

FEDERAL-AID HIGHWAY PROGRAM STEWARDSHIP AND OVERSIGHT GUIDANCE

December 2013

I. Background and Introduction:

The Secretary of Transportation delegated responsibility to the Administrator of the Federal Highway Administration (FHWA) for the Federal-aid highway program (FAHP) under Title 23 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).

Section 106 of Title 23, United States Code (Section 106), provides the statutory requirements for project approval and oversight of the FAHP. Section 106(c)(3) requires FHWA and State departments of transportation (State DOTs) to enter into an agreement relating to the extent to which the State DOT assumes project responsibilities. These agreements, called Stewardship and Oversight Agreements (S&O Agreements), include information on specific project responsibilities and provide the requirements for oversight of the FAHP (Oversight Program), as required by 23 U.S.C. 106(g). This guidance summarizes the requirements of both the S&O Agreement and Oversight Program.

The S&O Agreement should be written clearly to document responsibilities of the FHWA and State DOT, ensuring adequate oversight for validating the obligation and expenditure of Federal funds. On the broader program level, the S&O Agreement should acknowledge that FHWA and the State DOT are responsible for the effective and efficient use of Federal funds. Updates to an S&O Agreement should 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 the State DOT or FHWA.
- Priorities shift as a result of audits, public perception, or changes in staffing at either the State DOT or Division Office.

II. Stewardship and Oversight (S&O) Agreement – Assumption of Responsibilities (23 U.S.C. 106(c)):

The State DOT *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 the *State DOT* and *FHWA* determine that assumption of responsibilities is

appropriate. (23 U.S.C. 106(c)(1)) State DOT may not assume responsibilities for high risk category Interstate projects. (See section III of this guidance.)

The State DOT *shall assume* the FHWA's Title 23 responsibilities for design, PS&E, contract awards, and inspections, with respect to *Federal-aid projects off the NHS (non-NHS)* unless the *State DOT* determines that assumption of responsibilities is not appropriate. (23 U.S.C. 106(c)(2))

The Federal-aid division office (Division) and State DOT must enter into an agreement relating to the extent to which the State DOT assumes project responsibilities. This S&O Agreement is required by 23 U.S.C. 106(c)(3). State DOT assumption of FHWA's Title 23 responsibilities covers six areas: design; plans, specifications, and estimates; contract awards; and inspections:

- Design includes preliminary engineering, engineering, and design-related services directly relating to the construction of a highway 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.
- PS&E represent the PS&E package that includes geometric standards, drawings, specifications, project estimates, and acquisition/certification of right-of-way.
- Contract awards include procurement of consultant and construction-related services to include advertising, evaluating, and awarding contracts.
- Inspections include general contract administration, review, and inspections of Federal-aid contracts, as well as final inspection/acceptance.

An S&O Agreement must describe specific project-level actions and assign responsibilities for those actions to each agency. Each division's use of the Project Responsibility Action Matrix will document the State DOT assumption of FHWA's Title 23 responsibilities, ensure consistency, and facilitate legal review of the S&O Agreement (see Appendix A, Project Responsibility Action Matrix).

The assumption of the Secretary's responsibilities by State DOT for designs, PS&E, contract awards, and inspections does not include any responsibilities with respect to planning, conformity, environment, or the authorization of Federal funds. Also, these responsibilities do not include the following actions:

- Civil Rights Program approvals;
- Environmental approvals, except those specifically assumed under other agreements. (23 U.S.C. 326 and 327);
- Federal air quality conformity determinations required by the Clean Air Act;
- Progress payments and final vouchers;
- Hardship acquisition and protective buying, and early acquisitions under 23 U.S.C. 108(d);
- Project agreements and modifications to project agreements obligation of funds (including advance construction);
- Planning and programming pursuant to 23 USC 134 and 135;
- Special Experimental Projects (SEP-14 and SEP-15);
- Use of Interstate airspace for non-highway-related purposes;

- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended;
- 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 costs for early acquisitions, donations, or other contributions applied to a project;
- Functional replacement of property;
- Approval of a time extension 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, in the event that actual construction of a road on the right-of-way is not undertaken;
- Determine need for Coast Guard Permit;
- Equal Employment Opportunity (EEO) Contract Compliance Review Approval;
- Training Special Provision – Approval of New Project Training Programs; and
- Any other activity not specifically identified in Appendix A unless otherwise approved by the Office of Program Administration.

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 PoDI by the Division. These projects are determined on a cyclical basis and are the subject of additional FHWA guidance. The PoDI process is the subject of the PoDI Guidance dated June 3, 2013, “FHWA Risk-Based Project Stewardship and Oversight Projects of Division Interest,” and Frequently Asked Questions (FAQs) of the same date, “FHWA Risk-based Approach to Stewardship and Oversight (S&O).” The Division should refer to <http://our/office/fhwa.dfs/rbso/SitePages/Home.aspx> for the latest version of this document.

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.

Project-specific plans for PoDIs and PoCIs, or plans on groups of these PoDI and PoCI projects, can be used to document any of FHWA’s retained assumptions or other oversight strategies (see Appendix B). For example, the S&O Agreement would document that the State DOT assumes responsibility for all projects on and off the NHS, unless the project is designated as a PoDI or PoCI, or unless some other approval authority is specifically provided for within the S&O plan (e.g., Interstate access approval). As such, S&O Agreements should provide that project plans will be developed for PoDIs and PoCIs under which FHWA may provide enhanced oversight activities, including FHWA exercising approval actions that State DOTs otherwise have assumed under the S&O Agreement. The S&O Agreement should make clear that any PoDI or PoCI project plan shall be deemed to be incorporated into the S&O Agreement.

The S&O Agreement does not modify the FHWA’s non-Title 23 program approval responsibilities, such as approvals required under the Clean Air Act; the National Environmental Policy Act of 1969 (NEPA) and other related environmental laws and statutes; the Uniform Act; and the Civil Rights Act of 1964 and related statutes, unless expressly permitted under Federal law, such as the assumption of environmental responsibilities under 23 U.S.C. 326 and 327.

III. High Risk Categories:

Section 106 provides that the Secretary shall not assign any responsibilities to a State 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.

The Office of Program Administration establishes national high risk categories. Presently, the only national high risk category is for high risk grantees, pursuant to 49 CFR 18.12. A State that has been designated as a high risk grantee may not assume any of the Secretary's responsibilities for design, PS&E, contract awards, and project inspections for any project on the Interstate System.

Divisions also may establish high risk categories for projects on the Interstate System on a State-by-State basis. High risk categories are not the same as PoDIs and PoCIs. Divisions may establish high risk categories that are specific to a particular Interstate project or group of Interstate projects or a particular project delivery method being employed on Interstate projects. Divisions must receive concurrence from the Office of Program Administration prior to designating any high risk category.

The FHWA expects the designation of high risk categories to be very rare. Where a project on the Interstate System is determined to be in a high risk category, the S&O Agreement must be modified to specifically exclude that project from any assignment of responsibilities to the State. Any changes to high risk designations must be documented with amendments to the S&O Agreement.

IV. Oversight Program (23 U.S.C. 106(g)):

The S&O Agreement should document the key processes and internal controls in place for ensuring the effectiveness and efficiency of operations, the reliability of financial data, and compliance with applicable laws, regulations, and policy.

Congress has defined that, at a minimum, the FAHP shall be responsive to all areas relating to financial integrity and project delivery. Ensuring financial integrity requires ongoing evaluations, monitoring, and reporting regarding the adequacy of systems of internal accounting and administrative control. The FHWA has implemented the Financial Integrity Review and Evaluation (FIRE) program (FHWA Order 4560.1B) to ensure that FAHP funds are properly managed and effectively used in accordance with laws, regulations, and Federal policies and that safeguards are in place to minimize fraud, waste, and abuse. In addition, the FIRE program is a key agency tool for assessing whether proper internal controls are established and maintained in conducting day-to-day operations.

Sound internal controls should be an integral part of performance-based management and play a significant role in managing priorities and directing limited stewardship and oversight resources. Key oversight activities such as program reviews, the State DOTs' internal audits, as well as the Single Audit of the State DOT and sub-recipients help to ensure sound financial management and successful achievement of program objectives.

The FHWA also must periodically evaluate the State DOT's practices for estimating project costs, awarding contracts, and reducing project costs. (23 U.S.C. 106(g)(2)(B)) Section 106(g)(3) requires

FHWA's annual review of State DOTs' project delivery systems, including the review of one or more of the project delivery phases that occur from project inception to completion.

In addition, Section 106(g)(4) requires the State DOT to be responsible for determining that sub-recipients of Federal funds under Title 23 have (1) adequate project delivery systems for projects approved under this section; and (2) sufficient accounting controls to properly manage such Federal funds. The FHWA periodically reviews the monitoring of sub-recipients by the State DOTs.

The S&O Agreement also should include, in general terms, how the division and/or State DOT will assess the risks inherent with the program and funds management and how that assessment will be used to align resources to address those risks appropriately. The FHWA will employ a risk management framework to evaluate program areas and balance risk with staffing resources, available funding, and transportation needs. The FHWA may work collaboratively with the State DOT to identify and analyze risks and develop pertinent risk response strategies.

Techniques that a State DOT may use to identify and analyze risks and develop response strategies include:

- Program assessments;
- FIRE reviews;
- Program reviews;
- Certification reviews;
- Recurring reviews such as the Compliance Assessment Program (CAP); and
- Project inspections.

The State DOT, FHWA, or both may initiate program assessments and program reviews of the FAHP. All assessments and reviews are intended to evaluate procedures and policies used in delivering the FAHP, along with identifying deficiencies and opportunities for improvement. The division office also should perform reviews to evaluate compliance with the established procedures and policies.

To determine which reviews should be conducted, the divisions can employ such techniques as risk assessments and pre-determined schedules for regular reviews of specific programs or components. The reviews can be conducted by individuals or teams and can be performed using FHWA staff, State DOT staff, or staff from other stakeholder groups and organizations. The incorporation of the division's FIRE program and the annual FIRE certifications should be referenced as the means to assess the financial management and internal control reviews of the programs and projects.

