE
Ensure compliant ROW certificate is in place [23 CFR 635.309(c)]	STATE	STATE
Approve Hardship and Protective Buying [23 CFR 710.503] (If a Federal-aid project) (Note: this action cannot be assumed by State)	FHWA	FHWA
Approve Interstate Real Property Interest Use Agreements [23 CFR 710.405] (Note: this action cannot be assumed by State)	FHWA	N/A
Approve non-highway use and occupancy [23 CFR 1.23(c)]	FHWA for Interstate STATE for Non-Interstate (3)	STATE (3)
Approve disposal at less than fair market value of federally funded right-of-way, including disposals of access control [23 U.S.C. 156] (Note: this action cannot be assumed by State)	FHWA	FHWA

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
Approve disposal at fair market value of federally funded right-of-way, including disposals of access control [23 CFR 710.409] (Note: 23 CFR 710.201 authorizes FHWA and STATE to agree to scope of property-related oversight and approvals for all actions except those on the Interstate System)	FHWA for Interstate STATE for Non-Interstate (3)	STATE (3)
Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations or other contributions applied to a project (note: this action cannot be assumed by State)	FHWA	FHWA
Federal land transfers [23 CFR 710, Subpart F] (Note: this action cannot be assumed by State)	FHWA	FHWA
Functional replacement of property [23 CFR 710.509] (Note: this action cannot be assumed by State)	FHWA	FHWA
Accept Transportation Management Plans (23 CFR 630.1012(b))	STATE	STATE
Approval of System Engineering Analysis (for ITS) [23 CFR 940.11]	STATE	STATE
Approve PS&E [23 CFR 630.201]	STATE	STATE
Authorize advance construction and conversions [23 CFR 630.703 & 709] (Note: this action cannot be assumed by State)	FHWA	FHWA
Approve utility or railroad force account work [23 CFR 645.113 & 646.216]	STATE	STATE
Approve utility and railroad agreements	STATE	STATE

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
[23 CFR 645.113 & 646.216]		
Approve use of consultants by utility companies [23 CFR 645.109(b)]	STATE	STATE
Approve exceptions to maximum railroad protective insurance limits [23 CFR 646.111]	STATE	STATE
Authorize (approve) Advertising for bids [23 CFR 635.112, 309]	STATE	STATE
Approve cost-effectiveness determinations for construction work performed by force account or by contract awarded by other than competitive bidding [23 CFR 635.104 &.204]	STATE	STATE
Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 &.204]	STATE	STATE
Approve construction engineering by local agency [23 CFR 635.105]	STATE	STATE
Approve advertising period less than 3 weeks [23 CFR 635.112]	STATE	STATE
Approve addenda during advertising period [23 CFR 635.112]	STATE	STATE
Concur in award of contract [23 CFR 635.114]	STATE	STATE
Concur in rejection of all bids [23 CFR 635.114]	STATE	STATE
Approval of Design-Build Requests-for-Proposals and Addenda [23 CFR 635.112]	STATE	STATE
Approve changes and extra work [23 CFR 635.120]	STATE	STATE
Approve contract time extensions [23 CFR 635.120]	STATE	STATE
Concur in use of mandatory borrow/disposal sites	STATE	STATE

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
[23 CFR 635.407]		
Accept materials certification [23 CFR 637.207]	STATE	STATE
Concur in settlement of contract claims [23 CFR 635.124]	STATE	STATE
Concur in termination of construction contracts [23 CFR 635.125]	STATE	STATE
Waive Buy America provisions [23 CFR 635.410] (Note: this action cannot be assumed by State)	FHWA	FHWA
Final inspection/acceptance of completed work [23 USC 114(a)]	STATE	STATE
Approval of Disadvantaged Business Enterprise (DBE) Project Contract Goal set by Caltrans under 49 CFR 26.51(d). [49 CFR 26.51(e)(3)]	STATE	STATE
Acceptance of Bidder's Good Faith Efforts to Meet Contract Goal [49 CFR 26.53] or of Prime Contractor's Good Faith Efforts to Find Another DBE Subcontractor When a DBE Subcontractor is Terminated or Fails to Complete Its Work [49 CFR 26.53(g)] (Note: this action cannot be performed by the FHWA)	STATE	STATE
Equal Employment Opportunity (EEO) Contract Compliance Review [23 CFR Part 230, Subpart D]).	STATE	STATE
Training Special Provision – Approval of Project Goal for training slots or hours [23 CFR Part 230, Subpart A]	STATE	STATE
Training Special Provision – Approval of New Project Training Programs (Note: this action	FHWA*	FHWA

PROJECT ACTION RESPONSIBILITY MATRIX (as of February 6, 2015)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
cannot be assumed by State) [23 CFR 230.111(d), (e)]		

FOOTNOTES:

(1) State is responsible for ensuring that all individual elements of the project are eligible. FHWA will check that the scope of the project as described in submitted project agreement is eligible for the category of funding sought. All final eligibility and participation determinations are retained by FHWA.

(2) If there is a 23 U.S.C. 326 or 327 assignment or PCE agreement, decisions are handled in accordance with those assignments or agreements.

(3) State’s process and modifications to, or variation in process, require FHWA approval.

(4) Unusual/Complex bridges and structures are those that the Division determines to have unique foundation problems, new or complex designs, exceptionally long spans, exceptionally large foundations, complex hydrologic (including climate change and extreme weather events) aspects, complex hydraulic elements or scour related elements, or that are designed with procedures that depart from currently recognized acceptable practices (i.e., cable-stay, suspension, arch, segmental concrete, moveable, truss, tunnels, or complex geotechnical walls or ground improvement systems)

**ATTACHMENT B
PROGRAM RESPONSIBILITY MATRIX**

PROGRAM ACTION RESPONSIBILITY

The following matrix is an example list of program actions. The Division should refer to (Link Removed) for the latest updated version which can be incorporated into the agreement or referenced as a control document. Modify the matrix to reflect the Division and State “Responsible Program Office.” The primary office of contact should be listed, rather than an individual or the approving official.

