Streamlining Local-let Federal-aid Transportation Processes in Ohio

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16. Abstract

Ohio's local public agencies (LPAs) administer an average of $335 million of Federal-aid projects annually through the ODOT local-let program. ODOT has made significant strides to improve the efficiency of its Federal-aid program delivery process for LPA-administered projects in recent years. The objective of this research was to undertake a review of ODOT's local-let program requirements in the areas of real estate/right-of-way, construction contract administration, and finance to determine if any additional process streamlining could be achieved. This review found that a vast majority of activities LPAs are required to perform as part of Federal-aid project administration were consistent with applicable Federal requirements. Outreach to Ohio's LPAs and other State DOTs yielded valuable insight on best practices and potential strategies for streamlining the administration of Federal-aid projects by Ohio's LPAs at both the project and program level. Eight recommendations for streamlining are presented; implementation of these recommendations is expected to result in improvements to the delivery of ODOT's local-let program, including more efficient use of ODOT and LPA resources, cost and time savings for project delivery, and greater clarity on program performance.

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The contents of this report reflect the views of the author(s) who is (are) responsible for the facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of the Ohio Department of Transportation, Ohio's Research Initiative for Locals, or the Federal Highway Administration. This report does not constitute a standard, specification, or regulation.

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Cover photo information: Left Side: Completed local-let bridge replacement project in Fairfield County (PID 84881, FAI-CR78-02.43), Photo Credit: Blake Staley. Right Side: Completed local-let roadway/intersection project in the City of Athens (PID 103157, ATH-McKinley Extension Access Rd.), Photo Credit: Christian Dietrich.

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EXECUTIVE SUMMARY

Research Problem

The Federal-aid highway program (FAHP) is a cooperative partnership between the U.S. Federal Highway Administration (FHWA) and State DOTs for the purposes of implementing FHWA-funded highway construction projects and related activities. FHWA permits State DOTs to allow Local Public Agencies (LPAs) to perform work on projects where Federal-aid funds are used for highway system improvements. State DOTs have a significant role in administering the FAHP and are responsible for ensuring that all Federal requirements are met on construction projects. In Ohio, the ODOT Division of Planning, Office of Local Programs is charged with implementing ODOT's LPA program responsibilities. Ohio's LPAs can administer Federal-aid projects through a process managed by ODOT that is typically referred to as the "local-let" process. LPAs that wish to administer Federal-aid projects must work with the ODOT Office of Local Programs to be prequalified to participate in the local-let process. In an average program year, more than 230 Federal-aid projects are administered by Ohio's local public agencies through the local-let process, accounting for an average project value in excess of $335 million annually. Data from ODOT's four most recent annual construction program summary reports indicates that local-let projects account for approximately 23% of all projects sold by ODOT and approximately 16% of the total construction program by dollar value.

In recent years, ODOT has made significant strides to improve the efficiency of its FAHP delivery process for both State system and LPA-administered projects. The delivery of local-let projects has also been enhanced by providing LPAs with resource manuals, checklists, training webinars, and other resources designed to streamline processes and provide LPAs with the maximum amount of flexibility to comply with Federal requirements. However, participation in the local-let program is not universal among Ohio's LPAs. Many LPAs have expressed concern to ODOT that the local-let program has evolved to the point where it is too cumbersome and impractical for use. For example, a recent survey of 87 Ohio LPAs conducted by ODOT found that LPAs were generally satisfied with the local-let process; however, many respondents commented that the process was an administrative burden with some indicating that certain aspects of ODOT's local-let program requirements exceeded the Federal requirements. The ODOT Office of Local Programs desires to maintain a local-let program that is compliant with all applicable Federal regulations associated with FAHP delivery while also providing Ohio's LPAs with the maximum amount of flexibility to administer highway projects using local policies and practices. However, given the feedback supplied to ODOT in the April 2016 LPA survey, this research project was initiated to ensure that ODOT's local-let program is consistent with applicable Federal regulations. Additionally, a thorough examination of other State DOT practices pertaining to locally-administered transportation programs would provide the ODOT Office of Local Programs with a compilation of best practices and recommendations needed to further streamline ODOT's local-let process. While Federal-aid project administration encompasses a wide range of activities across the entire project life cycle, this research considered potential streamlining of ODOT's local-let process for three specific areas: real estate/right-of-way, construction contract administration, and finance.

Research Approach

Researchers from the Ohio Research Institute for Transportation and the Environment (ORITE) at Ohio University, with assistance from TEC Engineering, Inc., approached the research problem with three key activities, described as follows:

1) Comprehensive review of Federal laws and regulations associated with locally-administered Federal-aid highway projects to identify minimum thresholds for compliance with Federal regulations for real estate/right-of-way, construction contract administration, and finance and to determine if any relevant ODOT local-let process requirements exceeded the minimum Federal thresholds.
2) Outreach to stakeholders of ODOT's local-let program, including Ohio's LPAs, relevant process owners within ODOT, FHWA Ohio Division, and others to obtain feedback on key issues and potential streamlining opportunities.
3) Comprehensive review of State DOT LPA programs and processes in other states to identify high-performing programs or programs with innovative, unique, or streamlined practices that could be applicable in Ohio.

Research Findings

As part of the compliance review task, the ORITE research team identified 115 unique tasks or activities that LPAs are required to perform related to real estate/right-of-way, construction contract administration, and finance matters on local-let projects. The review of the applicable laws and regulations revealed that, in many cases, the Federal regulations are not prescriptive in nature; that is to say, the regulation only specified the desired outcome but the State DOT could determine how to achieve the outcome. The research team created a four-level classification framework to relate the local-let requirements with the minimum thresholds for Federal compliance. Using this framework, each of the 115 required LPA activities were analyzed and assigned to one of the four classification levels. Out of 115 required activities, 56 (48.7%) were determined to be compliant with Federal regulations, 43 (37.4%) had no minimum threshold for Federal compliance identified, 12 (10.4%) had no specific Federal requirement associated with them, and 4 (3.5%) were determined to be requirements that exceeded the minimum thresholds for Federal compliance. The activities that were determined to exceed minimum Federal thresholds were:

- Requirement for an independent review of relocation activities;
- Requirement for LPAs to complete a 30% spot check of certified payrolls;
- Requirement for projects to remain under ownership of the LPA for 20 years; and
- Requirement that local-let invoices shall not be processed without a baseline schedule.

The stakeholder outreach included an online survey of Ohio's LPAs (yielding 79 responses) and 28 meetings (including 92 participants) with various stakeholders. The stakeholder outreach activities conducted as part of this research project yielded significant insight on ODOT's local-let program as well as perspectives on streamlining opportunities within three process areas. Key takeaways from the stakeholder outreach included:

- The ODOT Office of Local Programs has adopted a decentralized approach to management of the local-let program, placing a significant amount of responsibility on District-level staff to implement program requirements. This has resulted in a program that is flexible enough to deal with the various nuances of Ohio's LPAs but also has

resulted in some inconsistencies between Districts in program implementation. Some areas, particularly right-of-way acquisition, materials quality control, and invoice processing are different between the 12 ODOT Districts.