Program reviews are one of FHWA's tools for providing oversight for assumed projects. If appropriate, program reviews should include a financial component designed to the level and adequacy of internal controls within the program intended to detect and/or prevent possible fraud, waste, or abuse of Federal-aid funds. The financial component includes documenting those internal controls and reviewing the adequacy of the documentation to support the appropriate expenditure of Federal-aid funds.

Project inspections are a valuable tool for determining adherence to applicable laws, regulations, and policies, and should also be employed by the State DOT in its oversight of locally administered projects.

Regardless of the technique used, all reviews and inspections should be documented by a report.

1. Oversight Responsibility

The FHWA maintains overall oversight responsibility for the FAHP, and is ultimately responsible for ensuring financial integrity and compliance with applicable Federal laws and regulations. The FHWA remains accountable to the public and Congress for the FAHP and ensuring that it is delivered in an efficient and effective manner regardless of the approval authority or responsibility assumed by the State DOT. Though a State DOT may assume FHWA's responsibilities as described in 23 U.S.C. 106(c), nothing in Section 106 affects or discharges any responsibility of FHWA to oversee the implementation of Federal requirements. The FHWA is responsible for all aspects of Federal-aid programs and nothing shall preclude FHWA's access to and review of a State DOT's delivery of a Federal-aid project at any time. Divisions retain the right and authority to review all aspects of the State DOT's delivery of the FAHP.

2. Projects For Which Responsibilities Are Assumed By The State DOT (State Assumed / State Administered)

The S&O Agreement should clearly document the roles and responsibilities of the State DOT on NHS projects for which the State DOT has assumed responsibilities for design, PS&E, contract awards, and project inspections (see Appendix A). Projects for which the State DOTs assumed defined approval authority are not subject to further approvals by FHWA on those specific items, unless the State DOT requests FHWA be involved.

For non-NHS projects, the S&O Agreement should clearly provide that the State DOT assumes those specific FHWA responsibilities unless the State DOT determines that such assumption is not appropriate. The S&O Agreement also should clearly provide that the State DOT is to exercise the Secretary's responsibilities on these projects with the expectation that its actions will be based on Federal laws unless the responsibility is specifically reserved to the FHWA in the S&O Agreement. The State DOT's signature to the S&O Agreement and any PoDI or PoC project plan providing the FHWA will retain any such responsibilities is deemed to be a determination by the State DOT that such assumption is not appropriate.

The S&O Agreement should describe the State DOT's approval and oversight responsibilities on all assumed elements of the program and, at a minimum, contain the following concepts:

- For all projects or programs, the State DOT 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, Title VI of the Civil Rights Act, participation by disadvantaged business enterprises, prevailing wage rates, and acquisition of right-of-way.
- For all projects or programs, the State DOT will ensure that right-of-way approval; utility approval; environmental approvals; railroad approval and related activities; design approval; design exceptions (NHS); PS&E approval; concurrence in award; and construction-related activities are performed in accordance with State DOT policies, practices and standards, (to the extent State policies, practices, and standards are consistent with Federal requirements) and all requirements of Title 23.

The S&O Agreement should address how assumed authorities will be carried out by the State DOT. It should include the reports, reviews, data, staffing information, performance assurances, etc., that will

provide documented assurance that the State DOT is properly carrying out its responsibilities in accordance with this S&O Agreement, and how this information will be shared with the division. The S&O Agreement also can include business service standards that would provide an expectation for how long it would take to provide reports, reviews, and findings along with the expectation to implement corrective actions when necessary.

3. Projects For Which Responsibilities Are Assumed By The State DOT For Projects Locally Administered (State Assumed / Locally Administered)

The S&O Agreement should document the role of the State DOT in communicating, educating, and validating the Federal requirements with local public agencies (LPAs). Federal law requires that the State DOT be responsible for the oversight for these projects and will exercise similar judgments as FHWA based on Federal laws, regulations, and FHWA policies. Additionally, the S&O Agreement should make clear that the State DOT remains responsible for the sub-recipients' compliance with Federal requirements.

The S&O Agreement will document how a State DOT carries out its responsibilities for a sub-recipient oversight program (23 U.S.C. 106(g)(4)), sub-grantee awareness of grant requirements (49 CFR Part 18.37), management of grants and sub-grants (49 CFR 18.40), and pass through entity responsibilities (OMB Circular A-133§ .400 (d)).

The S&O Agreement should document how the State DOT determines that a sub-recipient of Federal funds is able to satisfy the following:

- The sub-recipient has adequate project delivery systems and sufficient accounting controls to properly manage projects. The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation State DOT officials maintain.
- The 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).
- Projects receive adequate inspection to ensure they are completed in conformance with approved plans and specifications.

The S&O Agreement should document the State DOT's process to ensure that when LPA's elect to use consultants for engineering services, the LPA, as provided under 23 CFR 635.105(b), shall provide a full-time employee of the agency to be in responsible charge of the project.

The S&O Agreement should document the approval and oversight process of the State DOT on LPA-administered projects, or identify where that information is found in a manual or control document approved by FHWA (such as an LPA Manual). The State DOT will demonstrate in the S&O Agreement how project actions will be administered in accordance with Federal laws and regulations and approved on sub-recipient administered projects. At a minimum, oversight should cover these areas:

- a. Consultant selection and management;
- b. Environment;
- c. Design;
- d. Civil Rights;
- e. Financial management including audits and indirect cost allocation plans;

- f. Right-of-way;
- g. Construction monitoring, including Quality Control/Quality Assurance (QC/QA); and
- h. Contract administration*.

(* The S&O Agreement must include the State DOT's responsibility to approve a sub-recipient to pursue a contract procurement method other than competitive bidding.)

The S&O Agreement should describe how the State DOT documents its oversight of LPA-administered projects and how the results of this oversight are shared with the Division. It is recommended that at a minimum, the State DOT and Division exchange information on an annual basis. Specific stewardship/oversight indicators should be identified and agreed upon in the S&O Agreement. The S&O Agreement also can include business service standards that would provide an expectation for how long it would take to provide reports, reviews, and findings along with the expectation that corrective actions would be implemented when necessary.

The S&O Agreement also should include State DOT procedures for reporting requirements for certain sub-recipients in accordance with the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282, as amended by P.L. 110-252).

4. FHWA Oversight of Projects of Division and Corporate Interest (PoDIs/PoCIs)

A significant change in the FHWA's project level S&O of the FAHP from previous years is the transition from "full-oversight" of projects to risk-based project stewardship and oversight. This approach optimizes the successful delivery of projects and assures compliance with Federal requirements. Risk-Based Project Stewardship and Oversight has three main components:

- 1) Required project approval actions.
- 2) Data-driven compliance assurance, i.e., the Compliance Assessment Program (CAP), and
- 3) Risk-based stewardship and oversight of PoDIs and PoCIs.

As provided in the PoDI Guidance dated June 3, 2013, and FAQs of the same date, divisions are required to develop and document criteria for identifying potential PoDIs, assessing the resulting projects, and making the final selection of PoDIs. The criteria can be documented within the S&O Agreement or referenced if the process is included in another control document. The PoDIs have an elevated potential to pose a risk or present an opportunity to advance key initiatives. Project selection should be risk-based, and the stewardship and oversight activities should be directed toward addressing the risks. This may require retaining certain project approvals or directing stewardship or oversight activities to a specific phase or element of the project.

Division resources are a critical factor in determining those projects for which the FHWA will retain responsibilities. Retaining responsibilities is one tool for addressing oversight priorities and a delicate balance exists between the number of priorities addressed and the oversight technique(s) employed. It is intended that the project identification and the actual oversight activities will be risk-based.

For projects identified as PoDIs and PoCIs, the division will develop project-level plans to clearly address the risks associated with the projects (see Appendix B). PoDIs and PoCIs may be either State DOT administered projects, or LPA-administered projects. As explained in Section III, PoDI and PoCI projects are not high risk categories.

For Major Projects greater than \$500 million, the S&O Agreement should describe the relative role and responsibilities of the parties to include the initial and annual finance plan submissions, cost estimate reviews, and the project management plan. (23 U.S.C. 106(h)) Based on the complexity of the project, as well as the State DOT's and division's experience in administering Major Projects, a division may consider risk in determining the level of oversight to be carried out by FHWA for such projects. For projects between \$100 million and \$500 million, the S&O Agreement should address the role and responsibility of the State DOT to develop a finance plan. (23 U.S.C. 106(i))

Major Projects that have been approved for Operational Independence and Non-Concurrent Construction (per FHWA Major Project Guidance) will be treated in accordance with the new dollar amounts of each approved phase. Major Projects that were exempted prior to the issuance of the Operational Independence and Non-Concurrent Construction Guidance should be acknowledged in the S&O Agreement and considered in the determination of oversight responsibilities.

Projects using Federal innovative financing instruments such as TIFIA loans, GARVEE loans, or the establishment of a State DOT Infrastructure Bank with Federal-aid funds should be acknowledged in the S&O Agreement, and the appropriate level of division office oversight discussed in the S&O Agreement and/or project level agreements (see Appendix B).

5. Program Action Contact Information:

The S&O Agreement should also identify all relevant program actions along with State DOT and division contacts responsible for such actions.

Appendix C provides a Program Responsibility matrix for informational purposes. The division should refer to <http://our.dot.gov/office/fhwa.dfs/soguidance/default.aspx> for the latest version that can be incorporated into the agreement or referenced as a control document.

6. Manuals and Operating Agreement

The S&O Agreement should reference applicable control documents and explain the State DOT's agreement to comply with specific control standards in compliance with current laws, regulations, and other standards governing the FAHP (these documents need not be included within the body of this agreement). Divisions will approve State DOT policies or standards that expand on, amplify, or amend these standards. Appendix D contains a sample listing of manuals and agreements. On non-NHS projects, certain laws, regulations and standards are determined by the State pursuant to 23 U.S.C. 109(o). In addition, project-specific approvals (use of force account, proprietary products, etc.) should be documented in the specific project files.