|

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Appropriations, Allotments, Obligations	31 USC 1341(a)(1)(A)& (B); 31 USC 1517(a); 23 USC 118(b), 23 USC 121	As needed	Not Applicable	Office of Chief Financial Officer	Financial Services	State will monitor appropriations, allotments and obligations to ensure that all funding is used efficiently within each quarter and use all Obligation Authority (OA) by the end of the year.
Approval of Indirect Cost Allocation Plans (ICAPs)	2 C.F.R Part 200, Subpart E; 49 CFR Part 18; 2 CFR 200 Subpart E (previously 2 CFR 225); ASMBC-10	As needed	Not Applicable	Office of Chief Financial Officer	Financial Services	The State will certify that the ICAP was prepared in accordance with 2 CFR 200 Subpart E.
FIRE Program Activities	FHWA Order 4560.1B1CB (or as superseded)	Ongoing		Office of Chief Financial Officer	Financial Services	State will continue to provide oversight and conduct reviews to ensure Federal-aid compliance. FHWA will review and monitor. State responsibilities include multiple tasks in support of risk assessments, conducting reviews and implementation of recommendations.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Audit Coordination/FHWA Financial Statement Audit/State External Audit Reviews/State Internal Audit Reviews	FHWA Order 4560.1BC (or as superseded)FMFIA, 2 C.F.R Part 200, Subpart F; ; GAAP, CFO Act of 1990; DOT Order 8000.1C	As needed	Not Applicable	Office of Chief Financial Officer	Financial Services	State assures corrective action is taken to resolve audit findings and FHWA will monitor activities to ensure implementation.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Improper Payments Review	Improper Payments Information Act of 2002, PL 107-300, Improper Payments Elimination and Recovery Act of 2010, PL 111-204, Improper Payments Elimination and Recovery Improvement Act of 2012, PL 112-248	Annually		Office of Chief Financial Officer	Financial Services	State will provide all information necessary to document sampled payments and FHWA offices will review and complete appropriate data submittal forms.
Transfer of Funds between programs or to other FHWA offices or agencies as requested by State	23 USC 126, 23 USC 132, and FHWA Order 4551.1	As needed	Not Applicable	Office of Chief Financial Officer	Financial Services	State will submit requests for transfer and FHWA approves and processes the funding transfers between programs, to other States, to other agencies, and to FHWA HQ, Federal Lands, or Research offices.
Reviews of State Transportation Departments Financial Management Systems - Financial Integrity	23 USC 106(g)(2)(A)	Annually	Not Applicable	Office of Chief Financial Officer	Financial Services	23 USC 106(g)(2)(A) states that the Secretary shall perform annual reviews that address elements of the State transportation departments' financial management systems that affect projects approved under subsection (a).

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Review Adequacy of Sub-recipient Project Delivery Systems and Sufficient Accounting Controls to Manage Federal Funds	23 USC 106(g)(4)(A)(i)	As needed	Not Applicable	Office of Chief Financial Officer	Financial Services	
Periodic Reviews of States Monitoring of sub-recipients	23 USC 106(g)(4)(B)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	
Approval of Increased Federal Share Agreement (Sliding Scale)	23 USC 120(b)(2)	As determined by the Federal Share Agreement	Not Applicable	Office of Chief Financial Officer	Financial Services	A State must enter into an agreement with FHWA for use of the increased Federal share allowable under this section, which must be reviewed and updated periodically as agreed to in the agreement. States must demonstrate that they are in compliance with the statute and the agreement.
Prepare / Review Title VI Plan Accomplishments and Next Year's Goals	23 CFR 200.9(b)(10)	Annually	1-Oct	Office of Civil Rights	Performance Management	Division office reviews and comments.
Prepare / EEO Contractor Compliance Plan accomplishments and next year's goals	23 CFR 230, Subpart C, Appendix A, Part I, III	Annually	1-Oct	Office of Civil Rights	Performance Management	Division office reviews and comments.
Prepare / Review State Internal EEO Affirmative Action Plan (Title VII) Accomplishments and Goals	23 CFR 230.311	Annually	1-Oct	Office of Civil Rights	Performance Management	Courtesy copy to HQ.
Review DBE Program Revisions	49 CFR 26.21(b)(2)	As needed	Not Applicable	Office of Civil Rights	Performance Management	Division sends to HCR for review and approval as
Prepare / DBE Uniform Awards and Commitment Report	49 CFR 26, Appendix B	Semi-Annual	June 1st December 1st	Office of Civil Rights	Performance Management	Division Office reviews and sends to HCR

