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November 30, 2016

Mr. Al Alonzi
Texas Division Administrator
Federal Highways Administration
300 East 8th Street, Room 826
Austin, TX 78701

Subject: FY 2016 Annual Report – Local Government Projects Program (Local Public Agencies)
November 30, 2016 Update

Dear Mr. Alonzi,

During preparation of the Stewardship & Oversight Report – FY 2016 of all TxDOT activities, we identified minor inaccuracies in one paragraph of the previously submitted “FY 2016 Annual Report to FHWA – Local Government Projects Program (Local Public Agencies)” which was submitted to you on November 18, 2016. Attached is an updated version of the report (dated November 30, 2016) which includes revisions to one paragraph within the document. The revised text included in the third bullet on page 2 is as follows:

“Entering FY 2016, 54 projects with federal funds were scheduled for letting by LGs during FY 2016 with estimated total funding of \$328 million. LGs actually let 50 projects (93%) with federal funds in FY 2016 and awarded 44 projects (81%) of those projects totalling \$252 million (77%) in construction cost. During FY 2016, TxDOT provided concurrence-in-award on 33 LG-let projects totalling \$213 million in construction cost.”

Please replace the previously submitted November 18 versions with the attached version. Please let me know if you, or members of your staff, have any questions or need additional information.

Sincerely,

David M.Y. Millikan, P.E.
Director, Local Government Projects Section
Transportation Planning & Programming Division

CC: Mr. Greg Punske, FHWA
Mr. Carl Highsmith, FHWA
Ms. Bindu Johnson, FHWA
Mr. Clarence Rumancik, FHWA
Mr. Marc D. Williams
Mr. William L. Hale
Mr. Randy C. Hopmann
Mr. Lauren D. Garduno
Mr. Peter Smith
Mr. Jerry Haddican
Mr. Jesus “Chuy” Gonzalez

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FY 2016 Annual Report to FHWA-Texas

Local Government Projects Program (Local Public Agencies)

November 30, 2016 Update

Local Government Projects Section
Transportation Planning & Programming Division

Introduction

This report has been prepared to fulfil requirements in the “Stewardship and Oversight Agreement on Project Assumption and Program Oversight by and between Federal Highway Administration, Texas Division and the State of Texas Department of Transportation,” dated Dec. 8, 2015. Federal government laws, rules and regulations refer to local government entities as local public agencies (LPAs). TxDOT refers to LPAs as local governments (LGs) since the state of Texas laws related to LG entities are codified in the Texas Local Government Code. For the purpose of this report, the use of LGs is to be considered interchangeable with LPAs. TxDOT defines a LG project as a transportation project for which at least one phase of project development (environmental, design, right of way, utility relocation or construction) or the program is managed by a LG entity and is reimbursed with FHWA or TxDOT funds. Even though projects being reimbursed with FHWA or TxDOT funds are considered LG projects by TxDOT, only projects that include reimbursement with FHWA funds are included in this report.

- At the start of TxDOT’s fiscal year 2016 (Sept. 1, 2015), 685 LG projects with total funding in the amount \$3.75 billion were identified in TxDOT’s list of active LG projects with federal funds. The total amount of federal funds committed to these projects was \$1.93 billion (51.5 percent).
- At the start of FY 2017 (Sept. 1, 2016), 656 active LG projects with total funding in the amount of \$3.83 billion were identified. The total amount of federal funds committed to these projects was \$1.98 billion (51.7 percent).
- Entering FY 2016, 54 projects with federal funds were scheduled for letting by LGs during FY 2016 with estimated total funding of \$328 million. LGs actually let 50 projects (93%) with federal funds in FY 2016 and awarded 44 projects (81%) of those projects totalling \$252 million (77%) in construction cost. During FY 2016, TxDOT provided concurrence-in-award on 33 LG-let projects totalling \$213 million in construction cost.
- During FY 2016, LGs were reimbursed approximately \$188 million in FHWA funds on highway planning and construction projects.

