



Construction & Materials Tips

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Construction Contracts Administered by Local Governments

Local government entities may enter into an agreement with the department. This department agreement is referred to as an Advance Funding Agreement (AFA). In this type of agreement the local government may let and administer a construction contract involving state or federal transportation funds. In addition to funding issues, the AFA also addresses the responsibilities of each party to the agreement.

Local Government Project Procedures (LGPP)

Under an AFA agreement with the department, the local government may obtain detailed information regarding their responsibilities pertaining to project development and contract administration in the department's online Local Government Project Procedures (LGPP) modules (<http://www.dot.state.tx.us/business/localgov.htm>).

The LGPP is divided into the following modules:

1. Introduction to Local Government Project Procedures
2. Planning and Programming
3. Contracting with TxDOT (AFAs)
4. Site Identification and Survey
5. Environmental Affairs Right of Way, Other Land and Utilities
6. Preliminary Engineering and PS&E
7. Building Architecture
8. Traffic Operations Projects
9. Traffic Operations Projects
10. Bridges
11. Construction
12. Procurement of Other Goods and Services
13. Maintenance
14. Finance
15. Audit

Department Resources for Construction Contract Oversight Responsibilities

Guidance for department personnel regarding construction contract oversight responsibilities is located in Chapter 16, "Local Government Contract Oversight," of the *Construction Contract*

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Administration Manual (CCAM), which is available online at <http://manuals.dot.state.tx.us/docs/colconst/forms/cah.pdf>. The responsibility for the administration of these contracts is similar to federal-aid highway improvement contracts, for which a State Letter of Oversight Authority (SLOA) has been issued to the department. For convenience, CCAM Chapter 16 is organized in a manner similar to LGPP, module item #11 referenced in the preceding list with guidance and checklists provided for the following four contract phases:

1. bid document preparation
2. letting and award
3. contract execution
4. contract administration

Each checklist is further divided in two sections: federal requirements and state requirements.

Additional guidance regarding district oversight responsibilities for contracts administered by local governments was provided with regional training through a cooperative effort of the Federal Highway Administration and the Construction Division. Training was conducted from August 2004 through November 2004 in Houston, Abilene, Austin, Corpus Christi and Dallas. An interdivisional effort is presently underway to expand this training to cover all contract phases – from project conception and development through final completion and acceptance.

Additional Procedures for Other Contract Types

The LGPP and CCAM, Chapter 16 currently address only traditional contracting methods. This information does not address public transportation, aviation, turnpike or toll projects.

An interdivisional committee has been established to address local government and department personnel oversight responsibilities with regard to these contract types that may be administered by local governments. When additional procedures are developed by this committee to address these contract types, the LGPP and CCAM will be revised to reflect these changes.

Contact Information

Should you have any questions regarding construction contracts administered by a local government, please feel free to contact Elizabeth Boswell, P.E. at 512/416-2456.