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Prepare / Annual Analysis and Corrective Action Plan (if necessary)	49 CFR 26.47(c)	Annual (as necessary)	December 31st	Office of Civil Rights	Performance Management	Division Office approves sends copy to HCR
Prepare / State DBE Program Goals	49 CFR 26.45(f)(1)	Triennial	August 1st	Office of Civil Rights	Performance Management	Division reviews and approves; HCC provides legal sufficiency review and approval sends copy to HCR
Prepare / Review On-the-Job-Training (OJT) goals & accomplishments	23 CFR 230.111(b)	Annually	TBA	Office of Civil Rights	Performance Management	Division office reviews and comments.
Approval of OJT and DBE Supportive Services fund requests	23 CFR 230.113 & 23 CFR 230.204	Annual	TBA	Office of Civil Rights	Performance Management	Division recommends approval submits to HCR for final approval
Return of any unused discretionary grant program funding	23 CFR 230.117(2)	Annual	TBA	Office of Civil Rights	Performance Management	Division works with HCR and CFO
Prepare / Review of Report on Supportive Services (OJT & DBE)	23 CFR 230.113(g), 230.121(e), 230.204(g)(6)	Quarterly		Office of Civil Rights	Performance Management	Division office reviews and comments.
Prepare / Review Annual Contractor Employment Report (Construction Summary of Employment Data (Form PR-1392)	23 CFR 230.121(a); Appendix D to Subpart A, Part 230, General Information and Instructions	Annually	1-Dec	Office of Civil Rights	Performance Management	Recommendation sent to HQ for approval.
Prepare / Review State DOT Employment Statistical Data (EEO-4)	23 CFR, Subpart C, Appendix A	Biannual	1-Dec	Office of Civil Rights	Performance Management	Report sent to HQ quarterly for informational purposes and recommendation sent to HQ annually for approval.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Prepare / Review Annual Federal Projected Awards Reports - Historically Black Colleges & Universities/Tribal Colleges & Universities/Hispanic Serving Institutes, American Indian Alaskan Native, Asian Pacific & American Islander.	Presidential Executive Orders: 13230, 13256,13270, 13361, 13515	Annual	TBA	Office of Civil Rights	Performance Management	Divisions submit data to HCR who prepares report for DOCR
Prepare / Review ADA Complaint Reports of Investigation	28 CFR 35.190	As needed	Not Applicable	Office of Civil Rights	Performance Management	Division office reviews, FHWA HQ approves and issues finding.
Review Americans with Disabilities Act (ADA) /Sec. 504 Program Plan accomplishments and next year's goals	49 CFR 27.11(c), EO 12250	Annually	1-Oct	Office of Civil Rights	Performance Management	Division office reviews and comments.
Return of unexpended funds used for Summer Transportation Institutes	23 CFR 230.117(2)	Annual	August 30; however, State procurement rules may govern	Office of Civil Rights	Performance Management	Divisions work with HCR and CFO
Prepare / Review Request for National Summer Transportation Institute (NSTI) Proposals (SOWs)	23 USC 140(b)	Annual	TBA	Office of Civil Rights	Performance Management	Divisions recommend approval. HCR gives final approval
Prepare / Review NSTI Report (questionnaire)	23 USC 140(b)	Annual	October 15th	Office of Civil Rights	Performance Management	Divisions provide to HCR
Receipt of State Consultation Process with Tribal Governments	23 CFR 450.210(c)	As needed	Not Applicable	Office of Federal Lands Highway	Program Development	Informational Purposes.
Approval of Contracting Procedures for Consultant Selection	23 CFR 172.5 & 172.9	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Approval.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Determination of High Risk Categories - Limitation on Interstate Projects	23 USC 106(c)(4)(B)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	Office of Program Administration determines national categories and must concur on any State designations.
Approval of State 3R Program	23 CFR 625.4(a)(3), 23 USC 109(n)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Approval.
Verify adoption of Design Standards (National Highway System, including Interstate)	23 CFR 625, 23 USC 109(b), 23 USC 109(c)(2), 23 USC 109(o)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA HQ regulatory action to adopt NHS standards.
Approval of preliminary plans of Major and Unusual Bridges on the Interstate Highway System	(M1100.A)	As needed	Not Applicable	Office of Infrastructure	Technical Services	Director of HIBT has approval of preliminary plans of Major and Unusual Bridges on the Interstate Highway System (M1100.A)
Approval of State Standard Specifications	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Approval.
Verify State Design Exception Policy complies with FHWA Policy	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Approval.
Approval of State Standard Detail Plans	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Approval.
Approval of Pavement Design Policy	23 CFR 626.3	As needed	Not Applicable	Office of Infrastructure	Technical Services	FHWA Division Office Approval.
Review of Value Engineering Policy and Procedures	23 CFR 627.1(b)&(c), 23 CFR 627.7, FHWA Order 1311.1B	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Review.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Review of Value Engineering Annual Report	23 CFR 627.7, FHWA Order 1311.1B	Annual	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office collects, reviews, and submits to HQ for review and reporting.
Review and Approval of Interstate Access Requests	23 USC 111, 23 CFR 710, 74 FR 43743-43746 (Aug. 27, 2009)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office approval with concurrence from HQ on more complex access requests.
Approval of Liquidated Damages Rate	23 CFR 635.127	Every 2 years	Not Applicable	Office of Infrastructure	Project Delivery	FHWA Division Office Approval.
Approval of Quality Assurance Program	23 CFR 637.205	As needed	Not Applicable	Office of Infrastructure	Project Delivery	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Assure Central Laboratory accredited by AASHTO Accreditation Program or FHWA approved comparable program	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure	Technical Services	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Assure Non-STD designated lab performing Independent Assurance sampling and testing accredited by AASHTO Accreditation Program or FHWA approved comparable program	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure	Technical Services	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Assure Non-STD designated lab used in dispute resolution accredited by AASHTO Accreditation Program or FHWA approved comparable program	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure	Technical Services	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Review Independent Assurance Annual Report	23 CFR 637.207	Annually	1-Mar	Office of Infrastructure	Technical Services	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Assure Labor Compliance - Prevailing Wage Rate	23 USC 113	As needed	Not Applicable	Office of Infrastructure	Performance Management	FHWA Division Office Review and Approval
Determination of Eligible Preventive Maintenance Activity - Cost-Effective Means of Extending Useful Life Determination	23 USC 116(e)	As needed	Not Applicable	Office of Infrastructure	Technical Services	FHWA Division Office Approval
Approval of Utility Agreement / Alternate Procedure	23 CFR 645.119	As needed	Not Applicable	Office of Infrastructure	Program Development	FHWA Division Office Approval
Approval of Utility Accommodation Policy	23 CFR 645.215, 23 USC 109(l), 23 USC 123	As needed	Not Applicable	Office of Infrastructure	Program Development	FHWA Division Office Approval
Review Bridge Construction, Geotechnical, and Hydraulics	23 CFR 650	As needed	Not Applicable	Office of Infrastructure	Technical Services	
Review Plans of Corrective Action established to address NBIS compliance issues	23 CFR 650, 23 USC 144	Annually		Office of Infrastructure	Technical Services	Division office performs annual compliance review and reports results to HQ.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Review NBI Data Submittal	23 CFR 650 Subpart C, Annual Memo from HQ, 23 USC 144	Annually	1-Apr	Office of Infrastructure	Technical Services	Division resolve errors with States; States submit to HQ.
Review structurally deficient bridge construction Unit Cost submittal	23 USC 144	Annually	1-Apr	Office of Infrastructure	Technical Services	Submit to HQ.
Review Section 9 of the Rivers and Harbors Act Submittals (Bridge Permits)	23 CFR 650 Subpart H; 33 CFR 114 & 115	As needed	Not Applicable	Office of Infrastructure	Technical Services	
Approval for reduction of expenditures for off-system bridges	23 USC 133(g)(2)(B)	As needed	Not Applicable	Office of Infrastructure	Technical Services	The FHWA Administrator may reduce the requirement for expenditures for off-system bridges if the FHWA Administrator determines that the State has inadequate needs to justify the expenditure.
Determination on Adequacy of State's Asset Management Plan	23 USC 119(5)	Annually beginning second fiscal year after establishment of the process		Office of Infrastructure	Technical Services	
Certification and Recertification of States Process for Development of State Asset Management Plan	23 USC 119(6)	Recertification every four years after establishment of the process		Office of Infrastructure	Technical Services	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Review Reporting on Performance Targets	23 USC 150(e)	Beginning four years after enactment of MAP-21 and biennially thereafter		Office of Infrastructure	Performance Management	
Review National Highway System Performance Achievement Plan for Actions to achieve the targets (when State does not achieve or make significant progress toward achieving)	23 USC 119(7)	Required if State does not achieve targets (or significant progress) for 2 consecutive reports		Office of Infrastructure	Performance Management	
States and sub-recipient failure to maintain projects - Notice and withholding Federal-aid Funds	23 USC 116(d)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	
Emergency Relief (ER) Damage Assessments and Reports	23 CFR 668 23 USC 120 and 125	As needed	Not Applicable	Office of Infrastructure	Project Delivery	Perform with State.
Toll Credit and Maintenance of Effort (MOE) Calculation and Agreement	23 USC 120(i)	Annually		Office of Infrastructure	Financial Services	State will calculate the amount of eligible toll credit and submit for approval. FHWA will review and approve the request.
Local Public Agency (LPA) Oversight	2 CFR 200.33149 CFR Part 18 – 18.37 and 18.40; OMB Circular A-133; 23 USC 106(g)(4)	As needed	Not Applicable	Office of Infrastructure	Project Delivery	States are responsible to ensure that LPAs are aware of all the applicable Federal-aid Program requirements; States are responsible to ensure monitoring and oversight to assure compliance with Federal requirements. 23 USC further reinforces stressing accountability on “project delivery systems” and “accounting controls.”