- LPAs were generally satisfied with the various aspects of the local-let process as well as the support provided by ODOT Central Office and District staff. However, the relationship between the LPA staff and the ODOT District staff is a critical aspect of an LPA's success or failure in Federal-aid local-let project administration.
- Challenges faced by LPAs in administration of Federal-aid construction contracts include extensive requirements for documentation, compliance with EEO/DBE requirements, materials acceptance, and invoice processing.
- Larger LPAs have the staff and resources to administer various types of Federal-aid projects with limited ODOT oversight and can easily meet all requirements for right-of-way and construction contract administration; smaller LPAs, on the other hand, struggle to tackle complex projects and must rely on outside assistance from consultants or ODOT District staff to meet all the requirements.
- Larger LPAs also have more sophisticated financial management systems that allow them to easily meet requirements for reimbursement of direct labor costs, fringe benefits costs, and indirect expenses for local-let construction engineering activities. LPAs that cannot meet the requirements with their existing financial management systems can work with ODOT staff to modify the relevant processes and achieve compliance.

The research team conducted a detailed review of LPA programs in State DOTs outside of Ohio. The review focused on key issues facing Ohio's LPAs that were identified as part of the stakeholder outreach activities. The State DOT review found that at least 41 states permit LPAs to administer Federal-aid projects. Detailed telephone interviews with six State DOT LPA program personnel yielded information on high-performing State DOT LPA program practices or other unique program features that could be applicable in Ohio. A matrix comparing ODOT's local-let program with the local-let program practices of five other high-performing State DOT local-let programs is presented in Table 1 of the main body of this report.

Recommendations

Based on the findings and conclusions of this research project, the ORITE research team presents the following recommendations for streamlining ODOT's local-let program:

- Recommendation #1: ODOT should examine its process requirements for the four activities that were identified in this research as overly compliant with applicable Federal regulations and determine if any streamlining could be undertaken.
- Recommendation #2: ODOT should evaluate its requirements for the activities that were identified as having no minimum Federal threshold for compliance or where no Federal requirements could be identified and determine if further streamlining could be achieved.
- Recommendation #3: ODOT should take steps to increase the accessibility of alternative processes for low-value right-of-way acquisitions on local-let projects.
- Recommendation #4: ODOT should develop a risk-based approach to its oversight of local-let project delivery and other aspects of construction contract administration.
- Recommendation #5: ODOT should take steps to increase the use of e-construction tools and capabilities on local-let projects.

- Recommendation #6: ODOT should revise the construction contract administration processes for local-let projects to streamline project inspection and documentation.
- Recommendation #7: ODOT should continue to improve its processes and associated requirements for LPAs to recover direct and indirect costs associated with construction engineering activities for local-let projects.
- Recommendation #8: The ODOT Office of Local Programs should consider developing tools or metrics to track the performance of local-let program delivery.

Additional details on these recommendations and a detailed implementation plan can be found in the main body of this report. Full details of the work performed as part of this research study are described in the appendix material following the main report body. Implementation of these recommendations is expected to result in improvements to the delivery of ODOT's local-let program, including more efficient use of ODOT and LPA resources, cost and time savings for project delivery, and greater clarity on program performance.

PROJECT BACKGROUND

Research Problem

The Federal-aid highway program (FAHP) is a cooperative partnership between the U.S. Federal Highway Administration (FHWA) and State DOTs for the purposes of implementing FHWA-funded highway construction projects and related activities. As authorized by 23 CFR Part 635.105, the FHWA permits State DOTs to allow Local Public Agencies (LPAs) to perform work on projects where Federal-aid funds are used for highway system improvements. State DOTs have a significant role in administering the FAHP and are responsible for ensuring that all Federal requirements are met on construction projects. For LPA-administered projects, the State DOT is responsible for ensuring that all Federal regulations are followed and that the LPA is "adequately staffed and suitably equipped" to undertake and satisfactorily complete the work, including providing a full-time employee to be in responsible charge of the project (23 CFR Part 635.105). In Ohio, the ODOT Division of Planning, Office of Local Programs is charged with implementing ODOT's LPA program responsibilities. To assist with LPA program implementation, the Office of Local Programs has developed a guide entitled *ODOT Locally Administered Transportation Projects (LATP) Manual of Procedures* to aid in LPA project development and administration [ODOT Office of Local Programs, 2017]. The LATP Manual is continually reviewed and updated to ensure compliance with applicable regulations as well as provide LPAs with guidance on implementation of new processes and methods.

In Ohio, LPAs can administer Federal-aid projects through a process managed by ODOT that is typically referred to as the "local-let" process. LPAs that wish to administer Federal-aid projects must work with the ODOT Office of Local Programs to be prequalified to participate in the local-let process. In particular, LPAs must complete a prequalification requirements review form, officially named the LPA Participation Review Form that verifies the LPA has the necessary staff resources and adequate project delivery systems. Additionally, LPA staff must complete 12 online learning modules covering different aspects of Federal-aid project delivery (administered by the Ohio LTAP center). LPAs that are qualified for the local-let process are eligible to administer Federal-aid projects and will enter into an agreement with ODOT that outlines the specific requirements and responsibilities for each local-let project. Analysis of data supplied by the ODOT Office of Local Programs indicates that, in an average program year, more than 230 Federal-aid projects are administered by Ohio's local public agencies through the local-let process, accounting for an average project value in excess of $335 million annually. Data from ODOT's four most recent annual construction program summary reports indicates that local-let projects account for approximately 23% of all projects sold by ODOT and approximately 16% of the total construction program by dollar value. Additional details of ODOT's local-let program are presented in Appendix A of this report.

In recent years, ODOT has made significant strides to improve the efficiency of its FAHP delivery process for both State system and LPA-administered projects. For example, ODOT has formalized its project development process (PDP) and implemented numerous programmatic agreements for common issues encountered during the PDP. The delivery of local-let projects has also been enhanced by providing LPAs with resource manuals, checklists, training webinars, and other resources designed to streamline processes and allow LPAs with the maximum amount of flexibility to comply with Federal requirements. However, participation in the program is not universal among Ohio's LPAs and many LPAs have expressed concern to ODOT that the local-let program has evolved to the point where it is too cumbersome and impractical for use. For

example, a survey of 87 Ohio LPAs conducted by ODOT in April 2016 found that LPAs were generally satisfied with the local-let process; however, many respondents commented that the process was an administrative burden with some indicating that certain aspects of ODOT's local-let program exceeded the Federal requirements [ODOT Office of Local Programs, 2016].

The ODOT Office of Local Programs desires to maintain a local-let program that is compliant with all applicable Federal regulations associated with FAHP delivery while also providing Ohio's LPAs with the maximum amount of flexibility to administer highway projects using local policies and practices. However, given the feedback supplied to ODOT in the April 2016 LPA survey, this research project was initiated to ensure that ODOT's local-let program is consistent with applicable Federal regulations. Additionally, a thorough examination of other State DOT practices pertaining to locally-administered transportation programs would provide the ODOT Office of Local Programs with a compilation of best practices and recommendations needed to further streamline ODOT's local-let process. While Federal-aid project administration encompasses a wide range of activities across the entire project life cycle, this research considered potential streamlining of ODOT's local-let process for three specific areas: real estate/right-of-way, construction contract administration, and finance.

Research Approach

Researchers from the Ohio Research Institute for Transportation and the Environment (ORITE) at Ohio University, with assistance from TEC Engineering, Inc., approached the research problem with three key activities, described as follows:

- Comprehensive review of Federal laws and regulations associated with locally-administered Federal-aid highway projects to identify minimum thresholds for compliance with Federal regulations and to determine if any relevant ODOT local-let process requirements exceeded the minimum Federal thresholds;
- Outreach to stakeholders of ODOT's local-let program, including Ohio's LPAs, relevant process owners within ODOT, FHWA Ohio Division, and others to obtain feedback on key issues and potential streamlining opportunities; and
- Comprehensive review of State DOT LPA programs and processes in other states to identify high-performing programs or programs with innovative, unique, or streamlined practices that could be applicable in Ohio.