7. Stewardship and Oversight Indicators

The State DOT and the division should consider incorporating stewardship/oversight indicators as an integral part of joint Federal/State stewardship/oversight activities in the S&O Agreement. If the State DOT and division so choose, they should work together to develop these indicators. Such indicators can help to provide documented evidence that State DOT assumption of responsibility is functioning appropriately. For example, the State DOT and division office may elect to use indicators addressing project cost escalation, level of oversight, or project delivery or for comparing assumed and full

oversight projects. It is envisioned that a State DOT and division office will jointly examine and discuss such data on at least an annual basis to effectively manage and improve program delivery.

These joint stewardship/oversight indicators provide insights for improving both Federal and State DOT processes. For example, a division office's "response time for PS&E approval" may be a useful measure to assess FHWA's processes. Correspondingly, a measure that tracks "the number of significant PS&E review comments requiring resolution" may help a State DOT focus on improving its PS&E delivery process. Indicators should be risk-based and continue to evolve to meet the needs of all involved parties. It is envisioned that the State DOT and FHWA will exchange and discuss stewardship/oversight indicator data on a predetermined schedule.

The indicators should be used to set targets, track trends, and implement countermeasures/actions when the data is not moving in the desired target direction. For example, countermeasures may include raising the attention level of the issue, instituting additional data and trend analysis, developing new processes or procedures, initiating additional targeted stewardship/oversight activities, or implementing additional program review activities. A number of State DOTs and division offices have implemented periodic meetings where trend data is jointly assessed and process improvement strategies are jointly initiated.

It is important to note that these "stewardship/oversight indicators" are distinct from the more comprehensive "performance measures" required under MAP-21 that are being developed through the rulemaking process.

Superseded

Examples of Effective Stewardship/Oversight Indicators	
Area of Focus	Indicator
Selection and Management of Consultants	<ul style="list-style-type: none"> Maintenance of schedule Maintenance of budget Construction change orders attributed to design work by consultant Percentage of consultant design work versus total design budget
Civil Rights	<ul style="list-style-type: none"> DBE project goal versus actual payment Cumulative progress toward statewide DBE goal Number of ADA formal complaints Number of formal Title VI complaints EEO compliance reviews completed
Financial Management	<ul style="list-style-type: none"> Use of obligation authority vs. time of year Advanced Construction authorization balances as a percentage of annual apportionment Accrued-unbilled balances Inactive Obligations as a percentage of annual apportionment Number of inactive projects
Bridge/NBIS	<ul style="list-style-type: none"> Percent of routine inspections on schedule The number of bridges behind on Underwater Inspections. The number of bridges behind on Fracture Critical Inspections The number of inspection reports not turned in, or not turned in in a timely manner
Planning	<ul style="list-style-type: none"> Percentage of STIP advanced Cost growth during planning stage Percentage of areas in air quality conformity Percentage of local projects bid versus planned
Environment	<ul style="list-style-type: none"> Average time to complete EISs, EAs and CEs Percentage of projects meeting anticipated completion date Wetland replacement ratios
Design	<ul style="list-style-type: none"> Cost growth during design Construction change orders attributed to design Schedule growth Significant PS&E comments requiring resolution Value engineering savings FHWA response time for PS&E approval
ROW	<ul style="list-style-type: none"> Percentage of projects with conditional ROW certifications Number of ROW appeals filed each year Percentage of parcels acquired through condemnation
Safety	<ul style="list-style-type: none"> Percent of Highway Safety Improvement Program funds obligated Number of completed Roadway Safety Audits Improvement in assessment scores associated with implementation of proven safety countermeasures
Operations	<ul style="list-style-type: none"> Average incident clearance time Number of incidents lasting over 90 minutes Duration of peak period (AM and PM for key routes) Improvement in Work Zone Self-Assessment scores
Contract Administration	<ul style="list-style-type: none"> Number of bids per project (by region, type of work, contract size, level of competition, etc.) Bids and award dispersion by contractor
Construction	<ul style="list-style-type: none"> Cost growth during construction Schedule growth during construction Value engineering savings – construction Expenditures determined to be ineligible for Federal participation Percentage of projects completed on time

V. Execution of the Agreement:

Divisions are responsible for developing S&O Agreements with their respective State DOTs. Until an S&O Agreement has been developed and executed by both the State DOT and division, the division remains responsible for all Federal-aid highway project review and approvals pertaining to design, PS&E, contract awards, and project inspections, in accordance with the State/Division current S&O Agreement.

Divisions must submit their S&O Agreements to the Office of Chief Counsel (HCC) for a legal sufficiency review before the Division Administrator signs them. The purpose of this review is to ensure that the responsibilities being assumed by State DOTs do not exceed the statutory authority under 23 U.S.C. 106(c). In requesting a legal review, the Division Administrator should ensure that the S&O Agreement has been thoroughly reviewed by the division and that the Agreement is in substantially final form. While Division Administrators are encouraged to consult with HCC regarding any questions that may arise in the development of their S&O Agreements, divisions should ensure that the document ultimately transmitted to HCC for official review has been developed in accordance with this guidance.

In requesting HCC review, Division Administrators should notify their respective Directors of Field Services of such action. Once the S&O Agreement is transmitted to HCC for legal sufficiency review, HCC will have a period of at least 30 days to conduct the review. Once HCC completes the legal sufficiency review, the State DOT chief executive officer and Division Administrator should sign the S&O Agreement.

Appendices

Appendix A: Project Action Responsibility Matrix

Appendix B: Section 106(c) Project Specific Plans

Appendix C: Program Action Responsibility Matrix

Appendix D: FHWA/STATE DOT Manuals and Operating Agreements

Appendix E: Stewardship and Oversight Agreement Template

Appendix F: Glossary

Appendix G: Project Oversight Designation Requirement in the Fiscal Management Information System (FMIS)

Superseded

Appendix A: Project Action Responsibility Matrix

PROJECT ACTION RESPONSIBILITY

The following matrix is a composite list of project actions from several Stewardship/Oversight Agreements. In columns entitled “Projects on which State DOT assumes FHWA responsibilities under 23 U.S.C. 106,” for projects on and off the NHS, and marked “State,” the items are intended to represent the entire range of responsibilities that States may assume under 23 U.S.C. 106(c). As such, for the range of responsibilities for projects on the NHS, the FHWA may be substituted for any box marked “State” as deemed appropriate by the division based on the division’s risk assessment, but any box marked “FHWA” cannot be substituted with “State.” Also, for projects off the NHS, the FHWA may be substituted for any box marked “State” as deemed appropriate by the State but any box marked “FHWA” cannot be substituted with a State. The division should refer to <http://our.dot.gov/office/fhwa.dfs/soguidance/default.aspx> for the latest updated version which can be incorporated into the agreement.

ACTION	AGENCY RESPONSIBLE		
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS
	Projects on which FHWA responsibilities are retained	Projects on which State DOT assumes FHWA responsibilities under 23 U.S.C. 106	Projects on which State DOT assumes FHWA responsibilities under 23 U.S.C. 106
PROGRAMMING (All phases)			
Ensure project in Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP)	STATE	STATE	STATE
Ensure eligibility for proposed funding category	STATE ¹⁾	STATE	STATE
FINANCIAL MANAGMENT (All phases)			
Obligate funds/approve Federal-aid project agreement (project authorizations) (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Authorize current bill (note: this action cannot be assumed by State)	FHWA	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	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	FHWA
Develop Financial Plan for Federal Projects between \$100 million and \$500 million [23 U.S.C. 106(i)]	STATE	STATE	STATE
ENVIRONMENT (All phases)			
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal laws and regulations. (note: this action cannot be assumed by STATE)	FHWA	FHWA	FHWA
Programmatic Environmental Reports	STATE	STATE	STATE

ACTION	AGENCY RESPONSIBLE		
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS
	Projects on which FHWA responsibilities are retained	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106
PRELIMINARY DESIGN (Design Phase)			
Consultant Contract Selection ⁽²⁾	FHWA	STATE	STATE
Sole source Consultant Contract Selection ⁽²⁾	FHWA	STATE	STATE
Approve hiring of consultant to serve in a "management" role (note: this action cannot be assumed by State) [23 CFR 172.9]	FHWA	FHWA	FHWA
Approve consultant agreements (Federal non-Major Projects) [23 CFR 172.9]	FHWA	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	FHWA
Approve exceptions to design standards [23 CFR 625.3(f)]	FHWA	STATE	STATE
Interstate System Access Change [23 USC 111] (note: this action cannot be assumed by State)	FHWA	FHWA	N/A
Interstate System Access Justification Report [23 USC 111] (note: action may be assumed by State pursuant to 23 USC 111(e))	FHWA	STATE	N/A
Airport highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104]	FHWA	STATE ⁽³⁾	N/A ⁽³⁾
Approve Project Management Plan for Federal Major Projects over \$500 million [23 US C 106(h)] (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Approve innovative and Public-Private Partnership projects in accordance with SEP-14 and SEP-15 (except those Design-Build projects that conform with 23 CFR 636) (note: this action cannot be assumed by State)	FHWA	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	FHWA
DETAILED / FINAL DESIGN (Design Phase)			
Approve preliminary plans for unusual structures [23 USC 109(a) and FHWA Policy]	FHWA	STATE	STATE
Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c)]	FHWA	STATE ⁽⁴⁾	STATE
Approve use of local force account agreements [23 CFR 635.104 & 204]	FHWA	STATE	STATE
Approve use of publicly owned equipment [23 CFR 635.106]	FHWA	STATE	STATE
Approve the use of proprietary products, processes [23 CFR 635.411]	FHWA	STATE	STATE
Concur in use of publicly furnished materials [23 CFR 635.407]	FHWA	STATE	STATE