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval to Sell, Lease or Otherwise Dispose of a Ferry Purchased with Federal-aid Funds	23 USC 129 (c)(6)	As needed	Not Applicable	Office of Infrastructure	Program Development	Division Office reviews and submits for Office of Program Administration for Administrator Approval
Territorial Highway Program - Approval of Territory Agreement	23 USC 165(c)(5)	Reviewed and Revised as needed every two years		Office of Infrastructure	Program Development	Division Office works with Office of Program Administration and HCC
TIFIA Credit Program	23 USC 601-609	As needed	Not Applicable	Office of Innovative Program Delivery	Financial Services	Project sponsors submit requests for credit assistance to the TIFIA JPO for review; approval by the Secretary
GARVEEs	23 USC 122; GARVEE Guidance 3/14	As needed	Not Applicable	Office of Innovative Program Delivery	Financial Services	MOUs strongly suggested for each GARVEE issue. FM contacts OIPD for review/concurrence before final approval
State Infrastructure Banks	NHS Act Section 308; 23 USC 610; SIB Guidance 3/14	Annual Report	Not Applicable	Office of Innovative Program Delivery	Financial Services	Division sends copy of report to OIPD. SIB submits annual report to Division Office.
Section 129 Tolling Authority Requests	23 USC 129(a)	As needed	Not Applicable	Office of Innovative Program Delivery	Technical Services	At the option of the project sponsor, may execute a Tolling Eligibility MOU with the Division Office; HIN coordinates FHWA HQ review
Section 166 HOV/HOT Lanes Tolling Authority Requests	23 USC 166(d)	As needed	Not Applicable	Office of Innovative Program Delivery	Technical Services	At the option of the project sponsor, may execute a Tolling Eligibility MOU with the Division Office; HIN coordinates FHWA HQ review
Value Pricing Pilot Program Tolling Authority Requests	ISTEA Section 1012(b)	As needed	Not Applicable	Office of Innovative Program Delivery	Technical Services	Requests submitted to HIN to coordinate review; approval by the Administrator