In accordance with federal regulations, TxDOT is ultimately responsible for LG compliance with applicable federal laws, rules and regulations on LG projects. FHWA issues a Federal Project Authorization Agreement (FPAA) for each project to TxDOT. TxDOT has a funding agreement with a LG for each project. FHWA has no agreement with each LG. Therefore, FHWA holds TxDOT accountable for LG compliance with all applicable federal regulations.

FY 2016 LG Activities

The following paragraphs of this document report TxDOT's LG Project Program activities during TxDOT's FY 2016 (September 2015-August 2016).

- Training of LG and TxDOT personnel administering LG projects:
 - During FY 2016, TxDOT provided 31 Local Government Project Procedures (LGPP) classes in 14 districts with 583 students (194 TxDOT employees, 257 LG employees and 132 LG consultant employees). At the end of FY 2016, there were 1,051 qualified persons (TxDOT) and 1,985 (other agency and consultant) qualified persons. Effective July 1, 2016, qualified persons will need to re-take the 12-hour LGPP training class and pass the exam at least once every three years to remain qualified.
- TxDOT's verification process that LGs have adequate project delivery systems and sufficient accounting controls to properly manage federal-aid funds:
 - Historically, TxDOT has assigned the responsibility to district personnel for evaluation of the ability of a LG to successfully perform a LG project in accordance with all applicable federal and state laws, rules and regulations. While these evaluations were performed prior to execution of a funding agreement with a LG, there was no defined procedure or consistent approach to evaluating the adequacy of the LG's project delivery systems or sufficiency of its accounting controls. Effective Aug. 1, 2016, prior to submitting a draft funding agreement to TxDOT's Contract Services Section for legal review and approval, district personnel must complete a LG Risk Assessment, a Special Approval form, and submit a recommendation to the deputy executive director for approval. This Special Approval form includes obtaining a qualifications statement from the LG for the proposed project and the district's completion of an evaluation of the LG's capabilities to manage one or more elements of project delivery. It also includes a commitment from the TxDOT district to provide a specified minimum level of oversight for the LG performed project elements. As part of this procedure:
 - For entities that have previously submitted a single audit to TxDOT, the department's External Audit section furnishes a summary of relevant findings or observations to the district for use during its evaluation of the LG's qualifications.
 - Entities that have not previously submitted a single audit to TxDOT are required to submit an audited financial statement to the district as part of their qualifications statement for district review during its evaluation of the LG's qualifications.

The review of the single audit or an audited financial statement for the LG and TxDOT's completion of the evaluation portion of the Special Approval form are TxDOT's procedure to determine if the LG has adequate project delivery systems and sufficient accounting controls to properly manage federal-aid funds. A copy of the Risk Assessment and Special Approval form are included in the Appendix.

- TxDOT's oversight structure, resources and program elements that provide effective oversight of LG projects
 - Predominantly, TxDOT assigns responsibility to oversee LG projects to the district where the project is located. In some instances, a division is assigned this responsibility for overseeing the LG subrecipient. Based upon the quantity of LG projects and other demands on district/division resources, each district/division assigns personnel to oversee the LG project activities. In many districts, the environmental, right-of-way, design and letting activities are overseen by personnel within the Transportation Planning and Development Office and the construction phase of the LG project is monitored by Area Office or District Construction Office personnel. In a few districts, dedicated district resources have been established to oversee and monitor the LG project throughout the project development life cycle. In divisions, LG projects are predominantly managed by the same group throughout the duration of the project.
 - In 2012, TxDOT established a Local Government Projects (LGP) Office to dedicate additional resources to oversight of LG projects. In the Department reorganization in February 2016, LGP became a section within the Transportation Planning and Programming Division. The responsibilities of the LGP are to:
 - develop policy and standardized LG project processes;
 - provide training to TxDOT and LG personnel;
 - provide guidance, advice and support to districts;
 - monitor district performance of overseeing LGs; and
 - serve as the primary point of contact with FHWA on LG projects.

LGP personnel co-teach the training classes, provide direct support to the districts/divisions managing LG projects, and make regular visits to district/area offices and project worksites to observe project activities, records and documentation. Throughout FY 2016, every district was visited at least once. Districts with a significant number of LG projects were visited by LGP personnel 10 or more times during the fiscal year. LGP personnel made more than 120 district visits throughout FY 2016.