ACTION	AGENCY RESPONSIBLE		
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS
	Projects on which FHWA responsibilities are retained	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106
RIGHT-OF-WAY (Design Phase)			
Authorize Right-of-Way activities [23 CFR 710.307] (If a Federal-aid project) (note: 23 CFR 710.201 authorizes FHWA and STATE to agree to scope of oversight and approvals for all actions except those on the Interstate System)	FHWA	STATE	STATE
Accept Right-of-Way certificate as a condition of PS&E approval [23 CFR 635.309(b)(c)]	FHWA	STATE	STATE
Approve Hardship and Protective Buying and early acquisitions under 23 U.S.C. 108(d) [23 CFR 710.503] (If a Federal-aid project) (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Approve Interstate Real Property Interest Use Agreements [23 CFR 710.405] (note: this action cannot be assumed by State)	FHWA ⁽⁵⁾	FHWA	NA ⁽³⁾
Approve non-highway use and occupancy [23 CFR 1.23(c)] (note: this action cannot be assumed by State)	FHWA ⁽⁵⁾	FHWA ⁽⁵⁾	NA ⁽³⁾
Approve disposal at less than 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 oversight and approvals for all actions except those on the Interstate System)	FHWA ⁽⁵⁾	FHWA ⁽⁵⁾	NA ⁽³⁾⁽⁶⁾
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 oversight and approvals for all actions except those on the Interstate System)	FHWA ⁽⁵⁾	STATE ⁽⁵⁾⁽⁶⁾	NA ⁽³⁾⁽⁶⁾
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	FHWA
Federal land transfers [23 CFR 710, Subpart F] (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Functional replacement of property [23 CFR 710.509] (note: this action cannot be assumed by State)	FHWA ⁽⁷⁾	FHWA ⁽⁷⁾	FHWA ⁽⁷⁾
SAFETY (Design Phase)			
Assurance that projects meet appropriate design safety criteria, as related to the AASHTO Roadside Design Guide and NCHRP 350	FHWA	STATE	STATE
SYSTEM OPERATIONS AND PRESERVATION (Design Phase)			
Accept Transportation Management Plans	FHWA	STATE	STATE
Approval of System Engineering Analysis (for ITS) [CFR 940.11]	FHWA	STATE	STATE

ACTION	AGENCY RESPONSIBLE		
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS
	Projects on which FHWA responsibilities are retained Federal Oversight	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106
PS&E AND ADVERTISING (Design Phase)			
Approve PS&E [23 CFR 630.20]	FHWA	STATE ⁽⁸⁾	STATE ⁽⁸⁾
Authorize advance construction and conversions [23 CFR 630.703 & 709] (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Approve utility or railroad force account work [23 CFR 645.113 & 646.216]	FHWA	STATE	STATE
Approve utility and railroad agreements [23 CFR 645.113 & 646.216]	FHWA	STATE	STATE
Approve use of consultants by utility companies [23 CFR 645.109(b)]	FHWA	STATE	STATE
Approve exceptions to maximum railroad protective insurance limits [23 CFR 646.111]	FHWA	STATE	STATE
Determine need for Coast Guard Permit [23 CFR 650.805] (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Authorize advertising for bids (FHWA authorization done via construction authorization) [23 CFR 635.112, 309]	FHWA	STATE	STATE
CONTRACT ADVERTISEMENT AND AWARD (Design Phase)			
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] (10)	FHWA ⁽⁹⁾	STATE ⁽⁹⁾	STATE ⁽⁹⁾
Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 & .204] (10)	FHWA	STATE	STATE
Approve construction engineering by local agency [23 CFR 635.105]	FHWA	STATE	STATE
Approve advertising period less than 3 weeks [23 CFR 635.112]	FHWA	STATE	STATE
Approve addenda during advertising period [23 CFR 635.112]	FHWA	STATE ⁽⁸⁾	STATE ⁽⁸⁾
Concur in award of contract [23 CFR 635.114]	FHWA	STATE	STATE
Concur in rejection of all bids [23 CFR 635.114]	FHWA	STATE	STATE
Approval of Design-Build Requests-for-Proposals and Addenda [23 CFR 635.112]	FHWA	STATE	STATE

ACTION	AGENCY RESPONSIBLE		
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS
	Projects on which FHWA responsibilities are retained Federal Oversight	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106	Projects on which State assumes FHWA responsibilities under 23 U.S.C. 106
CONSTRUCTION (Construction Phase)			
Approve changes and extra work [23 CFR 635.120]	FHWA	STATE	STATE
Approve contract time extensions [23 CFR 635.120]	FHWA	STATE	STATE
Concur in use of mandatory borrow/disposal sites [23 CFR 635.407]	FHWA	STATE	STATE
Accept materials certification [23 CFR 637.207]	FHWA	STATE	STATE
Concur in settlement of contract claims [23 CFR 635.124]	FHWA	STATE	STATE
Concur in termination of construction contracts [23 CFR 635.125]	FHWA	STATE	STATE
Waive Buy America provisions [23 CFR 635.410] (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Final inspection/acceptance of completed work [23 USC 114(a)]	FHWA	STATE	STATE
CIVIL RIGHTS (All phases)			
Setting Disadvantaged Business Enterprise (DBE) Project Goal	FHWA	STATE	STATE
Acceptance of DBE Plan and/or Good Faith Efforts	FHWA	STATE	STATE
Equal Employment Opportunity (EEO) Contract Compliance Review Approval (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Training Special Provision – Approval of Project Goal for training hours	FHWA	STATE	STATE
Training Special Provision – Approval of New Project Training Programs (note: this action cannot be assumed by State)	FHWA	FHWA	FHWA
Footnotes:			
(1) FHWA will verify State DOT's determination of eligibility on PoDI projects. (2) Process approval and modifications to, or variation in process, require FHWA approval. (3) Approvals, if any, will be those required by State laws, regulations, policies, and procedures. However, this does not relieve the STATE from responsibility for these areas, nor from compliance with non-Title 23 Federal requirements which may remain applicable. (4) FHWA approval is required for revocable occupancy permits of non-conforming outdoor advertising signs. (5) Interstate only. (6) FHWA approval required for disposal of any excess right-of-way at less than fair market value where the original right-of-way was acquired with Federal funds. (7) Only if Federal funds are used for right-of-way acquisition. (8) FHWA accepts STATE process for PS&E and addenda approvals. (9) A programmatic approval for projects with total costs below \$25,000 has been approved by FHWA. (10) All construction work is to be performed by contract awarded by competitive bidding, unless a determination is made that some other method is cost-effective or that an emergency exists, and all other related requirements have been met. Work to be completed under Federal Emergency Relief (ER) should follow ER rules and guidelines.			

Appendix B: Section 106(c) Project Specific Plan

Example of a project specific plan:

Note: State DOT assumption of FHWA responsibilities may not exceed what is allowable under 23 USC 106(c). The State DOT may assume responsibility only for review and approval actions pertaining to one or more of the following: design; plans, specifications, and estimates; contract awards; and project inspections. The Project Action Responsibility Matrix (Appendix A), should be consulted to determine those actions that may not be assumed by the State DOT.

PoDI/PoCI S&O Plan

Procedure:

For each PoDI and PoCI, the FHWA engineer/specialist reviews the items on the check sheet and checks areas to receive oversight.

Note the rationale for the selection Reason column. If the project is also identified to receive a CAP inspection, the CAP inspection should also be noted on the check sheet. This step should be done jointly with the State or the results should be discussed with the State.

The proposed plan is submitted to the employee's supervisor/team leader for concurrence.

The PoDI/PoCI S&O Plan should be retained in the project files. As the identified oversight items are completed, the resulting documentation should be attached.

The plan does not restrict FHWA staff from taking action on other items, as determined appropriate.

Federal Project Number: _____

State Number: _____

Phase/activities	Selected for Oversight	Scope of Oversight (Insp., Program Review, CAP, etc.)	Reason: (e.g. Top 10 Risks, Staff Development, etc.)
Preconstruction (Design)			
Design Standards (i.e., non-STA)			
Design Exceptions			
Bridge/Structures design			
Consultant Management and Use of			

Phase/activities	Selected for Oversight	Scope of Oversight (Insp., Program Review, CAP, etc.)	Reason: (e.g. Top 10 Risks, Staff Development, etc.)
Consultants			
Context Sensitive Solutions (CSS)			
Environmental Mitigation and Commitments			
ITS Project development -Standards & Systems Engineering			
Interstate Access Requests/Interstate Justification Report			
Pavement design			
Reviews:			
Constructability			
Design			
Initial Field			
Intermediate			
Semi-final			
Final			
Road Safety Audits			
Roadside Hardware			
Traffic Analysis			
Traffic Control Plan / Work-Zone Traffic Mgt			
Value Engineering (VE)			
PIF – Airspace clearance FAA (23 CFR 620.104)			
PIF – Proprietary items			
PIF – Publicly furnished materials			
Financial plans			

Phase/activities	Selected for Oversight	Scope of Oversight (Insp., Program Review, CAP, etc.)	Reason: (e.g. Top 10 Risks, Staff Development, etc.)
ROW encroachments			
Experimental Features			
Preconstruction (PS&E Approval, Advertising, & Award)			
Plans, Specifications, and Estimates (PS&E)			
Plans			
Specifications			
Standard Specifications			
Supplemental Specifications			
Special Provisions			
DBE			
OJT			
Contract Provisions (FHWA1273, Buy America(n), Changed conditions clauses, Incentive/Disincentives, Partnering, Warranties)			
Engineers Estimate			
ROW Clearances			
Project Authorization and Project Agreements			
Pre-qualification			
Authorize advertising for bids, addenda			
Conditional approvals			
Pre-bid meetings			
Bid analysis and concurrence in award			

Phase/activities	Selected for Oversight	Scope of Oversight (Insp., Program Review, CAP, etc.)	Reason: (e.g. Top 10 Risks, Staff Development, etc.)
Innovative contracting			
State contracting procedures			
PIF – Advertising period less than three weeks			
PIF – Use of Force Account			
PIF – Use of Mandatory Borrow/Disposal Sites			
PIF – Use of Publicly Owned Equipment			
Utility agreements			
Railroad agreements			
Project Construction & Contract Administration			
Preconstruction Meeting / Partnering workshop			
Inspections			
Initial			
Intermediate (frequency: _____)			
In-Depth			
Final			
Special Reports			
Process Reviews			
Work Zone Review			
Project Meetings			
Buy America waiver(s)			