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Interstate System Reconstruction and Rehabilitation Pilot Program Tolling Authority Requests	TEA-21 Section 1216(b)	As needed	Not Applicable	Office of Innovative Program Delivery	Technical Services	Applications submitted to HIN to coordinate review; approval by the Administrator
Annual Audit of Toll Facility Records and Certification of Adequate Maintenance - Report Submittal	23 USC 129(a)(3)(B); TEA-21 Section 1216(b)(5)(B); SAFETEA-LU Section 1604(b)(3)(A); ISTEA Section 1012(b)(3)	Annually		Office of Innovative Program Delivery	Technical Services	Division Office to receive the reports.
Project Management Plan (Major Projects)	23 U.S.C. 106(h)(2)	Prior to first federal authorization of construction funds for a Major Project	Not Applicable	Office of Innovative Program Delivery	Project Delivery Division Office will conduct concurrent review with HQ Office of Innovative Program Delivery.	Division Office will provide approval after receiving concurrence from HQ Office of Innovative Program Delivery.
Financial Plan (Major Projects)	23 U.S.C. 106(h)(3)	Prior to first federal authorization of construction funds for a Major Project and then annually.	Annually as noted in the approved Initial Financial Plan	Office of Innovative Program Delivery	Project Delivery Division Office will conduct concurrent review with HQ Office of Innovative Program Delivery.	Division Office will provide approval after receiving concurrence from HQ Office of Innovative Program Delivery.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Financial Plan (Other Projects)	23 U.S.C. 106(i)	Prior to first federal authorization of construction funds for an Other Project and then annually.	Annually as noted in the approved Initial Financial Plan	Office of Innovative Program Delivery	Project Delivery Division Office will review and approve Financial Plans for Other Projects in accordance with its stewardship and oversight agreement with the State DOT or Project Sponsor.	Other Projects are defined as projects with an estimated total cost of \$100 million or more that have not been designated as Major Projects.
Review Designation and Re-designation of Primary Freight Network	23 USC 167(d)	One year after enactment of MAP-21 and every ten years thereafter		Office of Operations	Technical Services	Under development, initial PFN designation scheduled for Spring 2014 completion.
Review Development and Update of National Freight Strategic Plan	23 USC 167(f)	Three years after enactment of MAP-21 and every five years thereafter		Office of Operations	Technical Services	OST lead
Review Freight Transportation Conditions and Performance Report	23 USC 167(g)	Two years after enactment of MAP-21 and every two years thereafter		Office of Operations	Technical Services	OST lead
Review HOV Operations Report for Tolloled Use and Low-Emission and Energy-Efficient Vehicle Use	23 USC 166(d)	Annually		Office of Operations	Technical Services	
Congestion Partnerships Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations	Technical Services	Complete with partners and forward to HQ.
Operations Support Program	Annual Memo from HQ	Annually	1-Jul	Office of Operations	Technical Services	Eligibility determination made by HQ. July 1 date for approval to issue funding for current FY.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Traffic Incident Management Self-Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations	Technical Services	Complete with partners and forward to HQ.
Work Zone Self-Assessment	Annual Memo from HQ	Annually	7/1/2013, This project is currently on hiatus and has not been determined whether it will be reestablished or not.	Office of Operations	Technical Services	Complete with partners and forward to HQ.
Approval of State-Prepared Manual on Uniform Traffic Control Devices - State Traffic Control Manuals	23 CFR 655.603, 23 USC 109(d)	As needed	Not Applicable	Office of Operations	Technical Services	
Review Vehicle Size & Weight Enforcement Plan	23 CFR 657.11, 23 USC 127	Annually	1-Oct	Office of Operations	Technical Services	
Review Vehicle Size & Weight Enforcement Certification	23 CFR 657.13, 23 USC 141	Annually	1-Jan	Office of Operations	Technical Services	
Approval of National Network Modifications	23 CFR 658.11	As needed	Not Applicable	Office of Operations	Technical Services	
Intelligent Transportation System Architecture & Standards	23 CFR Part 940	As needed	Not Applicable	Office of Operations	Technical Services	
Approval of Work Zone Significant Project Determination	23 CFR 630.1010	As needed		Office of Operations	Technical Services	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval of Exceptions to Work Zone Procedures for Interstate Projects	23 CFR 630.1010	As needed		Office of Operations	Technical Services	
Approval of Work Zone Policy and Procedures Conformance Review	23 CFR 630.1014	At appropriate intervals		Office of Operations	Technical Services	
Process Review of Work Zone Safety and Mobility Procedures	23 CFR 630.1008, 23 USC 109(e)(2), 23 USC 112(g)	Every 2 years		Office of Operations	Technical Services	
Approval of State Planning Work Program and Revisions (Part 1)	23 CFR 420.111, 23 CFR 420.115, and 23 CFR 420.209	Annually	Prior to Program Period	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Approval.
Approval of State Research and Development Work Program (Part 2)	23 CFR 420.111, 23 CFR 420.115, and 23 CFR 420.209	Annually	Prior to Program Period	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Approval.
Approval of State's Distribution of Planning Funds Formula - Allocation Formulas for PL Funds	23 CFR 420.109, 23 USC 104(d)(2)(A)(i)	When Revised	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Approval.
Review of State Public Involvement Procedures	23 CFR 450.210(a)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Review to Assure Compliance.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Receipt of State Consultation Process for Non- metropolitan Local Officials	23 CFR 450.210(b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Informational Purposes.
Review of Long-range Statewide Transportation Plan	23 CFR 450.214	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Review to Assure Compliance.
Approval of Statewide Transportation Improvement Program (STIP)	23 CFR 450.216, 23 CFR 450.218(a) & (c), 23 USC 135(g)(7)	At least every 4 years	Not Applicable	Office of Planning, Environment & Realty	Program Development	Joint FHWA and FTA approval.
Approval of STIP Amendments	23 CFR 450.218(a) & (c)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Joint FHWA and FTA approval.
Finding of Consistency of Planning Process with Section 134 and 135	23 USC 135(g)(8), 23 CFR 450.218(b)	Concurrent with STIP approval	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA and FTA issue a joint finding concurrent with STIP approval.
Review of State Self-certification that Planning Process is in Accordance with Applicable Requirements	23 CFR 450.218(a)	Submitted with proposed STIP or STIP amendments	Not Applicable	Office of Planning, Environment & Realty	Program Development	Received with STIP.
Approval of Transportation Management Area (TMA) MPO Unified Planning Work Programs (UPWP)	23 CFR 450.308(b) and 23 CFR 420 (Subpart A)	Prior to Program End	Not Applicable	Office of Planning, Environment & Realty	Program Development	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval of Non-TMA UPWA	23 CFR 450.308(b) and 23 CFR 420 (Subpart A)	Prior to Program End	Not Applicable	Office of Planning, Environment & Realty	Program Development	May use simplified work statement.
Approval of UPWP Revisions and Amendments (All MPO's)	23 CFR 420.115	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Review of UPWP Performance and Expenditure Reports (All MPO's)	23 CFR 420.117(b)	Not more frequently than quarterly	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Report Before Publication (All MPO's)	23 CFR 420.117(e)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Waiver may be granted.
Approval to use Planning Funds outside Urbanized Areas for States Receiving Minimum Apportionment	23 USC 104(d)(1)(A)(ii)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Review of Metropolitan Planning Area Boundary (Establishment and Changes)	23 CFR 450.312	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Approval by MPO and the Governor, shape files forwarded to HQ. (Comment: No action is required by FHWA/FTA).
Review of Metropolitan Transportation Planning Organizations (MPO) Designation and Re-designation	23 CFR 450.310	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Require agreement between Governor and local governments.
Review of Metropolitan Planning Agreements (MPA) for Attainment or Entire Nonattainment Area	23 CFR 450.314(a)	When Completed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Between MPO/State DOT/Transit Operator. Included in UPWP or Prospectus (23 CFR 450.314(d)).