– In June 2015, TxDOT released its LG Online Toolkit that includes the following:

- Interactive website
 - User-friendly, project development process-based format that leads the user to requirements and guidance for each phase within the project development process.



- Links to training resources and the documents below.



- Local Government Projects Policy Manual
 - General discussion of each phase of the project development process.
 - Itemized listing of applicable federal and state laws and regulations.

- Links to federal and state laws and regulations.
- Local Government Project Management Guide
 - Discussion of required practices for each phase of the project development process.
 - Definition of LG responsibilities for each phase.
 - Definition of TxDOT responsibilities for each phase.
 - Links to internal and external websites (including FHWA Federal-aid Essentials).
- Links to internal and external manuals
- Local Government Best Practices Workbook
 - Project specific workbook to be completed by project personnel.
 - Links to internal and external forms and tools.
 - Each document has links to other documents and additional resources. Use of the Toolkit is integrated within and provides the curriculum for the LGPP training class.
- Effective Aug. 1, 2016, the LG Risk Assessment process described above was implemented to ensure a uniform, consistent procedure is in place to properly evaluate LG capabilities prior to execution of funding agreements and to establish minimum levels of TxDOT oversight of subrecipient performance throughout the project development process.
- Quality control performed by TxDOT in its day-to-day oversight of LG projects to assure they comply with the following requirements

As discussed above, district/division personnel perform direct oversight of LG performance on active projects through site visits, meetings with LG personnel, review and approval of LG reimbursement requests, review of LG project records and documentation, and project acceptance/close-out. District/division personnel also reach out to receive technical expertise from TxDOT division personnel in the areas of roadway and bridge design, traffic operations and intelligent transportation system (ITS), environmental, transportation, construction, transportation planning, funding, safety, rail, aviation and other areas when the need arises. A summary of the quality control activities included within the LG Online Toolkit and documents that are implemented on projects by TxDOT personnel are as follows:

- Applicable environmental requirements

The district environmental coordinator is the primary point of contact on LG-performed environmental activities. The LG and TxDOT will work collaboratively to develop a project scope that defines a mutual understanding of:

- applicable requirements;

- expectations for completed environmental work; and
- plan and schedule for addressing environmental requirements.

Environmental concerns need to be identified early in the project so that any mitigation may be addressed in the environmental document and permits as well as accurately reflected in the design documents using the Environmental Permits, Issues and Commitments (EPIC) sheet. These may include: sole source aquifer coordination; wetland permits; storm water permits; traffic noise abatement; threatened or endangered species coordination; archaeological permits; and any mitigation or other environmental commitments.

Prior to obtaining the FPAA for construction from FHWA or TxDOT issuing the State Letter of Authority (SLOA) to the LG, Environmental Affairs Division staff verifies the appropriate environmental document has been approved, and district staff review and approve the construction plans and specifications (including the EPIC sheet). Prior to approving significant change orders, the district checks the environmental document to ensure the changed work is part of the approved environmental document.

As part of its monitoring of the LG performance during construction site visits, TxDOT reviews LG documentation of maintenance of storm water pollution prevention plans and implementation of items identified on the EPIC sheet, including monitoring compliance during the project and for a defined period of time after construction completion (if required).

– Uniform Act for right-of-way acquisitions and relocations

Projects may involve the use of local, state or federal funds for the purchase of right of way and may be subject to the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and amendments thereto. Even projects entirely locally funded require TxDOT oversight if the project impacts the State Highway System. The completion of the Environmental Compliance phase and the subsequent issuances of the FPAA for right of way by FHWA and the second SLOA by TxDOT allow the LG to proceed with right-of-way acquisition or utility accommodations. During FY 2016, TxDOT transferred many right-of-way personnel from the Right of Way Division to the districts. It remains the responsibility of these personnel to ensure the LG uses TxDOT's procurement process, policies and forms to acquire title to the property and complies with the requirements of the federal and state funding program that is the source of the funds. Prior to issuance of the SLOA for construction, district personnel review LG right-of-way acquisition and relocation documentation, receive right-of-way certification from the LG indicating if all right of way is clear or

not clear, verify compliance with relocation assistance requirements, and the status of utility accommodations/relocations.