Phase/activities	Selected for Oversight	Scope of Oversight (Insp., Program Review, CAP, etc.)	Reason: (e.g. Top 10 Risks, Staff Development, etc.)
Materials testing / certifications			
Change orders			
Contractor claims			
Pay Estimate Reviews			
Time extensions			
Value Engineering change proposals			
Liquidated damages			
DBE commercial useful function			
Final Acceptance			
Other:			

Proposed _____
 FHWA Engineer/Specialist

Date _____

Approved _____
 FHWA Supervisor/Team Leader

Date _____

Appendix C: Program Action Responsibility Matrix

PROGRAM ACTION RESPONSIBILITY

The following matrix is a composite list of program actions from several actual Stewardship/Oversight Agreements that is provided for illustrative purposes. The division should refer to <http://our.dot.gov/office/fhwa.dfs/soguidance/default.aspx> 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”.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT 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			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)	49 CFR Part 18; 2 CFR Part 225 (OMB Circular A-87); ASMBC-10	As needed	Not Applicable	Office of Chief Financial Officer			The State will certify that the ICAP was prepared in accordance with OMB A-87 and that they have not modified their calculation procedures and provide a summary of information for the calculation and reconciliation purposed.
FIRE Program Activities	FHWA Order 4560.1B	Ongoing		Office of Chief Financial Officer			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.
Audit Coordination/FHWA Financial Statement Audit/State External Audit Reviews/State Internal Audit Reviews	FMFIA, OMB Circular A-123, 127, GAAP, CFO Act of 1990; DOT Order 8000 1C, OMB Circular A-87, 123, GAAP	As needed	Not Applicable	Office of Chief Financial Officer			State assures corrective action is taken to resolve audit findings and FHWA will monitor activities to ensure implementation.
Improper Payments Review	Improper Payments Information Act of 2002, PL 107-300	Annually		Office of Chief Financial Officer			State will provide all required data collection form information to meet required deadlines and FHWA will review.

Transfer of Funds between programs as requested by State	23 USC 126	As needed	Not Applicable	Office of Chief Financial Officer			State will submit requests for transfer and FHWA approves and processes the funding transfers to Federal Transit Administration and FHWA, HQ.
Annual Reviews of State Transportation Departments Financial Management Systems - Financial Integrity	23 USC 106(g)(2)(A)	Annually	Not Applicable	Office of Chief Financial Officer			
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			
Periodic Reviews of States Monitoring of sub-recipients	23 USC 106(g)(4)(B)	As needed	Not Applicable	Office of Chief Financial Officer			
Approval of Federal Share Agreement	23 USC 120(b)(2)	No less than one-year	Not Applicable	Office of Chief Financial Officer			
Prepare / Review Title VI Plan Accomplishments and Next Year's Goals	23 CFR 200.9(b)(10)	Annually	1-Oct	Office of Civil Rights			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			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			Courtesy copy to HQ.
Review DBE Program Revisions	49 CFR 26.21(b)(2)	As needed	Not Applicable	Office of Civil Rights			
Prepare / DBE Uniform Awards and Commitment Report	49 CFR 26, Appendix B	Semi-Annual	June 1st December 1st	Office of Civil Rights			
Prepare / Annual Analysis and Corrective Action Plan (if necessary)	49 CFR 26.47(c)	Annual (as necessary)	December 31st	Office of Civil Rights			
Prepare / State DBE Program Goals	49 CFR 26.45(f)(1)	Triennial	August 1st	Office of Civil Rights			
Prepare / Review On-the-Job-Training (OJT) goals & accomplishments	23 CFR 230.111(b)	Annually	30-Jan	Office of Civil Rights			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			
Return of any unused discretionary grant program funding	23 CFR 230.117(2)	Annual	TBA	Office of Civil Rights			

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		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		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		Report sent to HQ quarterly for informational purposes and recommendation sent to HQ annually for approval.
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	30-Oct	Office of Civil Rights		
Prepare / Review ADA Complaint Reports of Investigation	28 CFR 35.190	As needed	Not Applicable	Office of Civil Rights		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		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		
Prepare / Review Request for National Summer Transportation Institute (NSTI) Proposals (SOWs)	23 USC 140(b)	Annual	TBA	Office of Civil Rights		
Prepare / Review NSTI Report (questionnaire)	23 USC 140(b)	Annual	October 15th	Office of Civil Rights		
Receipt of State Consultation Process with Tribal Governments	23 CFR 450.210(c)	As needed	Not Applicable	Office of Federal Lands Highway		Informational Purposes.
Approval of Contracting Procedures for Consultant Selection	23 CFR 172.5 & 172.9	As needed	Not Applicable	Office of Infrastructure		FHWA Division Office Approval.
Determination of High Risk Categories - Limitation on Interstate Projects	23 USC 106(c)(4)(B)	As needed	Not Applicable	Office of Infrastructure		

Approval of 3R Program	23 CFR 625, 23 USC 109(n)	As needed	Not Applicable	Office of Infrastructure			
Approval 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			
Approval of Standard Specifications	23 CFR 625	As needed	Not Applicable	Office of Infrastructure			
Approval of Design Exception Policy	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure			
Approval of Standard Specifications and Plans	23 CFR 625.4	As needed	Not Applicable	Office of Infrastructure			
Approval of Pavement Design Policy	23 CFR 626.3	As needed	Not Applicable	Office of Infrastructure			
Review of Value Engineering Annual Report	23 CFR 627.7, FHWA Order 1311.1B	Annual	Not Applicable	Office of Infrastructure			
Review of ADA Design Standards Compliance	23 CFR 652	As needed	Not Applicable	Office of Infrastructure			
Review of Interstate Access Policy	23 USC 111, 23 CFR 710, 74 FR 43743-43746 (Aug. 27, 2009)	As needed	Not Applicable	Office of Infrastructure			
Approval of Liquidated Damages Rate	23 CFR 635.127	Every 2 years	Not Applicable	Office of Infrastructure			
Approval of Quality Assurance Program	23 CFR 637.205	As needed	Not Applicable	Office of Infrastructure			
Assure Central Laboratory accredited by AASHTO Accreditation Program or FHWA approved comparable program	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure			
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			
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			

Review Independent Assurance Annual Report	23 CFR 637.207	Annually	1-Mar	Office of Infrastructure			
Assure Labor Compliance - Prevailing Wage Rate	23 USC 113	As needed	Not Applicable	Office of Infrastructure			
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			
Approval of Utility Agreement Alternate Procedure	23 CFR 645.119	As needed	Not Applicable	Office of Infrastructure			
Approval of Utility Accommodation Policy	23 CFR 645.215, 23 USC 109(l), 23 USC 123	As needed	Not Applicable	Office of Infrastructure			
Review Bridge Construction, Geotechnical, and Hydraulics	23 CFR 650	As needed	Not Applicable	Office of Infrastructure			
Review NBIS Review Statewide Report	23 CFR 650, 23 USC 144	Annually		Office of Infrastructure			Division office performs review and prepares annual report.
Review NBI Data Submittal	23 CFR 650 Subparts C & D, Annual Memo from HQ, 23 USC 144	Annually	1-Apr	Office of Infrastructure			Submit to HQ.
Review Status on POAs for Scour Critical Bridges	23 CFR 650 Subpart C HQ Memo 03/23/2006	Biannually	15-Apr	Office of Infrastructure			Submit to HQ.
Review NBIS Statewide Report	23 CFR 650 Subpart C HQ Memo 07/01/2003	Annually	1-Jan	Office of Infrastructure			Submit to HQ.
Review Highway Bridge Program	23 CFR 650 Subpart D	As needed	Not Applicable	Office of Infrastructure			Division office makes eligibility determinations.
Review HBP Unit Cost submittal	23 CFR 650 Subpart D	Annually	1-Apr	Office of Infrastructure			
Review Bridge Construction Unit Cost Submittal	23 CFR 650 Subpart D Annual Memo from HQ	Annually	1-Apr	Office of Infrastructure			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			
Bridge Management System (BMS)	23 CFR 500.107	As needed	Not Applicable	Office of Infrastructure			
Approval for reduction of expenditures for off-system bridges	23 USC 133(g)(2)(B)	As needed	Not Applicable	Office of Infrastructure			

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			
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			
Review Reporting on Performance Targets	23 USC 150(e)	Beginning four years after enactment of MAP-21 and biennially thereafter		Office of Infrastructure			
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			
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			
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			
Pavement Smoothness Report		Annually		Office of Infrastructure			
Pavement Management System	23 CFR 500.106	As needed	Not Applicable	Office of Infrastructure			
Emergency Relief (ER) Damage Assessments and Reports	23 CFR 668 23 USC 120 and 125	As needed	Not Applicable	Office of Infrastructure			Perform with State.
FHWA Emergency Preparedness Program	Executive Order 12656 and FHWA Order 1910.2C	As needed	Not Applicable	Office of Infrastructure			National Programs.
Territorial Highway Program - Approval of Territory Agreement	23 USC 165(c)(5)	Reviewed and Revised as needed every two years		Office of Infrastructure			

Innovative Financing	GARVEE 23 CFR 122; TIFIA 23 USC 181-189; SIB Guidance 9/97; AC NHS Act Section 308; Flexible Match 23 USC 323; Tapered Match TEA-21 Section 1302	As needed	Not Applicable	Office of Innovative Program Delivery			State will submit requests for Innovative Financing to FHWA for review and approval prior to project authorization.
Toll Credit and Maintenance of Effort (MOE) Calculation and Agreement	23 USC 120(i), 23 USC 129	Annually		Office of Innovative Program Delivery			State will calculate the amount of eligible toll credit and submit for approval. FHWA will review and approve the request.
Annual Audit of Toll Facility Records - Report Submittal	23 USC 129(A)(3)(b)	Annually		Office of Innovative Program Delivery			
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			
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			
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			
Review HOV Operations Report for Tolled Use and Low-Emission and Energy-Efficient Vehicle Use	23 USC 166(d)	Annually		Office of Operations			
Congestion Partnerships Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations			Complete with partners and forward to HQ.
Operations Support Program	Annual Memo from HQ	Annually	1-Jul	Office of Operations			Eligibility determination made by HQ. July 1 date for approval to issue funding for current FY.
Traffic Incident Management Self-Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations			Complete with partners and forward to HQ.
Work Zone Self-Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations			Complete with partners and forward to HQ.
Incident Management	23 CFR Part 500	Quarterly		Office of Operations			