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Review of MPA - for MPA that do not include the entire nonattainment or maintenance area	23 CFR 450.314(b), 23 USC 109(j)	When Completed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Between MPO/State DOT/State AQ Agency.
Review of MPO Public Participation Procedures	23 CFR 450.316(a)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Must be developed and published.
Review of Metropolitan Transportation Plan (MTP) in Attainment Areas (and Updates)	23 CFR 450.322	Every 4 years	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Review of MTP in Non-Attainment and Maintenance Areas (and Updates)	23 CFR 450.322	Every 5 years	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Review of MTP Amendments	23 CFR 450.322(c)	As Needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Air Quality Conformity Determination on LRTP in Non-attainment and Maintenance Areas	23 CFR 450.322(d)	Concurrent with LRTP updates at least every 4 years and as needed on amendments	Not Applicable	Office of Planning, Environment & Realty	Program Development	After receipt of MPO determination; Joint FHWA and FTA determination; In consultation with the Environmental Protection Agency (EPA).
Review of Transportation Improvement Program (TIP)	23 CFR 450.300(a); 23 CFR 450.324(b); 23 CFR 450.328(a), 23 USC 134(j)(1)(D)	Prior to Program Period	Not Applicable	Office of Planning, Environment & Realty	Program Development	No succinct Federal approval action is required for the TIP. FHWA/FTA approval of the TIP is through the STIP approval process.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Review of TIP Amendments	23 CFR 450.324(a); 23 CFR 450.328(b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	No succinct Federal approval action is required for the TIP. FHWA/FTA approval of the TIP is through the STIP approval process.
Approval of Air Quality Conformity Determination on TIP	23 CFR 450.326; 23 CFR 450.328	At least every 4 years, or when the TIP has been modified (unless exempt projects)	Not Applicable	Office of Planning, Environment & Realty	Program Development	Applies to non-attainment and maintenance areas only. After receipt of MPO determination, joint determination with FTA (in cooperation with EPA).
Federal Finding of Consistency of Planning Process with Section 134 and 135	23 CFR 450.218(b); 23 CFR 450.334(a)	Concurrent with (S)TIP submittal	Not Applicable	Office of Planning, Environment & Realty	Program Development	At least every four years, joint finding with FTA when TIP is submitted.
In Metropolitan Planning Areas, Review of State and MPO Self-certification that Planning Process is in Accordance with Applicable Requirements	23 CFR 450.334 (a), 23 CFR 218(a)	Annually or concurrent with the STIP/TIP cycle	Not Applicable	Office of Planning, Environment & Realty	Program Development	Required for all MPO's. May be included in the STIP, TIP, or UPWP, at least every 4 years.
In TMA's, Certification that Planning Process is in Accordance with Applicable Requirements	23 CFR 450.334(b), 23 USC 134(k)(5)	Every 4 years		Office of Planning, Environment & Realty	Program Development	Joint FHWA and FTA Certification.
Approval of Federal-Aid Urban Area Boundaries	23 CFR 470.105 (a), 23 USC 101(a)(33)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Revision of Functional Classification	23 CFR 470.105 (b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval by Administrator of Interstate Additions & Revisions	23 USC 103(c)(1)(D), 23 CFR 470.111, 23CFR 470.115 (a)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Approval by HQ – Administrator.
Approval by Office Director of National Highway System (NHS) Additions and Revisions	23 USC 103(b)(3), 23 CFR 470.113 and 470.115(a)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Approved by HQ - Office Director.
Review of CMAQ Annual Report	CMAQ Guidance Memo October 31, 2006	Annually	1-Mar	Office of Planning, Environment & Realty	Program Development	Division provides information on CMAQ projects including: amount of obligation, project description and location, and air quality benefits. The report must be submitted via the web-based CMAQ Tracking System.
Transportation Planning Excellence Awards		Annually	1-Feb	Office of Planning, Environment & Realty	Program Development	Call for entries for the FHWA FTA Transportation Planning and Excellence Awards.
Approval of Local Technical Assistance Program (LTAP) Centers Work Plan and Budget	FHWA LTAP Field Manual	Annually	31-Mar	Office of Planning, Environment & Realty	Program Development	FHWA HQ approval.
Approval of Public Involvement Program Procedures	23 CFR 771.111(h), 23 USC 128	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval of NEPA Procedures, including Section 4(f)	23 CFR 771; 23 CFR 774; SAFETEA-LU 6007 & 6009, 23 USC 109(h)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Noise Policies	23 CFR 772.7, 772.9, and 772.13, 23 USC 109(i)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA approves State' noise abatement policy.
EIS Status Updates	FHWA Strategic Goal - EIS Timeliness	Quarterly	(Fiscal Year - Oct, Jan, Apr, Jul)	Office of Planning, Environment & Realty	Program Development	Monitor time required to complete EIS's. Determine projects which have exceeded recommended timeline (3 years). Identify projects which should be listed as dormant. Submit to HEPE.
Endangered Species Act Cost Report		Annually	1-Mar	Office of Planning, Environment & Realty	Program Development	
Exemplary Ecosystem Initiatives Applications		Annually	1-Apr	Office of Planning, Environment & Realty	Program Development	
Approval of Acquisitions, Appraisals, and Relocations Program and Procedures	49 CFR Part 24, The UA	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Early Acquisitions	23 CFR 710.501	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Local Public Agency Oversight	49 CFR 24.4(b); 23 CFR 710.201	As needed	Not Applicable	Office of Planning, Environment & Realty	Project Delivery	
Approval of Highway Facility Relinquishment	23 CFR 620.203	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of ROW Disposal Authorization Request	23 CFR 710.409	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of ROW Operations Manual (Organization, Policies and Procedures), Updates, and Certification	23 CFR 710.201	January 1, 2001 and every 3 years thereafter or as required by changes in State law or Federal regulation or law	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Exception to Charging Fair Market Value	23 CFR 710.403 and 23 CFR 710.409	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Interstate Real Property Use Agreements	23 CFR 710.405	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Request for Federal Land Transfer	23 CFR 710.601	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval of Request for Direct Federal Acquisition	23 CFR 710.603	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Outdoor Advertising Policies and Procedures, and Regulation and Procedure Approval	23 CFR 750.304, 23 CFR 750.705, 23 USC 131	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Requests to Exempt Certain Nonconforming Signs, Displays, and Devices	23 CFR 750.503	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Railroad Agreement Alternate Procedure	23 CFR 646.220	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	
Approval of Uniform Act Waivers and Waivers from Availability of Comparable Replacement Dwelling before Displacement	49 CFR 24.7, 49 CFR 24.204(b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	Requests reviewed and approved by HEPR Office Director.
Review of Uniform Relocation Assistance & Real Property Acquisition Report -(OMB Form 2125-0030)	49 CFR 24.9c & Appendix B 49 CFR 24.603	Annually	15-Nov	Office of Planning, Environment & Realty	Program Development	Submitted to FHWA Headquarters (HQ).
Review of Real Property Acquisition Statistical Report	FHWA Order 6540.1	Annually	15-Nov	Office of Planning, Environment & Realty	Program Development	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval of Management Process and Project Selection Procedures and Certification for Research, Development & Technology Transfer Program and Revisions to Process	23 CFR 420.115 and 23 CFR 420.209	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Approval.
Periodic Review of States Management Process of the Research, Development & Technology Transfer Program	23 CFR 420.209	Periodic	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Periodic Review.
Approval of Performance and Expenditure Reports for SPR Research Work Programs	23 CFR 420.117	No less frequently than annual and no more frequently than quarterly	90 Days After End Of Period	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Approval.
Approval of SPR research reports	23 CFR 420.117	Prior to publication unless prior approval is waved	Not Applicable	Office of Planning, Environment & Realty	Program Development	FHWA Division Office Approval unless waived.
Annual Traffic Reports	Traffic Monitoring Analysis System and Traffic Monitoring Guide reporting	When Published	As needed	Office of Highway Policy information	Performance Management	When Published