— Applicable federal consultant and contractor selection procedures

For all projects with state or federal funds, and all projects on the state highway system, the district performs the following.

- Review the LG's professional services provider selection process. The district contacts TxDOT's Professional Engineering Procurement Services (PEPS) Division or LGP for assistance as needed. During this review, the TxDOT district submits the proposed scope of services to the Civil Rights Division in order for a Disadvantaged Business Enterprise goal to be assigned. The TxDOT district grants approval of the proposed procurement process if it complies with applicable federal and state rules and regulations.
- Review proposed agreements between the LG and the professional services provider. This may include providing the agreement to the Civil Rights Division for review for confirmation the required language from Title VI of the Civil Rights Act of 1964 is included. TxDOT grants approval of the proposed agreements if the approved procedures in the consultant selection process were followed and required federal and state requirements are included in the agreement.

— Designed in accordance with applicable federal and state design criteria and standards

TxDOT oversight during preliminary engineering and plans, specifications and estimates (PS&E) development includes verification that the design criteria selected by the LG follows federal and state guidelines when state or federal funds are used or if the project is on the State Highway System. For all projects where TxDOT will review and approve the final PS&E, the districts review and approve the plans to assure the plans either meet the required criteria or have an approved exception. During the design process, district/division personnel review the progress drawings prepared by the LG or its consultant to assure the following areas comply with applicable federal and state design criteria and standards: level of service; hydraulics; longitudinal barriers; pavement; road closure/detours; specifications/special provisions; traffic engineering; illumination/electrical; ITS; pavement markings; railroad crossings; signing and signals; design speed; temporary and permanent traffic control; bridges and structures; etc. These interim reviews of the LG-produced plans and specifications and final approval of the bid documents occur prior to TxDOT requesting issuance of a FPAA for construction from FHWA and prior to TxDOT issuance of a SLOA for the LG to advertise the project for bids.

- Received adequate inspection to ensure they were completed in conformance with approved plans and specifications

District personnel provide periodic site visits by Area Office, District Construction Office or dedicated LG project personnel during the construction phase. The frequency of visits can vary based upon the level of activity on the LG project site at various stages of construction. As part of the new LG Risk Assessment process, the district commits to a certain minimum level of oversight during the construction phase as indicated in the following chart.

TxDOT District Oversight Activity ¹	Minimum Frequency ²		
	Level of Oversight		
	1	2	3
LG submit and TxDOT review project reports	Quarterly	Monthly	Monthly
TxDOT host project review/coordination meetings with LG	Quarterly	Monthly	Semi-monthly
TxDOT conduct worksite/project site visits	Annually ³	Monthly	Weekly
TxDOT review LG project documentation/records	Annually ³	Monthly	Monthly
LG submit and TxDOT review and approve reimbursement requests	Monthly	Monthly	Monthly

¹ Refer to TxDOT LG Project Management Guide for additional detail on oversight activities

² Greater frequency may be at District discretion

³ Minimum of two times

District personnel document their site visits in their daily diary or in project records. Personnel from LGP provide support to districts in this activity by making periodic district visits including accompanying district personnel to project sites during the construction phase.

- Performed proper contract administration to comply with applicable federal and state rules, requirements and regulations

District personnel review some LG contract administration documentation on a monthly basis along with review and approval of reimbursement requests. The specific items reviewed each month vary by district and by type of project. Additional documentation is reviewed at key stages of the project development process. The new LG Risk Assessment process also includes a commitment by the district engineer for personnel to perform a minimum level of oversight (including review of project documentation) as indicated in the table above. The culmination of these reviews is the audit of project records upon completion of the project prior to TxDOT payment of the final reimbursement request to the LG. Personnel from LGP also provide support to districts in this activity by spot-checking project documentation and accompanying district personnel on reviews of project records during the construction phase.