Traffic Operations Performance Data	23 CFR Part 500	Semi Annually		Office of Operations			
Congestion Management Systems	23 CFR 500.109	As needed	Not Applicable	Office of Operations			As revised by MPO/State and during Certification Review.
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			
Review Vehicle Size & Weight Enforcement Plan	23 CFR 657.11, 23 USC 127	Annually	1-Oct	Office of Operations			
Review Vehicle Size & Weight Enforcement Certification	23 CFR 657.13, 23 USC 141	Annually	1-Jan	Office of Operations			
Approval of National Network Modifications	23 CFR 658.11	As needed	Not Applicable	Office of Operations			
Intelligent Transportation System Architecture & Standards	23 CFR Part 940	As needed	Not Applicable	Office of Operations			
Approval of Work Zone Significant Project Determination	23 CFR 630.1010	As needed		Office of Operations			
Approval of Exceptions to Work Zone Procedures for Interstate Projects	23 CFR 630.1010	As needed		Office of Operations			
Approval of Work Zone Policy and Procedures Conformance Review	23 CFR 630.1014	At appropriate intervals		Office of Operations			
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			
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			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			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			FHWA Division Office Approval.
Review of State Public Involvement Procedures	23 CFR 450.210(a)	As needed	Not Applicable	Office of Planning, Environment & Realty			FHWA Division Office Review to Assure Compliance.
Receipt of State Consultation Process for Non- metropolitan Local Officials	23 CFR 450.210(b)	As needed	Not Applicable	Office of Planning, Environment & Realty			Informational Purposes.

Review of Long-range Statewide Transportation Plan	23 CFR 450.214	As needed	Not Applicable	Office of Planning, Environment & Realty			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			Joint FHWA and FTA approval.
Approval of STIP Amendments	23 CFR 450.218(a) & (c)	As needed	Not Applicable	Office of Planning, Environment & Realty			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			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			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			
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			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			
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			
Approval of Report Before Publication (All MPO's)	23 CFR 420.117(e)	As needed	Not Applicable	Office of Planning, Environment & Realty			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			
Review of Metropolitan Planning Area Boundary (Establishment and Changes)	23 CFR 450.312	As needed	Not Applicable	Office of Planning, Environment & Realty			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		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		Between MPO/State DOT/Transit Operator. Included in UPWP or Prospectus (23 CFR 450.314(d)).
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		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		Must be developed and published.
Review of Metropolitan Transportation Plan (MTP) in Attainment Areas (and Updates)	23 CFR 450.322	Every 4 yrs	Not Applicable	Office of Planning, Environment & Realty		
Review of MTP in Non-Attainment and Maintenance Areas (and Updates)	23 CFR 450.322	Every 5 yrs	Not Applicable	Office of Planning, Environment & Realty		
Review of MTP Amendments	23 CFR 450.322(c)	As Needed	Not Applicable	Office of Planning, Environment & Realty		
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		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		No succinct Federal approval action is required for the TIP. FHWA/FTA approval of the TIP is through the STIP approval process.
Review of TIP Amendments	23 CFR 450.324(a); 23 CFR 450.328(b)	As needed	Not Applicable	Office of Planning, Environment & Realty		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		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		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		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 yrs		Office of Planning, Environment & Realty		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		
Approval of Revision of Functional Classification	23 CFR 470.105 (b)	As needed	Not Applicable	Office of Planning, Environment & Realty		
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		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		Approved by HQ - Office Director.
Review of CMAQ Annual Report	CMAQ Guidance Memo October 31, 2006	Annually	1-Mar	Office of Planning, Environment & Realty		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.
Approval of Data Submittal	23 CFR 420.105(b), HPMS Field Manual	Annually	15-June	Office of Planning, Environment & Realty		State DOT sends directly to Division Office and HQ.
Approval of Certified Public Roads Mileage	23 CFR 460.3(b)	Annually	1-June	Office of Planning, Environment & Realty		To HQ with Division Office review/concurrence.

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 Planning, Environment & Realty		Review memo to HQ.
Review of Biennial - Toll Facilities in the United States	23 CFR 450.105(b)	Biennially - Odd Years	June 15 (Odd Years)	Office of Planning, Environment & Realty		Division Office sends to HQ.
Highway Statistics Reports	Guide to Reporting Highway Statistics			Office of Planning, Environment & Realty		State DOT of Division Office sends directly to HQ.
Motor Fuels Report	Chapter 2	Due 60 days after end of each reporting month		Office of Planning, Environment & Realty		
Finance (531, 532, 541, 542, and 543 (optional))	Chapters 8 and 9	April 1	April 1	Office of Planning, Environment & Realty		
Motor Fuel (556)	Chapter 2	April 1	April 1	Office of Planning, Environment & Realty		
Vehicles and Drivers (561, 562, 566, and 571)	Chapters 3, 4, 5, and 6	April 1	April 1	Office of Planning, Environment & Realty		
Finance (534)	Chapter 12	June 15	June 15	Office of Planning, Environment & Realty		Annually for State, Biennially for local.
Finance (536)	Chapter 11	September 30	September 30	Office of Planning, Environment & Realty		Biennially for odd-numbered years. Due nine months after end of reporting year.
State DOT / Toll Authority Audits and Published Annual Reports and Form 539 (optional)	Chapter 10	When Published	When Published	Office of Planning, Environment & Realty		Annually, Due as soon as available.
State DOT Budgets and Published Annual Reports	Chapter 13	When Published	When Published	Office of Planning, Environment & Realty		
Transportation Bond Referendums	Chapter 9	When Published	When Published	Office of Planning, Environment & Realty		

Highway Finance and Tax Legislation	Chapter 13	When Published	When Published	Office of Planning, Environment & Realty			
Vehicle Classification Data	HPMS Field Manual	June 15	June 15	Office of Planning, Environment & Realty			Part of Annual HPMS submittal.
Permanent ATR Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Planning, Environment & Realty			Within 20 days after the close of the month for which the data were collected.
Continuous Automatic Vehicle Classifier Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Planning, Environment & Realty			
Weight and Vehicle Classification Data Collected at Weigh-in-motion sites	Heavy Vehicle Travel Information System Field Manual	June 15	As needed	Office of Planning, Environment & Realty			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.
Annual Traffic Reports	Heavy Vehicle Travel Information System Field Manual	When Published		Office of Planning, Environment & Realty			When Published.
Traffic Flow Maps		When Published		Office of Planning, Environment & Realty			When Published.
Motor Fuel Oversight Review	July 24, 2001 HQ Memo	Initial baseline reports no later than December 31, 2003		Office of Planning, Environment & Realty			Annual progress reports and statement of verification by June 30. Submitted via UPACS.
Heavy Vehicle Use Tax (HVUT) Proof of Payment	23 CFR 669.7	July 1	July 1	Office of Planning, Environment & Realty			
HVUT Compliance Review		Every three years	Every three years	Office of Planning, Environment & Realty			
State Highway Maps (Tourist)		When Published	When Published	Office of Planning, Environment & Realty			Two copies to each Division Office and 100 copies to HQ.
TCSP Evaluation Report	TEA-21 (Section 1221)	Annual		Office of Planning, Environment & Realty			

Transportation Planning Excellence Awards		Annually	1- Feb	Office of Planning, Environment & Realty			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			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			
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			
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			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			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			
Exemplary Ecosystem Initiatives Applications		Annually	1-Apr	Office of Planning, Environment & Realty			
Approval of Acquisitions, Appraisals, and Relocations Program and Procedures	49 CFR Part 24, The UA	As needed	Not Applicable	Office of Planning, Environment & Realty			
Early Acquisitions	23 CFR 710.501; 23 U.S.C. 108	As needed	Not Applicable	Office of Planning, Environment & Realty			
Local Public Agency Oversight	49 CFR 24.4(b); 23 CFR 710.201	As needed	Not Applicable	Office of Planning, Environment & Realty			
Approval of Highway Facility Relinquishment	23 CFR 620.203	As needed	Not Applicable	Office of Planning, Environment & Realty			

Approval of ROW Disposal Authorization Request	23 CFR 710.409	As needed	Not Applicable	Office of Planning, Environment & Realty		
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		
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		
Approval of Interstate Real Property Use Agreements	23 CFR 710.405	As needed	Not Applicable	Office of Planning, Environment & Realty		
Approval of Request for Federal Land Transfer	23 CFR 710.601	As needed	Not Applicable	Office of Planning, Environment & Realty		
Approval of Request for Direct Federal Acquisition	23 CFR 710.603	As needed	Not Applicable	Office of Planning, Environment & Realty		
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		
Approval of Requests to Exempt Certain Nonconforming Signs, Displays, and Devices	23 CFR 750.503	As needed	Not Applicable	Office of Planning, Environment & Realty		
Approval of Railroad Agreement Alternate Procedure	23 CFR 646.220	As needed	Not Applicable	Office of Planning, Environment & Realty		
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		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		Submitted to FHWA Headquarters (HQ).