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Approval of Annual Field Review Report	HPMS Field Review Guidelines (June 2001) Continuous Process Improvement Model for HPMS(February 2003)	Annually	1-Nov	Office of Highway Policy information	Performance Management	Review memo to HQ.
Approval of Certified Public Road Mileage	23 CFR 460.3(b)	Annually	1-Jun	Office of Highway Policy information	Performance Management	Each year, the Governor of each State and territory or a designee must certify Public Road Mileage. FHWA division reviews the Mileage and sends to HQ with division review/concurrence. This is reported to NHTSA for Apportionment of Safety Funds.
Approval of Data Submittal	23 CFR 420.105(b), HPMS Field Manual	Annually	15-Jun	Office of Highway Policy information	Performance Management	State DOT sends directly to Division Office and HQ.
Highway Statistics Reports	Guide to Reporting Highway Statistics			Office of Highway Policy information	Performance Management	State DOT of Division Office sends directly to HQ.
Motor Fuels Report	A Guide to Reporting Highway Statistics, Chapter 2	Due 60 days after end of each reporting month		Office of Highway Policy information	Performance Management	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Vehicles and Drivers (561, 562, 566, and 571)	A Guide to Reporting Highway Statistics, Chapters 3, 4, 5, and 6	1-Apr	1-Apr	Office of Highway Policy information	Performance Management	
Finance (531, 532, 541, 542, and 543 (optional))	A Guide to Reporting Highway Statistics, Chapters 8 and 9	1-Apr	1-Apr	Office of Highway Policy information	Performance Management	
Transportation Bond Referendums	A Guide to Reporting Highway Statistics, Chapter 9	When Published	When Published	Office of Highway Policy information	Performance Management	
State DOT / Toll Authority Audits and Published Annual Reports and Form 539 (optional)	A Guide to Reporting Highway Statistics, Chapter 10	When Published	When Published	Office of Highway Policy information	Performance Management	Annually, Due as soon as available.
Finance (536)	A Guide to Reporting Highway Statistics, Chapter 11	30-Sep	30-Sep	Office of Highway Policy information	Performance Management	Biennially for odd-numbered years. Due nine months after end of reporting year
Finance (534)	A Guide to Reporting Highway Statistics, Chapter 12	15-Jun	15-Jun	Office of Highway Policy information	Performance Management	Annually for State, Biennially for local