- Quality Assurance performed through development and implementation of a risk-based audit program for LG projects
 - The Internal Audit Division of TxDOT conducts independent appraisals and reports on internal TxDOT operations and procedures that are guided by a philosophy of adding value to improve the operations of TxDOT. The division employs a systematic and disciplined approach to evaluate and improve the effectiveness of TxDOT’s risk management, control and governance processes. Each fiscal year, a department-wide audit plan is prepared based upon perceived risk to the department. In FY 2015, Internal Audit conducted an audit of the local letting process within TxDOT, including TxDOT oversight of federally funded projects being let by LGs. This audit was published in August 2015 and addressed the following LG project process items:
 - organizational tone;
 - policies/procedure development and maintenance;
 - supporting evidence/records availability;
 - segregation of duties;
 - safeguarding assets; and
 - information processing.

All items received a “satisfactory” rating. In addition, the summary assessment for the LG-letting process was “satisfactory.”

- In FY 2016, the state of Texas hired an independent firm to perform an audit of multiple state agencies, including TxDOT, for FY 2015. The audit included many areas within the FHWA “highway planning and construction cluster.” The audit issued a finding of “significant deficiency and non-compliance” in the area of “subrecipient monitoring” and provided the following four recommendations.
 - Develop a risk assessment methodology for all subrecipients and uniform procedures for implementation of the results of the risk assessment procedures including frequency of site visits/desk review and content of those procedures based upon risk.
 - TxDOT should consistently execute its policy to query the database of OMB A-133 single audit reports monthly to monitor for late subrecipient audit reports and/or untimely issuance of management decision letters.
 - Implement uniform procedures for all subrecipient contracts to verify subrecipients have adequate project delivery systems and sufficient accounting controls to properly manage federal-aid funds.
 - TxDOT should modify its funding agreements to include the required identifying information such as the Catalog of Federal Domestic Assistance

(CFDA) number and titles. Data Universal Numbering System (DUNS) numbers should be obtained for all subrecipients.

In response to the above state audit finding and recommendations, TxDOT developed the LG Risk Assessment process and initiated its use effective Aug. 1, 2016, to address the first and third recommendations; revised its process to query the A-133 reports database so that it is monitored monthly to address the second recommendation; and modified its “Engineer’s Estimate of Probable Construction Cost” form to require entry of the LG’s DUNS and Zip+4 numbers prior to TxDOT requesting FHWA to issue a FPAA for construction to address the fourth recommendation. All of these enhancements were implemented during FY 2016.

- In April 2016, at the request of LGP, the Compliance Division provided an Advisory Service Report to assist the LGP in developing a LG Risk Assessment process that would be fully responsive to the audit finding in the FY 2015 State Agency Audit of TxDOT mentioned above. This guidance was utilized in developing the LG Risk Assessment process that was implemented in FY 2016 (effective Aug. 1, 2016).
- As part of its FY 2016 Audit Plan, Internal Audit performed a follow-up audit of the LG project oversight audit originally conducted in FY 2013. The original audit had six findings (five rated as “needs improvement” and one rated as “unsatisfactory”). Management action plans (MAPs) were developed for each of the six findings. Five of the original audit findings were closed after a previous follow-up audit in FY 2015. The remaining finding from the original audit was “completeness and accuracy of the local government project listing” (originally rated as “unsatisfactory”). The follow-up audit released in July 2016 indicates the last MAP is closed (“corrective actions have been completed”).
- During federal planning year 2016, FHWA’s nationwide Compliance Assessment Program (CAP) was focused on local public agency projects. During TxDOT’s FY 2016, FHWA-Texas completed field and desk reviews of 31 LG projects throughout the state of Texas as part of this CAP review. As of the date this annual report was written, neither preliminary nor final results of FHWA-Texas’ reviews were available.