RESEARCH CONTEXT

Research Objectives and Tasks

The goal of this research project was to assess ODOT's local-let process and provide recommendations on process improvements while maintaining compliance with applicable Federal regulations, with specific emphasis on real estate/right-of-way, construction contract administration, and finance. The specific objectives of this research study were as follows:

1) Conduct a thorough review of ODOT local-let program processes in the areas of real estate/right-of-way, construction contract administration, and finance and obtain feedback from program stakeholders (e.g., LPAs, ODOT, and others) on potential improvements that could be made to the ODOT local-let program in these areas;
2) Conduct a detailed review of applicable Federal laws and regulations affecting ODOT's local-let program in the areas of real estate/right-of-way, construction contract

administration, and finance to determine minimum thresholds for compliance; based on this review, evaluate the ODOT LPA program's compliance with Federal regulations and identify areas where the minimum compliance thresholds are exceeded;
3) Conduct a detailed review of State DOT LPA programs to identify high-performing programs and identify best practices in LPA program process and implementation;
4) Conduct interviews with LPA program representatives from State DOTs in 3 to 5 states that are considered high-performing programs to obtain details of best practices; and
5) Develop a final report documenting all project-related activities, including a matrix comparing ODOT's local-let program with high-performing programs in other states and recommendations for changes that would improve or streamline ODOT's processes.

To accomplish the research objectives, the ORITE research team completed the following 12 tasks over a duration of 18 months:

- Task 1, Project Start-Up Meeting;
- Task 2, Compliance Review of ODOT LPA Processes;
- Task 3, Stakeholder Outreach;
- Task 4, Survey of Ohio LPAs;
- Task 5, Interviews of Selected Ohio LPAs;
- Task 6, Review of State DOT LPA Programs;
- Task 7, Project Review Session;
- Task 8, Conduct Interviews of High-Performing State DOT LPA Programs;
- Task 9, Develop Comparison Matrix and Recommendations;
- Task 10, Draft Final Report and Fact Sheet;
- Task 11, Revised Final Report and Fact Sheet; and
- Task 12, Project Management.

Literature Review

The U.S. Government Accountability Office (GAO) estimates that there are more than 7,000 LPAs in the U.S. involved with administration of Federal-aid highway projects with a roadway network of 2.9 million miles (approximately 75% of the U.S. roadway network) being under the jurisdiction of an LPA [U.S. GAO, 2014]. During the 12-month period ending June 30, 2013, the U.S. GAO estimated that LPAs administered approximately $3.8 billion of Federal-aid highway projects, accounting for roughly 12 percent of the entire Federal-aid program over the same time period [U.S. GAO, 2014]. Reviews conducted internally by FHWA in 2006 and the U.S. DOT Office of Inspector General (OIG) in 2011 yielded significant concerns about non-compliance with Federal requirements in the implementation of LPA programs [U.S. DOT OIG, 2011]. The magnitude of LPA programs nationwide, coupled with the findings of FHWA and U.S. DOT OIG reviews on LPA program compliance issues, has resulted in an increased interest in research efforts at the national and state levels to improve the delivery of LPA projects. Research on the national level includes: an investigation of best practices for delivery of small-scale Federal-aid projects [McCarthy, et al., 2011]; practices and performance measures for LPA highway projects [McCarthy, et al., 2013]; and best practices for quality assurance (QA) compliance on Federal-aid LPA projects [Konrath, et al., 2016]. State-level research includes investigations in Florida [McCarthy and Kurtz, 2007] and Indiana [Padfield, et al., 2016].

Complete details of the literature review are presented in Appendix A of this report.

RESEARCH APPROACH

The research approach for this project consisted of three main elements: a detailed compliance review of ODOT's local-let processes and requirements; extensive outreach to stakeholders of ODOT's local-let program; and a comprehensive review of LPA programs at other State DOTs. More details on each component are summarized in this section.

Compliance Review of ODOT's Local-Let Processes

In Task 2 of the research project, the ORITE research team conducted a compliance review of the ODOT local-let program process requirements for the three process areas being studied in the project: real estate/right-of-way, construction contract administration, and finance. The objective of the compliance review task was to identify the minimum thresholds for compliance with Federal regulations and to determine if any ODOT local-let processes exceed these thresholds. The compliance review required the research team to identify relevant ODOT requirements; review applicable Federal laws and regulations; identify minimum thresholds for Federal compliance; and compare ODOT processes with the minimum thresholds. To identify the specific activities that LPAs are required to perform as part of the ODOT local-let process, the ORITE research team reviewed relevant ODOT-supplied guidance, including the applicable LATP manual chapters, the ODOT-LPA Federal Local-Let Project Agreement, and other guidance provided for the three process areas being studied in the project. Any instances where the documents noted that "the LPA shall…" or "the LPA must…" perform or complete a certain function or activity was noted as a required activity. Based on these criteria, the ORITE research team identified a total of 115 specific requirements that LPAs are required to perform or achieve as part of the local-let process, of which 17 (14.8%) were related to real estate/right-of-way, 57 (49.6%) were related to construction contract administration, and 41 (35.7%) were related to finance. Federal laws and regulations that were reviewed include applicable portions of the U.S. Code, the U.S. Code of Federal Regulations, and FHWA Form 1273. Full details of the compliance review are discussed in Appendix B of this report.

Stakeholder Outreach

The objective of the stakeholder outreach process was to obtain feedback on key issues and streamlining opportunities associated with the three process areas being studied in the project: real estate/right-of-way, construction contract administration, and finance. Stakeholders of the ODOT local-let process that were solicited for feedback as part of the outreach process included Ohio's LPAs (county engineer, cities/villages, townships, and others); ODOT (Office of Local Programs, District-level staff, and other process owners); FHWA Ohio Division; County Engineers' Association of Ohio (CEAO); and professional consulting firms. The ORITE research team engaged stakeholders throughout several tasks of this project. Specific tasks associated with stakeholder outreach activities were as follows:

- Task 3: Including meetings with ODOT process owners, the ODOT LPA Advisory Group, the FHWA Ohio Division, and consultant stakeholders.
- Task 4: Consisting of an online survey of Ohio's LPAs, in particular, county engineers and contacts from cities/villages/townships that are frequent local-let program users.
- Task 5: Consisting of primarily in-person meetings between the ORITE research team and LPA contacts around the state. The purpose of the Task 5 meetings was for the

ORITE research team to obtain more detailed information about the key issues facing Ohio's LPAs in a more personal or informal environment.

For Task 3 and Task 5, a total of 28 meetings were conducted, of which 16 were meetings with Ohio's LPAs, 4 meetings with ODOT District-level staff, 2 meetings with consultants, and 1 meeting each with the ODOT LPA Advisory Group, the ODOT Office of Local Programs, the other ODOT offices responsible for various processes, and the FHWA Ohio Division. A total of 92 individuals participated in these stakeholder outreach meetings.