Review of Real Property Acquisition Statistical Report	FHWA Order 6540.1	Annually	15-Nov	Office of Planning, Environment & Realty			
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 Research, Development & Technology			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 Research, Development & Technology			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 Research, Development & Technology			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 Research, Development & Technology			FHWA Division Office Approval unless waived.
Approval of Highway Safety Improvement Program - Strategic Highway Safety Plan Process Approval	23 CFR 924.9, 23 USC 148(d)(2)	Annually	31-Aug	Office of Safety			Replaced under SAFTEA-LU.
Review Highway Safety Improvement Program (HSIP) Reports and Reporting	23 USC 148(h), 23 CFR 924	Annually	31-Aug	Office of Safety			Report includes Highway-Rail Grade Crossing Program, High Risk Rural Roads Program, "5%" Report. These three may be submitted separately or in one report (See March 31, 2006 Interim Guidance).
Approval of Hazard Elimination Program Evaluation Process and Annual Report	23 USC 152(f) and (g)			Office of Safety			
Review Drug Offender Driver's License Suspension Law & Enforcement Certification (Section 159)	23 USC 159 23, CFR 192.5	Annually	1-Feb	Office of Safety			Submit to HQs.
Review Section 154/164 Certifications	23 USC 154 and 23 USC 164	60 days after fund transfer to State	60 days after fund transfer to State	Office of Safety			Report only if transfers are applicable.

Review Safety Belt Compliance Status	23 USC 153, 23 CFR 1215.6	Annually	Annually	Office of Safety			NHTSA will take lead.
Review Repeat Offender Compliance Status	23 CFR 1275; 23 USC 164	Annually	1-Oct	Office of Safety			

Superseded

Appendix D: STATE DOT/FHWA Manuals & 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 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

Appendix E: Stewardship and Oversight Agreement Template

I. Background and Introduction

The Secretary of Transportation delegated responsibility to the Administrator of the Federal Highway Administration (FHWA) for the Federal-aid highway program (FAHP) under Title 23, 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)

Section 106 of Title 23, United States Code (Section 106), provides the statutory requirements for project approval and oversight of the FAHP. Section 106(c)(3) requires FHWA and State departments of transportation (State DOTs) to enter into an agreement relating to the extent to which the State DOT assumes project responsibilities. These agreements, called Stewardship and Oversight Agreements (S&O Agreements), included information on specific project responsibilities and provide the requirements for oversight of the FAHP (Oversight Program), as required by 23 U.S.C. 106(g).

The purpose of this Stewardship and Oversight (S&O) Agreement is to document the FHWA's and State DOT's responsibilities and to ensure adequate oversight for validating the obligation and expenditure of Federal funds. On the broader program level, this S&O Agreement acknowledges that FHWA and the State DOT are responsible for the effective and efficient use of Federal funds. 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 the State DOT or FHWA.
- Priorities shift as a result of audits, public perception, or changes in staffing at either the State DOT or Division Office.

II. Stewardship and Oversight (S&O) Agreement – Assumption of Responsibilities (23 U.S.C. 106(c))

The State DOT *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 the *State DOT* and *FHWA* determine that assumption of responsibilities is appropriate. State DOTs may not assume responsibilities for Interstate projects that are in high risk categories. (23 U.S.C. 106(c)(1)) High risk categories are discussed in section III of this guidance.

The State DOT *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 the State DOT determines that assumption of responsibilities is not appropriate. (23 U.S.C. 106(c)(2))

The Federal-aid division office (division) and State DOT must enter into an agreement relating to the extent to which the State DOT assumes project responsibilities. This S&O Agreement is required by 23 U.S.C. 106(c)(3). State DOT assumption of FHWA's Title 23 responsibilities covers six areas: design; plans, specifications, and estimates; contract awards; and inspections:

- Design includes preliminary engineering, engineering, and design-related services directly relating to the construction of a highway 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.
- PS&E represent the PS&E package that includes geometric standards, drawings, specifications project estimates, and acquisition/certification of right-of-way.
- Contract awards include procurement of consultant and construction-related services to include advertising, evaluating, and awarding contracts.
- Inspections include general contract administration, review, and inspections of Federal-aid contracts as well as final inspection/acceptance.

A matrix is included as an Appendix to this document describing specific project level actions and assigning responsibilities for those actions to each agency. This practice documents the State DOT's assumption of FHWA title 23 responsibilities, and facilitates legal review of the Agreement. (See Appendix A, Project Responsibility Action Matrix.)

The assumption of the Secretary's responsibilities by State DOTs for designs, PS&E, contract awards, and inspections does not include any responsibilities with respect to planning, conformity, environment, or the authorization of Federal funds. Also, these responsibilities do not include the following actions:

- Civil Rights Program approvals;
- Environmental approvals, except those specifically assumed under other agreements. (23 U.S.C. 326 and 327);
- Federal air quality conformity determinations required by the Clean Air Act;
- Progress payments and final vouchers;
- Credit or Federal funding for hardship acquisition and protective buying;
- Project agreements and modifications to project agreements obligation of funds (including advance construction);
- Planning and programming pursuant to 23 USC 134 and 135;
- Special Experimental Projects (SEP-14 and SEP-15);
- Use of Interstate airspace for non-highway-related purposes;
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended;
- 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 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, in the event that actual construction of a road on the right-of-way is not undertaken;
- Determine need for Coast Guard Permit;
- Equal Employment Opportunity (EEO) Contract Compliance Review Approval;
- Training Special Provision – Approval of New Project Training Programs; and
- Any other activity not specifically identified in Appendix A unless otherwise approved by the Office of Program Administration.

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.

This Agreement does not modify the FHWA’s non-Title 23 program approval responsibilities, such as approvals required under the Clean Air Act; NEPA and other related environmental laws and statutes; the Uniform Act; and the Civil Rights Act of 1964 and related statutes, unless expressly permitted under Federal law, such as the assumption of environmental responsibilities under 23 U.S.C. 326 and 327.

For all projects or programs, the State DOT 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, Title VI of the *Civil Rights Act*, participation by Disadvantaged Business Enterprises, prevailing wage rates, and acquisition of right-of-way, etc.

For all projects or programs, the State DOT will assure that right-of-way approval; utility approval; environmental approvals; railroad approval and related activities; design approval; design exceptions (NHS); PS&E approval; concurrence in award; and construction-related activities are performed in accordance with State policies, practices and standards, (to the extent State policies, practices, and standards are consistent with Federal requirements) and in accordance with all requirements of Title 23.

The State DOT remains responsible for compliance by all local public agencies.

III. High Risk Categories

[LIST ANY HIGH RISK CATERORIES HERE...IF NONE SO STATE]

IV. Oversight Program

[Include in general terms how the Division and/or State DOT will assess the risks inherent with the program and funds management and how that assessment will be used to align resources to appropriately address those risks. FHWA will employ a risk management framework to evaluate program areas and balance risk with staffing resources, available funding, and transportation needs. FHWA may work collaboratively with the State DOT to identify and analyze risks and develop pertinent risk response strategies.]

Techniques that a State DOT may use to identify and analyze risks and develop response strategies include the following:

- Program Assessments;
- FIRE Reviews;
- Program Reviews;
- Certification Reviews;
- Recurring reviews such as the Compliance Assessment Program (CAP); and
- Project Inspections.

**references should be made to Divisions Standard Operating Procedures or other control documents relating to program assessments, FIRE, program reviews, CAP, stewardship/oversight indicators, etc.]*

1. Oversight Responsibility

The FHWA maintains overall oversight responsibility for the FAHP, and is ultimately responsible for ensuring financial integrity and compliance with applicable Federal laws and regulations. The FHWA remains accountable to the public and Congress for the FAHP and ensuring that it is delivered in an efficient and effective manner regardless of the approval authority or responsibility assumed by the State DOT. In addition to this overall oversight responsibility, FHWA maintains authority for certain actions and approvals at both a project and program level.

Responsibilities that May Not Be Assumed by a State DOT: Under 23 U.S.C. 106(c), State DOTs are authorized to assume the Secretary's responsibilities for designs, PS&Es, contract awards, and inspections. These responsibilities include all project approvals in the right-of-way, engineering, and construction phases of the project. These responsibilities do not, however, include any responsibilities with respect to planning, conformity, environment, or the authorization of Federal funds. Also, these responsibilities do not include the following specific actions:

- Civil Rights Program approvals;
- Environmental approvals except those specifically assumed under other agreements. (23 U.S.C. 326 and 327);
- Federal air quality conformity determinations required by the Clean Air Act;
- Progress payments and final vouchers;
- Hardship acquisition and protective buying;
- Project agreements and modifications to project agreements obligation of funds (including advance construction);
- Planning and programming pursuant to 23 USC 134 and 135;
- Special Experimental Projects (SEP-14 and SEP-15);

- Use of Interstate airspace for non-highway-related purposes;
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended;
- 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 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, in the event that actual construction of a road on the right-of-way is not undertaken;
- Determine need for Coast Guard Permit;
- Equal Employment Opportunity (EEO) Contract Compliance Review Approval; and
- Training Special Provision – Approval of New Project Training Programs.

Any other activity not specifically identified in Project Action Responsibility Matrix.

2. Projects for which responsibilities are assumed by the State DOT (State Assumed/State Administered)

[The S&O Agreement should describe the State DOT's approval and oversight responsibilities on all assumed elements of the program.]

The Project Action Responsibility Matrix documents the roles and responsibilities of the State DOT on NHS projects for which the State DOT has assumed responsibilities for design, PS&Es, contract awards, and project inspections (see Appendix – Project Action Responsibility Matrix). Projects for which the State DOTs assumed defined approval authority are not subject to further approvals by FHWA on those specific items, unless the State DOT requests FHWA be involved.

For non-NHS projects, the State DOT assumes those specific FHWA responsibilities described in the Project Action Responsibility Matrix, unless the State DOT determines that such assumption is not appropriate. The State DOT is to exercise the Secretary's responsibilities on these projects with the expectation that its actions will be based on Federal laws unless the responsibility is specifically reserved to the FHWA in the S&O Agreement. The State DOT's signature to the S&O Agreement and any PoDI or PoCI project plan providing the FHWA will retain any such responsibilities is deemed to be a determination by the State DOT that such assumption is not appropriate.

For all projects or programs, the State DOT 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, Title VI of the Civil Rights Act, participation by Disadvantaged Business Enterprises, prevailing wage rates, and acquisition of right-of-way.

For all projects or programs, the State DOT will assure that right-of-way approval; utility approval; environmental approvals; railroad approval and related activities; design approval; design exceptions (NHS); PS&E approval; concurrence in award; and construction-related activities are performed in accordance with State policies, practices and standards, and all requirements of Title 23.