APPENDIX



LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____

LG Agency Risk Assessment

	Criteria	Range of Attributes	Risk Score	Comments/Justification for Score
Audits	Recent Single Audits, Federal Agency Audits, or Texas State Agency Audits	No findings of concern	A	
		Minor findings that are actively being addressed	B	
		Major findings being addressed or multiple minor findings	C	
		Multiple findings of concern	D	
Process	Project Delivery Process	Well-defined process that regularly demonstrates successful results	A	
		Not well-defined process, but demonstrated success on past projects	B	
		Well-defined process that is new or has not shown consistent success	C	
		Inadequate process or no project delivery system has been provided	D	
Program Past Performance (with TxDOT or Similar Agency)	Financial	Consistently provide accurate and timely billings	A	
		Consistently accurate billings, not as frequently or timely as desired, or occasional inaccuracies	B	
		Occasional inaccuracies, always resolved, less frequently or timely billings than desired	C	
		Inaccurate, infrequent, or incomplete billings	D	
	Compliance	Consistent compliance with thorough documentation	A	
		Minor compliance or documentation issues, promptly addressed when notified	B	
		Some compliance or documentation issues, addressed but not always promptly	C	
		Poor performance, frequently lacking documentation	D	
	Communication/Responsiveness	Always timely, credible, and complete information	A	
		Credible and complete information, occasionally delayed	B	
		Eventually provides credible and complete information upon repeated requests	C	
		Non-responsive, inaccurate, or incomplete information	D	
Program Leadership	Stability	Steady, consistent, continuity of personnel in key positions over extended time	A	
		Current personnel have been in positions for a reasonable length of time	B	
		Some turnover in key positions, but culture of LG remains relatively consistent	C	
		Frequent turnover of personnel or changing positions	D	
	Experience	Well-equipped through education and/or training	A	
		Good basic level of experience and knowledge and commitment to further development of skills	B	
		Limited experience and knowledge but commitment to further development of skills	C	
		No relevant experience in required areas or no commitment to further development of skills	D	
	Teamwork	Consistently looking for win-win outcomes	A	
		Reasonable willingness to work with others to achieve acceptable outcomes	B	
		Hesitant to agree with anything that is not clearly in best interest of LG	C	
		Solely interested in winning at expense of others	D	
Total Overall Risk Score				

Low level of risk to TxDOT	A
Moderate level of risk to TxDOT	B
High level of risk to TxDOT	C
Unacceptable level of risk to TxDOT	D

Recommendation:

Acknowledgement:

 Director, District TP&D

 Director, District Construction

 District Engineer

 District Engineer Signature Date



Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

Special Approval per TAC §15.52
Part A - LG Qualifications Statement
(Local Government Agency management of project development process elements)

Local government (LG) agencies may manage elements of the project development process (environmental, right-of-way acquisition, utility relocation, design/bid document preparation, letting and award, and construction/project close-out) with written TxDOT approval. This approval is typically provided by language in the Advance Funding Agreement executed by TxDOT and the local government agency. Local government completion of Part A (pages 1-4) of this form is required. Upon receipt of completed Part A, the TxDOT district will evaluate the LG's capabilities to manage one or more elements of a project using Part B (pages 5-8) for recommendation to the TxDOT's Deputy Executive Director.

Describe the following items for the proposed project or program	
Project limits, type of work and any significant elements	
Preliminary estimated project costs	
Anticipated Funding Sources	FHWA <input type="checkbox"/> TxDOT <input type="checkbox"/> Local <input type="checkbox"/>

LG proposes to manage the following activities for this project	To be performed by LG with its own staff?	To be performed by consultant under contract with LG?
Environmental		
Right-of-way acquisition		
Utility relocation		
Design and bid document preparation		
Letting and award		
Construction oversight, inspection, documentation and project close-out		
Other _____		
Other _____		

Describe LG's approach to performing the proposed management services for this project

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

In evaluating a LG request to manage elements of the project development process for projects on the State Highway System or with TxDOT and/or FHWA funding, 43 TAC §15.52 requires TxDOT to consider six criteria. The LG is to provide information requested in Items 1 and 2 below. TxDOT district personnel will complete information on the remainder of the evaluation criteria in Part B (pages 5-8).

1. Previous experience of the LG in performing the type of work proposed

<p>Attach an audited financial statement of Local Government Agency for most recent fiscal year.</p> <p>If TxDOT already has a copy of a Single Audit report or other audited financial statement for a recent year insert the fiscal year in the box to the right (submittal of an additional audit is not required).</p>	
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Please provide information on up to two similar projects completed in the past 5 years performed by the LG or by consultants under contract to the LG.