The Task 4 online survey was deployed via e-mail between mid-December 2017 and mid-February 2018. Invitations to participate in the survey were distributed to all 88 of Ohio's county engineers (regardless of local-let program participation) as well as 164 cities, villages, or townships with varying degrees of local-let program participation (of which 136 had participated in a local-let project during the previous five years). The online survey included approximately 30 questions related to general LPA program feedback, real estate/right-of-way process feedback, construction contract administration feedback, and finance feedback. The survey was designed to take approximately 15 to 20 minutes to complete. A total of 79 responses were received, of which 47 were from county engineer offices and 32 were from a city, village, or township. Full details of the stakeholder outreach are discussed in Appendix C of this report.

Review of State DOT LPA Programs

To support ODOT's efforts to continually improve its programs, this research also examined practices for locally-administered transportation projects in other states. The objective of the State DOT program review was to 1) identify high-performing State DOT programs for local agency project administration; 2) identify State DOT programs with innovative practices that could be applicable to Ohio; and 3) conduct interviews with State DOT personnel at 3 to 5 high-performing states. The ORITE research team reviewed details of State DOT LPA programs from manuals and other source documentation available from the State DOT website. This information was supplemented by externally-available information about certain LPA programs as well as feedback from program stakeholders' views on high-performing State DOT LPA programs outside of Ohio. The scope of the State DOT program review included all relevant aspects of real estate/right-of-way, construction contract administration, and finance processes within the other State DOT LPA programs.

Based on the initial review, the ORITE research team identified eight States as high-performing State DOT LPA programs based on the following criteria: 1) the existence of a formal process, tool, or method to assess risk on LPA projects and to guide the level of DOT oversight on the project or 2) the existence of an innovative or unique program feature(s) that could be applicable to ODOT's local-let program. The eight states included: Colorado, Florida, Iowa, Kansas, Missouri, Texas, Virginia, and Wisconsin. The ORITE research team contacted State DOT LPA program staff in each of the eight states to collect more details about the respective programs. The outreach included a two-page questionnaire which was followed-up by a one-hour telephone interview to obtain more details based on the initial responses. The eight State DOTs to be contacted, as well as the questionnaire content, were approved by the ORIL project TAC prior to starting the outreach task. Six State DOTs responded to the research team's inquiry: Florida, Iowa, Kansas, Missouri, Virginia, and Wisconsin. A completed questionnaire was obtained and a follow-up phone interview was conducted with relevant personnel from each of the six states. Full details of the State DOT review are discussed in Appendix D of this report.

RESEARCH FINDINGS AND CONCLUSIONS

Compliance Review of ODOT's Local-Let Processes

As noted previously, the ORITE research team identified 115 unique tasks or activities that LPAs are required to perform related to real estate/right-of-way, construction contract administration, and finance matters on local-let projects. The ORITE research team's initial review of the applicable laws and regulations revealed that, in many cases, the Federal regulations are not prescriptive in nature; that is to say, the regulation only specified the desired outcome but the State DOT could determine how to achieve the outcome. This follows the broader Federal-aid tradition of allowing State DOTs wide latitude on program implementation tailored to the needs, practices, and preferences of the State DOT. Additionally, the 2 CFR Part 200 regulations outline a framework or set of principles for how Federal awards should be administered, but in many cases, specific process requirements are not provided.

Given this context, the ORITE research team created a four-level classification framework to relate the LPA local-let requirements with the minimum thresholds for compliance with Federal regulations. Using this framework, each of the 115 required LPA activities were analyzed and assigned to one of the four classification levels. Detailed results of this analysis are presented in Table 4. Out of 115 total required activities, 56 (48.7%) were determined to be compliant with Federal regulations, 43 (37.4%) had no minimum threshold for Federal compliance identified, 12 (10.4%) had no specific Federal requirement associated with them, and 4 (3.5%) were determined to be requirements that exceeded the minimum thresholds for Federal compliance. The activities that were determined to exceed minimum Federal thresholds were:

- Requirement for an independent review of relocation activities;
- Requirement for LPAs to complete a 30% spot check of certified payrolls;
- Requirement for projects to remain under ownership of the LPA for 20 years; and
- Requirement that local-let invoices shall not be processed without a baseline schedule.

Full details of the compliance review are discussed in Appendix B of this report.

Stakeholder Outreach

The stakeholder outreach activities conducted as part of this research project yielded significant insight on ODOT's local-let program as well as perspectives on streamlining opportunities within the real estate/right-of-way, construction contract administration, and finance process areas. Key takeaways from the stakeholder outreach included:

- The ODOT Office of Local Programs has adopted a decentralized approach to management of the local-let program, placing a significant amount of responsibility on District-level staff to implement program requirements. This has resulted in a program that is flexible enough to deal with the various nuances of Ohio's LPAs but also has resulted in some inconsistencies between Districts in program implementation. Some areas, particularly right-of-way acquisition, materials quality control, and invoice processes are different between the 12 ODOT Districts.
- LPAs were generally satisfied with the various aspects of the local-let process as well as the support provided by ODOT Central Office and District staff. However, the relationship between the LPA staff and the ODOT District staff is a critical aspect of an LPA's success or failure in Federal-aid local-let project administration.

- Challenges faced by LPAs in administration of Federal-aid construction contracts include extensive requirements for documentation, compliance with EEO/DBE requirements, materials acceptance, and invoice processing.
- Larger LPAs have the staff and resources to administer various types of Federal-aid projects with limited ODOT oversight and can easily meet all requirements for right-of-way and construction contract administration; smaller LPAs, on the other hand, struggle to tackle complex projects and must rely on outside assistance from consultants or ODOT District staff to meet all the requirements.
- Larger LPAs also have more sophisticated financial management systems that allow them to easily meet requirements for reimbursement of direct labor costs, fringe benefits costs, and indirect expenses for local-let construction engineering activities. In many cases, smaller LPAs cannot meet the requirements and are unable to recover these costs.

Full details of the stakeholder outreach are discussed in Appendix C of this report.

Review of State DOT LPA Programs

The ORITE research team conducted a detailed review of LPA programs in State DOTs outside of Ohio. The review focused on key issues facing Ohio's LPAs that were identified as part of the stakeholder outreach activities. The State DOT review found that at least 41 State DOTs permit LPAs to administer Federal-aid projects. Of these 41 State DOTs, more than half utilize a project-specific certification process to verify that Federal requirements are being met while the others utilize an LPA prequalification process similar to the one used by ODOT. From telephone interviews with six State DOT LPA program personnel, it is evident that the issues and concerns faced by ODOT are also present in other states. These concerns include: desire to ensure all Federal requirements are being met, desire to provide LPAs with the maximum amount of flexibility to implement projects using their own agency processes wherever possible, and utilization of professional judgement of DOT staff on project oversight determination.

A matrix comparing ODOT's local-let program with the local-let program practices of five other high-performing State DOT local-let programs is presented in Table 1. Nine different aspects of local-let program delivery are compared in Table 1, three related to general program delivery issues, one related to right-of-way, two related to construction contract administration, and two related to finance matters. Cells in Table 1 with a check mark indicate State DOTs for which the corresponding process is similar to ODOT's process; innovative or unique program features are summarized as applicable. Innovative or unique program features that may be applicable to ODOT's local-let program are discussed in the Recommendations section of this report. Full details of the State DOT review, including examples of documents or checklists from high-performing State DOTs, are discussed in Appendix D of this report.