[The S&O Agreement should address how assumed authorities will be carried out by the State DOT. It should include the reports, reviews, data, staffing information, performance assurances, etc., that will provide documented assurance that the State DOT is properly carrying out its responsibilities in accordance with this S&O Agreement, and how this information will be shared with the division. The S&O Agreement also can include business service standards that would provide an expectation for how long it would take to provide reports, reviews, and findings along with the expectation to implement corrective actions when necessary.]

3. Projects for which responsibilities are assumed by the State DOT for projects locally administered (State Assumed/Locally Administered)

[The S&O Agreement will document the role of the State DOT in communicating, educating, and validating the Federal requirements with LPAs. Federal law requires that the State DOT be responsible for the oversight for these projects and will exercise similar judgments as FHWA based on Federal laws, regulations, and FHWA policies.]

The State DOT remains responsible for the sub-recipients' compliance with Federal requirements.

The State DOT is responsible for sub-recipient oversight (23 USC 106(g)(4)), sub-grantee awareness of grant requirements (49 CFR Part 18.37), management of grants and sub-grants (49 CFR 18.40), and pass through entity responsibilities (OMB Circular A-133§ .400 (d)). This State DOT responsibility is carried out by the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation State officials maintain.)*

The State DOT determines that a sub-recipient has adequate project delivery systems and sufficient accounting controls to properly manage projects, by the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain.)*

The State DOT determines that 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 the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain.)*

The State DOT determines that a sub-recipient projects receive adequate inspection to ensure they are completed in conformance with approved plans and specifications, by the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain.)*

When LPAs elect to use consultants for engineering services, the LPA, as provided under 23 CFR 635.105(b), shall provide a full-time employee of the agency to be in responsible charge of the project. The State DOT's process to ensure compliance with this requirement is documented by the following actions, programs, and processes: *(The S&O*

Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain.)

The approval and oversight process of the State DOT on LPA-administered projects is documented by the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain, such as an LPA Manual). (The State DOT will demonstrate in the S&O Agreement how project actions will be administered in accordance with Federal laws and regulations and approved on sub-recipient administered projects. At a minimum, oversight should cover these areas:*

- i. Consultant selection and management;*
- j. Environment;*
- k. Design;*
- l. Civil Rights;*
- m. Financial management including audits and indirect cost allocation plans;*
- n. Right-of-way;*
- o. Construction monitoring, including Quality Control/Quality Assurance (QC/QA); and*
- p. Contract administration*.*

(The S&O Agreement must include the State DOT's responsibility to approve a sub-recipient to pursue a contract procurement method other than competitive bidding.)*

The State DOT oversight of LPA-administered projects and process for sharing results of this oversight with the Division is documented by the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain. It is recommended that at a minimum, the State DOT and Division exchange information on an annual basis. Specific stewardship/oversight indicators should be identified and agreed upon in the S&O Agreement. The S&O Agreement also can include business service standards that would provide an expectation for how long it would take to provide reports, reviews and findings along with the expectation that corrective actions would be implemented when necessary.)*

The State DOT procedures for reporting requirements for certain sub-recipients in accordance with the Federal Funding Accountability and Transparency Act of 2006 PL 109-282 (as amended by PL 110-252) are documented by the following actions, programs, and processes: *(The S&O Agreement may refer to the process the State DOT utilizes to accomplish this and the necessary documentation they maintain.)*

4. FHWA Oversight of Projects of Division and Corporate Interest (PoDIs/PoCIs)

[Divisions are required to develop and document criteria for identifying potential PoDI, assessing the resulting projects, and making the final selection of PoDI. The criteria can be documented within the stewardship and oversight agreement or referenced if the process is included in another control document.]

5. Program Oversight

A Program Responsibility matrix is provided in the Appendices of this document. The division should refer to <http://our.dot.gov/office/fhwa.dfs/soguidance/default.aspx> for the latest version that can be incorporated into the agreement or referenced as a control document. (See Appendix - Program Responsibility Action Matrix)

6. Manuals and Operating Agreements

State DOT manuals, agreements and other control documents that are not identified by Federal law, regulation, policy or guidance that have been approved for use on Federal-aid projects are listed in the Appendices to this document.

(Examples of these could be the SDOT Design manual, the SDOT Construction Manual etc.) (See Appendix – State DOT Manuals, Agreements, and Other Control Documents)

7. Stewardship and Oversight Indicators

[INSERT INDICATORS HERE]

Superseded

Appendix F: Glossary

Assumption of Responsibilities – The act of State DOT to accept responsibility for carrying out and approving certain actions in the place of the FHWA. Such actions are to be taken by the State DOT in conformance with Federal laws, regulations, and policies.

Assumed Projects – Federal projects that the State DOT reviews in the place of the FHWA and has the authority to approve certain specified actions pertaining to design; plans, specifications, and estimates; contract awards; and inspections.

Certification Reviews – A review that formalizes the continuing oversight and day-to-day evaluation of the planning process.

Control Document – Applicable laws, regulations, standards, policies, and standard specifications approved by FHWA for use on Federal-aid highway projects.

Core Functions – Activities that make up the primary elements of the division office's Federal-aid oversight responsibilities based on regulations and national policies. Core functions in the division office are Planning, Environment, Right-of-Way, Design, Construction, Finance, Operations, System Preservation, Safety, and Civil Rights.

Locally Administered Projects – For the purpose of the S&O Agreement, a Federal-aid project in which an entity other than a traditional State DOT is a sub-recipient and this entity is administering the particular phase being authorized, i.e., Preliminary Engineering, ROW, or Construction. These would include projects where the non-traditional entity will either perform the work itself or enter into a contract for services or construction. State DOT remains responsible for the local public agency's compliance on locally administered projects.

Local Public Agency (LPA) – Any organization, other than a traditional State DOT, with administrative or functional responsibilities that are directly or indirectly affiliated with a governmental body of any Tribal Nation, State, or local jurisdiction. LPAs would most often include cities or counties. However, an LPA, as defined here, could also include a State entity as well, perhaps even a part of a State DOT. An example could include a Port Authority or Toll Authority that had not traditionally worked with the Federal-aid highway program (FAHP).

Oversight – The act of ensuring that the FAHP is delivered consistent with laws, regulations, and policies.

Program Assessments – This evaluation technique 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 the identification and sharing of "best" practices to continually improve the program.

Program Reviews – A thorough analysis of key program components and the processes employed by the State DOT in managing the program. The reviews are conducted to: 1) ensure compliance with Federal requirements; 2) identify areas in need of improvement; 3) identify opportunities for greater efficiencies and cost improvement to the program; and/or 4) identify exemplary practices.

Projects of Division Interest (PoDIs) – These are projects where responsibility for one or more of the six Section 106(c) items has been retained by FHWA, or other projects where FHWA has not retained responsibilities for any such items but are otherwise designated as PoDIs by the division.

Projects of Corporate Interest (PoCIs) – Projects that are identified by program offices and/or division offices that may require staffing resources at a corporate level because of their impact on FHWA’s performance.

Recurring Reviews – Reviews that the division office conducts annually or on a regular periodic basis. Examples include NBIS, HPMS, HVUT, etc.

Risk Assessment – The process of identifying a risk event, determining the likelihood of the event happening, determining the impact (positive or negative) of the event on the delivery of the FAHP, and identifying an appropriate risk response strategy.

Risk-Based Approach – Incorporating risk assessment and risk management into investment and strategic decision making (the means by which limited resources are focused).

Risk Management – The systematic identification, assessment, planning, and management of threats and opportunities faced by FHWA projects and programs.

Stewardship – The efficient and effective management of the public funds that have been entrusted to the FHWA.

Unit Performance Plan – The annual performance plan prepared by an individual FHWA unit that address unit responsibilities and priorities taking into account the National Performance Objectives and National Initiatives identified in the FHWA’s Strategic Implementation Plan (SIP) as well as specific initiatives identified at the unit level based on risk.

Superseded

Appendix G: Project Oversight Designation Requirement in the Fiscal Management Information System (FMIS)

PoDI/State Administered – Projects of Division Interest that are administered by the State DOT. These are projects where responsibility for one or more of the six Section 106(c) items has been retained by FHWA, or other projects where FHWA has not retained responsibilities for any such items but are otherwise designated as PoDIs by the Division. If specific 106(c) responsibilities are assumed by the State DOT, the responsibilities assumed should be noted in the project description and/or remarks fields. (Projects where all six 106(c) responsibilities are retained by FHWA would need no such notation.) These are projects where FHWA will review and approve actions pertaining to one or more of the following (design; plans, specifications, and estimates; contract awards; and project inspections) and may also include additional areas of focus by the division.

PoDI/Locally Administered – Projects of Division Interest that are locally administered. These are projects where responsibility for one or more of the six Section 106(c) items has been retained by FHWA, or other projects where FHWA has not retained responsibilities for any such items but are otherwise designated as PoDIs by the Division. If specific 106(c) responsibilities are assumed by the State DOT, the responsibilities assumed should be noted in the project description and/or remarks fields. (Projects where all six 106(c) responsibilities are retained by FHWA would need no such notation.) These are projects where FHWA will review and approve actions pertaining to one or more of the following (design; plans, specifications, and estimates; contract awards; and project inspections) and may also include additional areas of focus by the division.

Assumed/State Administered – Projects where *responsibility for all six Section 106(c) items* is assumed by the State DOT and the project is administered by the State DOT. These are projects where the State DOT has assumed responsibility for review and approval actions pertaining to all of the following: design; plans, specifications, and estimates; contract awards; and project inspections.

Assumed/Locally Administered - Projects where *responsibility for all Section 106(c) items* is assumed by the State DOT and the project is administered by a local agency. These are projects where the State DOT has assumed responsibility for review and approval actions pertaining to all of the following: design; plans, specifications, and estimates; contract awards; and project inspections.

Other – There may be situations that do not fit the previous categories. In cases where the project is identified as “Other,” additional details should be provided in the project description and/or remarks fields. Examples could include non-State DOT direct recipients.