PROJECT A

Name of previously completed project				
Describe type of work				
Describe any complex items of work				
Construction cost	Estimated:		Actual:	
Letting date	Scheduled:		Actual:	
Contract time	Scheduled:		Actual:	
LG management activities performed by LG personnel				
LG management activities performed by consultants				
Name of current LG employee contact who worked on project			Phone #	
			Email	

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

PROJECT B

Name of previously completed project				
Describe type of work				
Describe any complex items of work				
Construction cost	Estimated:		Actual:	
Letting date	Scheduled:		Actual:	
Contract time	Scheduled:		Actual:	
LG management activities performed by LG personnel				
LG management activities performed by consultants				
Name of current LG employee contact who worked on project		Phone #		
		Email		

2. The capability of the LG to perform the type of work proposed or to award and manage a contract for that work in a timely manner, consistent with federal, state, and Department regulations, standards, and specifications

Please describe the LG's proposed personnel.

Name of person to serve in the position of Responsible Person in Charge		Position/Title	
---	--	----------------	--

- a. Must be full-time employee of LG;
- b. Must be able to administer project activities (cost, time, scope, adherence to contract requirements, construction quality, etc.);
- c. Must maintain familiarity with day-to-day project operations (including project safety);
- d. Must make or participate in decisions about change orders or supplemental agreements;
- e. Must visit and review the project regularly;
- f. Must review financial processes, transactions and documentation; and
- g. Must direct his/her project staff (agency or consultant) at all stages of the project.

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

Name of person to serve as Project Manager		Position/Title	
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- a. Responsible for daily oversight of the project;
- b. Primary point of communication with TxDOT for day-to-day matters;
- c. May be same person as RPIC; and
- d. May be local government employee or consultant.

Project Manager's previous experience on projects of similar type, complexity and cost	
Project Manager's previous experience on TxDOT and/or FHWA-funded projects	

Name of person to serve in the position of Qualified Person		Position/Title	
--	--	-----------------------	--

- a. Must have completed TxDOT-required LGPP training prior to execution of AFA;
- b. May be same person as RPIC or PM; and
- c. May be LG employee or consultant.

Qualified Person's previous experience on projects of similar type, complexity and cost	
Qualified Person's previous experience on TxDOT and/or FHWA-funded projects	

Information submitted by:

_____ LG representative signature

_____ Date

_____ LG representative printed name

_____ LG representative title

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

Special Approval per TAC §15.52
Part B - TxDOT Evaluation and Special Approval of LG Qualifications
*(Local Government Agency management
 of project development process elements)*

Local government (LG) agencies may manage elements of the project development process (environmental, right-of-way acquisition, utility relocation, design/bid document preparation, letting and award, and construction/project close-out) with written TxDOT approval. This approval is typically provided by language in the Advance Funding Agreement executed by TxDOT and the LG. Completion of Part A - LG Qualifications Statement and this Part B - TxDOT Evaluation and Special Approval of LG Qualifications are required for TxDOT to authorize the LG to manage one or more elements of a project.

In approving a LG request to manage elements of the project development process for projects on the State Highway System or with TxDOT and/or FHWA funding, 43 TAC §15.52 requires TxDOT to consider six criteria. TxDOT district personnel shall review Part A (pages 1-4), provide supplemental information by fully completing Part B (pages 5-8), and, based upon a determination of the adequacy of the LG's project delivery systems and accounting controls, recommend an appropriate role for the LG in project delivery on page 7 of this form.

43 TAC §15.52 regulations require the approval of the Executive Director (or authorized designee) for the LG to manage projects in the following cases:

	Applies
Any project on the State Highway System that improves freeway mainlanes	
A roadway improvement project that is to be on the State Highway System for which less than 50 percent of the funds come from sources other than federal or state highway funding	

1. LG's previous experience in performing the type of work proposed

In Section 1 of Part A (beginning on page 2), the LG submitted information on up to two similar projects completed in the past 5 years performed by the LG or by consultants under contract to the LG. Please rate if these previous projects are comparable or not comparable to the proposed new project.