Table 1: Comparison Matrix of High-Performing State DOT LPA Programs

LPA Process	Ohio DOT	Florida DOT	Iowa DOT	Kansas DOT	Missouri DOT	Virginia DOT
Performance Tracking of LPA Program Delivery	Minimal; Executive-Level	✓	✓	None	Extensive	Extensive
Performance Evaluation of LPA Project Delivery	None	Post-Project Evaluation Form	✓	Post-Project Evaluation Form	✓	✓
State Fund "Exchange" Program Available	Available; 1:1 Ratio	None	Available; 1:1 Ratio	Available; 0.90:1 Ratio	None	None
Streamlined Processes for Low-Value Right-of-Way Acquisition	None	✓	LPA-Specific Guidance and Parcel Complexity Checklist Provided	LPA-Specific Training Offered by KDOT LTAP; Parcel Complexity Checklist Provided	✓	✓
Construction Oversight	Professional Judgment of District Staff	✓	✓	✓	✓	Project-Specific Risk-Based Assessment
Alternative Design or Construction Specifications for LPA Projects	Available on a project-specific basis only.	Determined by Four-Tier Project Classification	✓	✓	Off-System Acceptance Criteria Available	✓
"E-Construction" Features for LPA Projects	Supported	No	Required to Utilize DOT Software	✓	✓	✓
Invoice Payment Process	Direct Pay to Contractor or Reimbursement	Reimbursement to LPA Only	Reimbursement to LPA Only	Reimbursement to LPA Only	Reimbursement to LPA Only	Reimbursement to LPA Only
Reimbursement for LPA Direct Expenses for CE	Available	✓	Available; Generally not used by LPAs.	Available; LPA cost estimate required.	Available; LPA cost estimate required.	✓
✓ Indicates specific State DOT process in similar to ODOT's process.						

RECOMMENDATIONS AND IMPLEMENTATION PLAN

Recommendations

Based on the findings and conclusions of this research project, the ORITE research team presents the following recommendations for streamlining ODOT's local-let program:

- Recommendation #1: ODOT should examine its process requirements for the four activities that were identified in this research as overly compliant with applicable Federal regulations and determine if any streamlining could be undertaken.
  Based on the results of the Task 2 compliance review, four activities that LPAs are required to complete as part of the local-let process were identified as being overly compliant with Federal regulations. In light of this finding, ODOT should review its local-let program requirements to determine if any of these activities could be further streamlined. Additional suggestions for streamlining are presented in Appendix E.

- Recommendation #2: ODOT should evaluate its requirements for activities that were identified as having no minimum Federal threshold for compliance or where no Federal requirements could be identified and determine if further streamlining could be achieved.
  The Task 2 compliance review found that there were 12 activities that LPAs are required to complete as part of the local-let process (all in construction contract administration) where no Federal requirement could be identified for the activity and 43 activities where ODOT has significant flexibility in program implementation. A critical review of these 55 activities may result in additional flexibility being provided to LPAs in certain areas of Federal-aid project administration where ODOT is permitted to provide it. It should be emphasized, however, that ODOT's local-let program requirements are currently in compliance with applicable Federal regulations for these 55 activities.

- Recommendation #3: ODOT should take steps to increase the accessibility of alternative processes for low-value right-of-way acquisitions on local-let projects.
  Federal regulations (49 CFR Part 24, Section 102(c)(2)) allow for public agencies to value right-of-way using an expedited process if it is determined that the acquisition is uncomplicated and the value is estimated at $10,000 or less. This process is less time-consuming and lower-cost than an acquisition requiring a full appraisal. There is strong evidence that a majority of acquisitions for local-let projects in Ohio are able to utilize this process. Consequently, ODOT should take steps to increase the accessibility of the expedited process to ensure that LPAs are able to use it if it applies. ODOT is already taking some steps to increase the accessibility by eliminating the requirement for an independent review. Additional steps could be taken by providing LPAs with guidance on determining the complexity of a parcel as well as developing an alternative training and certification program that would permit LPAs to take greater responsibility for low-value right-of-way acquisition activities utilizing in-house resources.

- Recommendation #4: ODOT should develop a risk-based approach to its oversight of local-let project delivery and other aspects of construction contract administration.
  Feedback obtained during this research project suggests that Ohio's LPAs desire a more consistent approach to ODOT oversight and inspection requirements. Additionally, many LPAs stated that ODOT imposes unnecessary design and construction requirements on lower-risk projects. Other states have addressed similar concerns by developing an

approach to oversight and construction requirements that is based on a risk assessment of the specific project and the LPA's capabilities. Two states (Colorado and Virginia) utilize a risk-based approach to determine project oversight, including the specific oversight activities and frequency of project visits. Florida DOT utilizes a risk-based project classification system that incorporates design standards, specifications, and materials acceptance requirements appropriate for the level of risk. Development of a risk-based approach for ODOT oversight, design standards, specifications, and materials acceptance on local-let projects would allow for ODOT's resources to be used in the most efficient manner possible (i.e., focus on high-risk projects), provide a more consistent statewide approach, and allow LPAs to use more relaxed design and construction processes on projects determined to be low-risk.

- Recommendation #5: ODOT should take steps to increase the use of e-construction tools and capabilities on local-let projects.
  Many of Ohio's LPAs have invested significantly in e-construction tools and capabilities to assist with project management activities. While ODOT encourages the use of these capabilities on local-let projects, acceptance of output from construction management software as documentation of compliance with Federal requirements has been noted as inconsistent across the state. Consequently, ODOT should take steps to formalize the ability of LPAs to utilize construction management software output as evidence of compliance with Federal requirements. This would include a modification to the "ODOT LPA Federal Local-Let Project Agreement" that would specifically permit electric documentation should the LPA have software that meets ODOT-established criteria.

- Recommendation #6: ODOT should revise the construction contract administration processes for local-let projects to streamline project inspection and documentation.
  Minor revisions to the ODOT construction contract administration process for local-let projects based on the review of other State DOT LPA programs conducted as part of this research could be helpful. In particular, developing a detailed flowchart for construction inspection (similar to the one used in Iowa, see Figure 7) would improve consistency in project visits for ODOT inspectors and aid LPA staff in understanding the expectations of ODOT's inspection requirements. Also, developing a matrix for EEO/DBE documentation (similar to the one used in Kansas, see Figure 13) would provide LPAs with additional clarity on these important requirements.

- Recommendation #7: ODOT should continue to improve its processes and associated requirements for LPAs to recover direct and indirect costs associated with construction engineering activities for local-let projects.
  ODOT permits LPAs to recover direct and indirect costs incurred by the LPA associated with construction engineering and inspection activities on Federal-aid projects; LPAs must work with ODOT to demonstrate that they have accounting systems that meet specific requirements. ODOT has taken significant steps to streamline the approval process in recent years, allowing for more LPAs to seek reimbursement. One practice used in several other states is to require a formal "scope and budget" agreement between the DOT and the LPA that outlines the specific activities to be completed by the LPA and the associated direct and indirect costs. Implementing a similar arrangement in Ohio would provide both ODOT and the LPA with a more detailed understanding of the construction engineering expenses associated with a particular project.

- Recommendation #8: The ODOT Office of Local Programs should consider developing tools or metrics to track the performance of local-let program delivery.
  While not specifically related to the three process areas being examined in this research, one consistent theme among the high-performing State DOT LPA programs contacted as part of this project was the existence of a performance measurement and tracking system for LPA program or project-specific delivery. ODOT's current performance reporting system utilizes two performance measures for the local-let program (program distribution by quarter and percent of projects awarded on-time). State DOTs in Missouri and Virginia have more extensive performance tracking systems which could be used as a model for improvements in Ohio. Project-specific performance tracking could be deployed using post-project evaluation procedures modeled after Florida DOT (Figure 4) or Kansas DOT (Figure 11). The broader goal for this system would be to collect more information about the delivery of ODOT's local-let program, provide a data-driven framework to identify problems, and track progress toward potential solutions.