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Highway Finance and Tax Legislation	A Guide to Reporting Highway Statistics, Chapter 13	When Published	When Published	Office of Highway Policy information	Performance Management	
State DOT Budgets and Published Annual Reports	A Guide to Reporting Highway Statistics, Chapter 13	When Published	When Published	Office of Highway Policy information	Performance Management	
Motor Fuel Oversight Review	July 24, 2001 HQ Memo	Initial baseline reports no later than December 31, 2003		Office of Highway Policy information	Performance Management	Annual progress reports and statement of verification by June 30. Submitted via UPACS.
Review of Biennial - Toll Facilities in the United States	23 CFR 450.105(b) HPMS Field Manual	Biennially - Odd Years	June 15 (Odd Years)	Office of Highway Policy information	Performance Management	Division Office sends to HQ.
State Highway Maps (Tourist)		When Published	When Published	Office of Highway Policy information	Performance Management	Two copies to each Division Office and 100 copies to HQ.
Traffic Flow Maps		When Published		Office of Highway Policy information	Technical Services	When Published.
Vehicle Classification Data	MAP-21, HPMS Field Manual, Traffic Monitoring Guide	15-Jun	15-Jun	Office of Highway Policy information	Performance Management	Part of Annual HPMS submittal.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Highway Use Tax Evasion Grant Awards	23 USC 143	Annual	Not Applicable	Office of Highway Policy information	Performance Management	FHWA along with the Internal Revenue Service will review applications and select awardees for projects designed to reduce or eliminate fuel tax evasion. FHWA will also review annual progress reports on projects.
Heavy Vehicle Use Tax (HVUT) – Certification of verifying proof-of-payment of HVUT	23 CFR 669.7	1-Jul	1-Jul	Office of Highway Policy information	Performance Management	Each year, the Governor of each State, or a designee must certify that the State is verifying that the HVUT has been paid before they issue or renew registrations on vehicles over 55,000 lbs. The HVUT program is administered by the Internal Revenue Service.
Heavy Vehicle Use Tax (HVUT) – Certification of verifying proof-of-payment of HVUT	23 CFR 669	Annual	1-Jan	Office of Highway Policy information	Performance Management	Each year, the Governor of each State, or a designee must certify that the State is verifying that the HVUT has been paid before they issue or renew registrations on vehicles over 55,000 lbs. The HVUT program is administered by the Internal Revenue Service.
Heavy Vehicle Use Tax (HVUT) – Triennial review of State program	23 CFR 669.21	Triennial	Not Applicable	Office of Highway Policy information	Performance Management	Every 3 years, the local Division Office will perform a review of the State process for verifying that the HVUT has been paid before a registration can be issued or renewed for vehicles over 55,000 lbs. The HVUT program is administered by the Internal Revenue Service.
Permanent ATR Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Highway Policy information	Performance Management	Submit monthly, within 20 days after the close of the month for which the data were collected.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Continuous Automatic Vehicle Classifier Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Highway Policy information	Performance Management	Send up to one week of data per quarter
Weight and Vehicle Classification Data Collected at Weigh-in-motion sites	Heavy Vehicle Travel Information System Field Manual	15-Jun	As needed	Office of Highway Policy information	Performance Management	WIM data collected at non-continuous sites during a year should be submitted by June 15 of the following year. If continuous WIM data are available, then up to one week of data per quarter.
Approval of MAP-21 compliant SHSP update within the legislatively required timeframe.	23 U.S.C. 148 (d)(2)(B)	Non Recurring	By Aug. 1 of the fiscal year after the HSIP final rule is established	Office of Safety	Technical Services	FHWA Division Offices provide copy of SHSP process approval letter to HQ.
Highway Safety Improvement Program (HSIP) and Railway-Highway Crossing Program (RHCP) Reports	23 USC 148(h), 23 CFR 924.15	Annually	31-Aug	Office of Safety	Technical Services	As per MAP-21 guidance, reports are due to FHWA Division Office by August 31st and to the Office of Safety by September 30.
Transportation Performance Management (TPM) for Safety	23 USC 150, 23 USC 134, 23 USC 135, 23 USC 148(i)	Annually	31-Aug	Office of Safety	Technical Services	Per MAP-21, States and MPOs must set targets for established measures. Targets must be assessed for achievement
Review Drug Offender Driver's License Suspension Law & Enforcement Certification (Section 159)	23 USC 159 23, CFR 192.5	Annually	1-Jan	Office of Safety	Technical Services	Certifications due to the Division Office by January 1.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	Remarks
Section 154/164 Compliance Status - Funds Reservation	23 USC 154 and 23 USC 164	Annually	30-Oct	Office of Safety	Technical Services	States must submit a Shift letter to the Division Office by Oct. 30 indicating how to apply the penalty. New penalty states have additional time. The Office of Safety processes the compilation of information in a memo to the CFO.
Review Safety Belt Compliance Status	23 USC 153, 23 CFR 1215.6	Annually	Annually	Office of Safety	Technical Services	NHTSA
High Risk Rural Roads (HRRR) Special Rule	23 USC 148(g)(1)	Annually	Annually	Office of Safety	Technical Services	After the final FARS and HPMS data are available, FHWA HQ will inform the States if the HRRR Special Rule applies for the following FY.
Older Drivers and Pedestrians Special Rule	23 USC 148 (g)(2)	Annually	31-Aug	Office of Safety	Technical Services	States should include in their annual HSIP reports (due August 31st) the calculations performed, verifying whether the Older Driver Special Rule applies in the State. If the Special Rule applies to a State in a given year, the State must include in its subsequent SHSP strategies to address the increases in the fatality and serious injury rates for drivers and pedestrians over the age of 65.
FHWA Emergency Preparedness Program	Executive Order 12656 and FHWA Order 1910.2C	As needed	Not Applicable	Office of Operations	Technical Services	National Programs.

**ATTACHMENT B
PROGRAM RESPONSIBILITY MATRIX**

PROGRAM ACTION RESPONSIBILITY

The following matrix is a list of program actions. The Division should refer to {link removed} for the latest updated version which can be incorporated into the agreement or referenced as a control document.

ATTACHMENT C MANUALS AND OPERATING AGREEMENTS

STATE DOT Manuals (approved by FHWA for use on Federal-aid projects -- this list is provided as an example and is not all inclusive)

Access Policy Affirmative Action Plan
Bid Evaluation Procedures
Bridge Manual
Consultant Selection Process
Contract Administration Manual
Contract Compliance Plan
Disadvantaged Business Enterprise (DBE) Plan
Environmental Process Manual
Financial Services Manual
Highway Safety Improvement Plan
Indirect Cost Allocation Plan (Cost Pool Composition/Eligibility)
Local Assistance Procedures Manual
Local Assistance Program Guidelines
Quality Assurance Program (QAP) Manual for Use by Local Agencies
Local Public Agency (LPA) Guidelines and Manuals
Materials Manual
Right of Way Manual
Standard Drawings
State DOT Design Manual
Statewide Transportation Improvement Plan
Supplemental and Standard Specifications
Title VI Plan
Traffic Operations Manual (e.g. MUTCD supplement)
Transportation Improvement Plan
Utility Manual
Work Programs

- Local/Tribal Technical Assistance Program (LTAP/TTAP)
- Statewide Planning and Research
- Transportation Management Area/Metropolitan Planning Organization (TMA/MPO)

Operating (Programmatic) Agreements

NEPA/404
Endangered Species Act Section 7
Endangered Species Act Informal Consultation
Stewardship and Oversight Indicators
Risk-Based Project Level Oversight

[Equal Employment Opportunity \(EEO\) Contractor Compliance](#)

[Project Development Procedures Manual \(PDPM\)](#)

[Local Assistance Procedures Manual—LAPM](#)

[Bridge Construction Records and Procedures Volume 1](#)

[Bridge Construction Records and Procedures Volume 2](#)

[Standard Operating Procedures for Manual Field Measurement of Turbidity, pH, Dissolved Oxygen, and Conductivity](#)

[Construction Manual, Caltrans](#)

Storm Water Construction Site Best [Management](#) Practices

[Flagging Instruction Handbook](#)

[Highway Design Manual](#)

[OSFP Information and Procedures Guide](#)

[Office of Structural Materials Practices and Procedures Manual](#)

[Life-Cycle Cost Analysis Procedures Manual \(2013\)](#)

[COST EFFECTIVENESS/ PUBLIC INTEREST FINDING GUIDELINES \(PIF\)](#)

[Oversight Engineer Field Guidelines](#)

FHWA Manuals, Guidance, Procedures

FHWA Project of Division Interest/Project of Corporate Interest Guide (FHWA PoDI/PoCI Guide)

PoDI/PoCI Identification and Oversight Agreement (Sample) or Project Oversight Agreement (Sample)

Division Risk Based Stewardship and Oversight (RBSO) Standard Operating Procedure (SOP).

High Risk Categories for Interstate Projects

FHWA Compliance Assessment Program (CAP) Guide

Program Agreement (Sample)