	Yes/No
Project A Comparable	
Project B Comparable	

TxDOT Risk Rating of LG Agency: _____
 (for definition of ratings, see page 8)

Date of Rating: _____

2. District evaluation of LG capability to perform type of work proposed based on past projects identified above and other previous projects with TxDOT and/or FHWA funding

Please describe the LG's performance.

a. Timeliness and quality in acquisition of right of way	
b. Timeliness and quality in relocation of utilities	
c. Timeliness and quality of preparing environmental documents and obtaining required permits and clearances	

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

d. Timeliness and quality of project design and developing contract documents	
e. Timeliness and quality of letting and awarding construction contract	
f. Quality of performance in managing construction contractor and contract change orders	
g. Quality of performance in project inspection and documentation during construction	
h. Timeliness and quality of reimbursement requests throughout project	
i. Timeliness and quality of project close-out after project acceptance	
j. Timeliness of submitting supplemental funding when required	
k. Timeliness and adequacy in responding to audits	

3. The need for accelerated project delivery

Describe unique project situations requiring accelerated project delivery and any advantages of work being performed by LG rather than TxDOT.	
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4. Department resources available to perform or manage the highway improvement project in an efficient and timely manner

Describe any Department resource constraints that suggest the LG management of project development activities is in the best interest of TxDOT and the LG.	
--	--

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

5. Cost effectiveness of local performance of the work as compared to awarding the highway improvement project through TxDOT's competitive bidding process

On federally funded projects, FHWA holds TxDOT entirely responsible for successful project delivery, including the proper acquisition of right of way, utility relocation, environmental, design, construction, and project close-out. LG management of the project requires the LG performance of activities plus TxDOT oversight to assure compliance with all federal and state requirements.

Explain why it is advantageous for successful delivery of this project for the LG to manage the proposed elements of project development.	
--	--

6. Any other considerations relating to the benefit of the state, the traveling public, and the operations of the Department

Please list any additional items to be considered in TxDOT's evaluation that are of benefit to the state, the traveling public, and the operations of the Department to allow the LG to manage the proposed elements of the project development process.	
---	--

Special approval for LG to manage the following items:

Environmental	<input type="checkbox"/>	ROW acquisition	<input type="checkbox"/>		<input type="checkbox"/>
Design/PS&E	<input type="checkbox"/>	Utility relocation	<input type="checkbox"/>	_____	<input type="checkbox"/>
Letting & award	<input type="checkbox"/>	Construction	<input type="checkbox"/>	_____	<input type="checkbox"/>
				None	<input type="checkbox"/>

Based upon review of Part A and completion of Part B, District determines the LG has adequate project delivery systems and sufficient accounting controls. Therefore, I (District Engineer) recommend Deputy Executive Director provide special approval of the LG performing the above marked project delivery items. The District commits to providing an appropriate level of oversight of LG activities to maximize compliance with applicable federal and state laws and regulations. District will provide: Level 1 , Level 2 , Level 3 oversight, as defined on page 8.

Recommendation for approval:

 District Engineer signature

 Date

Special approval:

 Deputy Executive Director
 signature

 Date

Project CSJ: _____
 LG Name: _____
 LG Texas ID No. (TIN): _____
 District: _____
 Project Name: _____

Local Government Projects – Risk Assessment

LG Risk Rating Definitions

Low level of risk to TxDOT	A
Moderate level of risk to TxDOT	B
High level of risk to TxDOT	C
Unacceptable level of risk to TxDOT	D

Oversight Levels

Level 1 Oversight – Relatively Low Risk Non-construction Projects and Very Low Risk Construction Projects

Level 2 Oversight – Higher Risk Non-construction Projects and Low to Moderate Risk Construction Projects

Level 3 Oversight – Higher Risk Construction Projects

TxDOT District Oversight Activity ¹	Minimum Frequency ²		
	Level of Oversight		
	1	2	3
LG submit and TxDOT review project reports	Quarterly	Monthly	Monthly
TxDOT host project review/coordination meetings with LG	Quarterly	Monthly	Semi-monthly
TxDOT conduct worksite/project site visits	Annually ³	Monthly	Weekly
TxDOT review LG project documentation/records	Annually ³	Monthly	Monthly
LG submit and TxDOT review and approve reimbursement requests	Monthly	Monthly	Monthly

¹ Refer to TxDOT LG Project Management Guide for additional detail on oversight activities

² Greater frequency may be at District discretion

³ Minimum of two times