  Additional details and analysis of these recommendations are presented in Appendix E.

Implementation Plan

The ORITE research team presents the following plan for implementation of the seven research recommendations described in the previous section.

Recommendations for Implementation

- Recommendation #1: To implement Recommendation #1, ODOT should critically examine the four required processes that were determined to be overly compliant. This examination should be conducted in conjunction with the regular reviews of the different LATP manual chapters associated with each of the three process areas. Additional suggestions for implementing Recommendation #1 are outlined in Appendix E.
- Recommendation #2: To implement Recommendation #2, the ODOT Office of Local Programs should work with the other process owners within the agency to undertake a critical review of the 55 activities identified as compliant with Federal regulations yet ODOT has some flexibility in implementation. While many of these requirements are based on "best practices" for Federal-aid project implementation, it is likely that a critical review would yield some streamlining in terms of the requirements LPAs must complete.
- Recommendation #3: To implement Recommendation #3, ODOT should continue to examine options to make the low-value valuation and acquisition process more accessible to LPAs, including providing guidance on determining parcel complexity. ODOT should also explore the possibility of developing an alternative training and certification program that would permit LPAs to take on greater responsibility for low-value right-of-way acquisition with in-house staff. Initial steps in the development of this process would be for the ODOT Office of Real Estate to critically examine its training requirements and determine what content could be delivered through an "eLearning" platform.
- Recommendation #4: To implement Recommendation #4, ODOT should examine its local-let project portfolio to determine criteria for projects that it feels are the highest risk to the agency and projects where it would be willing to formally provide LPAs with flexibility in oversight and construction requirements. This examination would result in a risk-based project classification framework that would guide additional discussions about

specific criteria to be used for each project classification, trade-offs on design criteria and materials acceptance requirements, and other potential streamlining activities.

- Recommendation #5: To implement Recommendation #5, ODOT should consider the following actions: 1) creation of a list of requirements for software packages that can be used by LPAs on Federal-aid projects; 2) creation of a list of software packages that meet these requirements and have been "approved" for use by LPAs on Federal-aid projects; 3) publication of the approved software list in the *LATP Manual of Procedures*, Construction Contract Administration chapter including additional discussion on the application of the software for different requirements; and 4) formalizing the ability of LPAs to offer electronic means of providing construction documentation by placing language in the *ODOT LPA Federal Local-Let Project Agreement* specifically permitting electronic documentation if an LPA desires to use it.
- Recommendation #6: To implement Recommendation #6, ODOT should make minor changes to the content of the *LATP Manual of Procedures*, Construction Contract Administration chapter to incorporate the recommended modifications.
- Recommendation #7: To implement Recommendation #7, ODOT should initiate development of a standard format for the LPA scope and budget for the use of in-house resources for construction engineering and inspection activities on Federal-aid projects. Examples from several other states are available to guide this process.
- Recommendation #8: To implement Recommendation #8, the ODOT Office of Local Programs should consider the practices of other high-performing states and initiate the development of a performance-based tracking system for the ODOT local-let program. A more detailed review of the tools used in other states, coupled with a realistic assessment of the availability of data related to ODOT's program, will result in an initial system which can be continually-refined to meet the needs of the agency.

Analysis of Benefits and Risks

- Recommendation #1: The benefit of implementing Recommendation #1 is that the four activities that were identified as overly compliant with Federal regulations may be substantially reduced or eliminated completely. As a result, Ohio's LPAs may realize greater efficiency in local-let project delivery, to the extent that these four activities create a substantial burden on the LPAs administering Federal-aid highway projects in their jurisdictions. By streamlining or eliminating these four activities, ODOT will continue to maintain its commitment to ensuring that LPAs are not asked to do any more than necessary on Federal-aid projects. The risk of implementing Recommendation #1 is that these four overly compliant items may be in place to aid LPAs in some aspect of the Federal-aid project administration process; elimination of these activities may result in unforeseen consequences to the LPA or its contractors.
- Recommendation #2: The benefit of implementing Recommendation #2 is that the burdens on Ohio's LPAs that administer Federal-aid projects will be reduced by reducing or completely eliminating certain requirements where ODOT has the flexibility to do so. At a minimum, ODOT should clearly define which processes are strictly required and which processes represent a "best practice" that should be followed but is not required. As a result, LPAs should realize greater efficiency in local-let project delivery, reducing

costs and bringing critical projects to completion quicker. The risk of implementing this recommendation varies depending on which specific process is being considered for streamlining; the processes that present the lowest risk to ODOT should be considered highest priority for critical review.

- Recommendation #3: The benefit of implementing Recommendation #3 is that LPAs will have a less onerous process available for acquiring right-of-way using the low-value option, thereby reducing project development costs and delivery time. While there is some risk in providing LPAs with greater control over the right-of-way process where Federal funds are involved, this risk can be mitigated by providing the proper level of training and deployment of a QA/QC process to review LPA acquisitions.
- Recommendation #4: The benefit of implementing Recommendation #4 is that ODOT's inspection resources will be used more efficiently (i.e., focus on high-risk projects), result in a more consistent statewide approach, and provide LPAs with flexibility to use more relaxed design and construction processes on low-risk projects. Greater flexibility in project delivery will ultimately result in lower costs. The greatest risks in implementing Recommendation #4 is that stakeholders may not agree on which projects are high or low risk and the oversight framework may not have universal acceptance within ODOT.
- Recommendation #5: The benefit of implementing Recommendation #5 is that documentation requirements can be achieved using electronic means, thereby reducing the physical volume of paperwork generated by local-let projects and the staff time required for ODOT to view hard copies of documentation. The risk of implementing Recommendation #5 is relatively low and will continue to decrease as more LPAs adopt e-construction methods or capabilities in their organizations.
- Recommendation #6: The benefit of implementing Recommendation #5 is that LPAs will have greater clarity on ODOT's expectations for project site visits and EEO/DBE requirements. The risk of implementing Recommendation #6 is low because it is simply providing greater clarity on processes already in place.
- Recommendation #7: The benefit of implementing Recommendation #7 is that ODOT will have greater clarity on the costs that are expected to be incurred by LPAs that undertake construction engineering and inspection activities with in-house resources. Implementing Recommendation #7 is relatively low-risk for both ODOT and the LPA.
- Recommendation #8: The benefit of implementing Recommendation #8 is that ODOT Office of Local Programs and ODOT management will have a data-driven system to evaluate performance of the local-let program and track progress toward potential improvements that are made in the future. The potential risk of implementing Recommendation #8 is that LPAs may incur an unnecessary burden in providing performance data and LPAs may view the system as a means to deny them funding or result in other negative issues for the LPA. Another potential risk of implementing Recommendation #8 is that a performance monitoring system could result in ODOT being held responsible for a lack of progress toward performance targets yet the agency has little or no direct control over factors that contribute to the performance targets. Although other high-performing State DOTs maintain comprehensive performance

tracking systems for LPA program delivery, these practices may not be easily-adaptable to ODOT practices and data availability.

Revisions to LPA Training Modules

As noted elsewhere in this report, LPAs wishing to participate in ODOT's local-let process are required to complete 12 online "eLearning" modules covering different aspects of Federal-aid project delivery. As this project has identified opportunities for streamlining and revisions to certain aspects of ODOT's local-let process, revisions to the corresponding "eLearning" modules should accompany these revisions if possible. Recommendations for revisions to the LPA "eLearning" training modules are discussed in various locations throughout this report. A brief summary of the recommended revisions is as follows:

- Right-of-Way: Following Recommendation #3, the existing "eLearning" module for the right-of-way process could be enhanced by adding details of when the low-value acquisition process could be applied for a particular parcel. Content to be added include approaches for valuation and guidance on parcel complexity. This addition would increase the awareness of the low-value alternative among Ohio's LPAs and aid LPAs when scoping professional services requirements for right-of-way acquisition. These revisions should be made in conjunction with anticipated changes to the low-value process that are currently being implemented by the ODOT Office of Real Estate to ensure consistency in the information presented. In the long-term, deployment of an alternative right-of-way certification process for LPAs to undertake low-value acquisitions using in-house resources will necessarily require development of one or more "eLearning" modules to accompany the other prequalification requirements.
- Construction Contract Administration: Following Recommendation #6, the existing "eLearning" module for construction could be updated to provide additional clarification on the expectations for project site visits conducted by ODOT inspectors as well as greater clarity on EEO/DBE documentation requirements. Additionally, based on feedback from LPAs, training on the use of the ODOT-developed PBOM tool is desired; this could also be considered for future "eLearning" updates.
- Finance: As the ODOT Division of Finance continues to improve its processes for the payment of local-let project invoices, the associated "eLearning" modules should be updated to reflect any changes that are made. This would include greater explanation of the recently-implemented invoice review checklists and clarity on the specific roles and responsibilities of the LPA staff in the invoice review process. As the invoice processing moves to an electronic-based system, training should be updated accordingly.

It should be noted that all revisions to the LPA "eLearning" training modules will be accompanied by revisions to the appropriate content sections in the *LATP Manual of Procedures*.

Agency Coordination

Primary responsibility for implementation of the seven recommendations of this research study rests with the ODOT Office of Local Programs, in conjunction with the other ODOT process owners (Office of Real Estate, Office of Construction Management, and Division of Finance) as appropriate. It should be noted that ODOT's executive management is ultimately responsible for determining which recommendations would be implemented and who would lead implementation. Recommendations that have a broader scope or impact will need to incorporate other stakeholders, such as the County Engineers' Association of Ohio, the ODOT LPA Advisory Group, and other groups as appropriate. Large-scale changes will require approval from ODOT upper management as well as FHWA Ohio Division for some items.

Estimated Costs and Time Frame

The cost of implementing the seven recommendations of this research varies depending upon the recommendation. However, the primary cost for all recommendations is the ODOT staff time necessary to develop new processes and procedures for local-let project activities. With respect to the time frame for implementation, Recommendations #5, #6, and a portion of #7 can be initiated immediately following publication of this report and could be fully-implemented within 6 to 12 months. The other recommendations, and those elements that involve interaction between different agency stakeholders, will necessarily require a more long-term approach but can be initiated immediately if desired. It is expected that any streamlining efforts will result in more efficient use of Federal-aid highway funds on local-let projects by reducing cost and/or improving delivery time.

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APPENDIX A: ODOT LOCAL-LET PROGRAM BACKGROUND

ODOT's LPA Program Overview

The Federal-aid highway program (FAHP) is a cooperative partnership between the U.S. Federal Highway Administration (FHWA) and State DOTs for the purposes of implementing FHWA-funded highway construction projects and related activities. As authorized by 23 CFR Part 635.105, the FHWA permits State DOTs to allow Local Public Agencies (LPAs) to perform work on projects where Federal-aid funds are used for local highway system improvements. For LPA-administered projects, the State DOT is responsible for ensuring that all Federal regulations are followed and that the LPA is adequately staffed and suitably equipped to undertake and satisfactorily complete the work, including providing a full-time employee to be in responsible charge of the project (23 CFR Part 635.105). In Ohio, the ODOT Division of Planning, Office of Local Programs is charged with implementing ODOT's LPA program responsibilities. To assist with LPA program implementation, the Office of Local Programs has developed a guide entitled *ODOT Locally Administered Transportation Projects Manual of Procedures* to aid in LPA project development and administration.

LPAs that wish to administer Federal-aid projects in Ohio must work through the ODOT Office of Local Programs to be prequalified to participate in the local-let process. In particular, LPAs must complete a prequalification requirements review form, officially named the LPA Participation Review Form, that verifies the LPA has the necessary staff resources and adequate project delivery systems; additionally, LPA staff must complete 12 online learning modules covering different aspects of Federal-aid project delivery (administered by the Ohio LTAP center). LPAs that are qualified for the local-let process are eligible to administer Federal-aid projects and will enter into an agreement with ODOT that outlines the specific requirements and responsibilities for each local-let project. Local public agencies that are not able to meet the local-let program requirements can opt to have ODOT administer the project on their behalf. This process, known as the "ODOT-let" process, is intended for smaller LPAs that lack the resources for project delivery or for LPAs that are new to the Federal-aid process and are "ramping-up" to 100% local administration. Based on ORITE research team analysis of data from ODOT's four most recent annual construction program summary reports, local-let projects accounted for approximately 23% of all projects sold by ODOT and approximately 16% of the total construction program by dollar value.

ODOT's LPA Local-Let Program Data Analysis

To assist with the implementation of this research study, the ODOT Office of Local Programs provided the ORITE research team with data on all Federal-aid projects sponsored by local public agencies (both local-let and ODOT-let) during the five-year period between SFY 2013 and SFY 2017. During this period, a total of 1,643 Federal-aid projects were sponsored by Ohio's LPAs, of which 1,182 (71.9%) were administered through the local-let process and 461 (28.1%) were administered using the ODOT-let process. Table 2 reports a summary of the count of projects and total project cost for all Federal-aid projects administered by Ohio's local public agencies during the five-year period between SFY 2013 and SFY 2017. The distribution of local-let programs by LPA type, project type, cost range, and LPA local-let project experience is summarized. These data are presented here for reference purposes, to provide the reader with additional understanding of ODOT's local-let program, and to provide context for a discussion of potential streamlining opportunities identified in this research study.

The data presented in Table 2 indicate that nearly 1,200 Federal-aid projects in Ohio were administered by LPAs between SFY 2013 and SFY 2017 (average of 236 per year), accounting for more than $1.6 billion of project value (average of $335.9 million annually). During the five-year period between SFY 2013 and SFY 2017, a total of 277 local public agencies administered Federal-aid funds using the ODOT local-let program. Of these 277 LPAs, 165 are classified as cities/villages/townships, 74 are county engineers, and 38 are other agencies. Other agency types participating in ODOT's local-let program include port authorities, transportation improvement districts (TIDs), and Metroparks or other park districts. As indicated in Table 2, a vast majority of local-let projects, both by project count and dollar value, are administered by Ohio's cities/villages/townships or county engineers.

Table 2: Summary of ODOT LPA Local-Let Projects, SFY 2013 – 2017

	Project Count (% of Projects)	**Project Cost (% of Costs)**
Total All LPA Local-Let Projects	**1,182 (100%)**	**$ 1,679,612,185.26 (100%)**
Distribution by Type of LPA		
• City/Village/Township (n = 165)	573 (48.5%)	$ 843,071,571.21 (50.2%)
• County Engineer (n = 74)	534 (45.2%)	$ 728,473,186.66 (43.4%)
• Other LPA Type (n = 38)	75 (6.3%)	$ 108,076,427.39 (6.4%)
Distribution by Project Type		
• Bridge/Culvert	222 (18.8%)	$ 269,748,817.32 (16.1%)
• Major Projects	90 (7.6%)	$ 355,531,544.24 (21.2%)
• Pavement	322 (27.2%)	$ 465,479,711.72 (27.7%)
• Safety	347 (29.4%)	$ 396,554,490.61 (23.6%)
• Other/Miscellaneous Projects	201 (17.0%)	$ 192,306,621.37 (11.4%)
Distribution by Project Cost Range		
• Less than $ 250,000	233 (19.7%)	$ 36,405,794.55 (2.2%)
• $ 250,000 to $ 499,999	276 (23.4%)	$ 99,044,840.50 (5.9%)
• $ 500,000 to $ 999,999	276 (23.4%)	$ 203,547,169.01 (12.1%)
• $ 1,000,000 to $ 2,499,999	230 (19.5%)	$ 371,567,924.79 (22.1%)
• $ 2,500,000 to $ 4,999,999	99 (8.4%)	$ 341,405,166.33 (20.3%)
• $ 5,000,000 or More	68 (5.8%)	$ 627,650,290.08 (37.4%)
Distribution by Local-Let Project Experience		
• 2 or More Projects per Year	493 (41.7%)	$ 878,210,996.50 (52.3%)
• 1 to 2 Projects per Year	316 (26.7%)	$ 383,481,832.65 (22.8%)
• 1 Project every 2 to 3 Years	203 (17.2%)	$ 229,286,242.56 (13.7%)
• 1 Project every 4 to 5 Years	170 (14.4%)	$ 188,642,113.55 (11.2%)
Note: Columns may not sum to 100% due to rounding.		
Source: ORITE analysis of ODOT LPA program data supplied by ODOT Office of Local Programs.		

Over the past five years, Federal-aid funds have been used by Ohio LPAs for a wide range of project types. Projects undertaken through ODOT's local-let program include all types of bridge/culvert repair and replacement; pavement rehabilitation, repair, and replacement; major projects such as widening and reconstruction; safety projects such as intersections, traffic control, guardrail, and sidewalks; and other projects such as bicycle paths and slide repair. Smaller projects (less than $500,000 in total contract value) accounted for approximately 43% of local-let projects by project count but less than 10% of the total value of all local-let contracts

during the same time period. Conversely, projects greater than $5,000,000 in contract value accounted for only 6% of the project count but more than one-third of the total contract value between SFY 2013 and SFY 2017. The distribution of project count and total contract value with respect to the LPA's local-let project experience revealed a more proportionate relationship, with more frequent users of the local-let process having relatively larger (and presumably more complex) projects under their administration.

Table 3 reports the distribution of local-let projects by project type, cost range, and LPA local-let project experience for the five-year period between SFY 2013 and SFY 2017, comparing cities/villages/townships with county engineers' offices. Examining the data presented in Table 3 reveals several important trends regarding the use of ODOT's local-let process by these two important constituent groups. County engineers are more frequent users of the program with more than half of projects being administered by county engineer offices having 2 or more local-let projects per year. Approximately one-third of county engineer local-let projects are bridge-related projects, compared to just 7% of city/village/township projects being bridge-related. The local-let project experience among the city/village/township group has a more even distribution and includes a significant element of projects sponsored by LPAs that only administer a local-let project once every 2 to 3 years, or less frequent. Cities/villages/townships tend to administer more pavement and safety-related projects than county engineer offices. However, there was no noticeable difference in the distribution of project cost ranges between the two types of LPAs.

Table 3: Comparison of Local-Let Projects by Local Agency Type, SFY 2013 – 2017

	City/Village/Township (% of Projects)	County Engineer (% of Projects)
Distribution by Project Type		
• Bridge/Culvert	40 (7.0%)	181 (33.9%)
• Major Projects	47 (8.2%)	35 (6.6%)
• Pavement	190 (33.2%)	125 (23.4%)
• Safety	189 (33.0%)	154 (28.8%)
• Other/Miscellaneous Projects	107 (19.7%)	39 (7.3%)
Distribution by Project Cost Range		
• Less than $ 250,000	110 (19.2%)	101 (18.9%)
• $ 250,000 to $ 499,999	129 (22.5%)	137 (25.7%)
• $ 500,000 to $ 999,999	129 (22.5%)	131 (24.5%)
• $ 1,000,000 to $ 2,499,999	112 (19.6%)	103 (19.3%)
• $ 2,500,000 to $ 4,999,999	58 (10.1%)	33 (6.2%)
• $ 5,000,000 or More	35 (6.1%)	29 (5.4%)
Distribution by Local-Let Project Experience		
• 2 or More Projects per Year	190 (33.2%)	303 (56.7%)
• 1 to 2 Projects per Year	141 (24.6%)	159 (29.8%)
• 1 Project every 2 to 3 Years	120 (20.9%)	57 (10.7%)
• 1 Project every 4 to 5 Years	122 (21.3%)	15 (2.8%)
Note: Columns may not sum to 100% due to rounding.		
Source: ORITE analysis of ODOT LPA program data supplied by ODOT Office of Local Programs.		

Additional Literature Review

The U.S. Government Accountability Office (GAO) estimates that there are more than 7,000 LPAs in the U.S. involved with administration of Federal-aid highway projects with a roadway network of 2.9 million miles (approximately 75 percent of the U.S. roadway network) being under the jurisdiction of an LPA [U.S. GAO, 2014]. During the 12-month period ending June 30, 2013, the U.S. GAO estimated that local public agencies administered approximately $3.8 billion of Federal-aid highway projects, accounting for roughly 12 percent of the entire Federal-aid program over the same time period [U.S. GAO, 2014]. Reviews conducted internally by FHWA in 2006 and the U.S. DOT Office of Inspector General (OIG) in 2011 yielded significant concerns about non-compliance with Federal requirements in the implementation of LPA programs. For example, the U.S. DOT OIG found at least one instance of non-compliance in 88 percent of LPA projects reviewed in four states [U.S. DOT OIG, 2011]. Furthermore, the effectiveness of oversight by state DOTs on LPA projects was reviewed by FHWA's National Review Team (NRT) from 2009 to 2011. Findings included inadequate oversight of LPA projects by state DOTs and recommendations that 19 state DOTs needed to develop, update, or revise their guidance for LPAs [U.S. GAO, 2014]. Additionally, an NRT review of statewide single audits for 3 fiscal years (2009-2011) found that between 31 and 38 percent of reporting states had subrecipient related issues [U.S. GAO, 2014].

The magnitude of LPA programs nationwide, coupled with the findings of FHWA and U.S. DOT OIG reviews on LPA program compliance issues, has resulted in an increased interest in research efforts at the national and state levels to improve the delivery of LPA projects. These national-level efforts provide extensive information on state-level best practices in LPA program implementation. In 2011, the National Cooperative Highway Research Program (NCHRP) issued *NCHRP Synthesis 414* investigating best practices in effective delivery of small-scale Federal-aid highway projects, including those projects administered by LPAs. Best practices identified include training/certification programs, interagency or programmatic agreements, and improved communication [McCarthy, et al., 2011]. In addition to these best practices, issues affecting the effective delivery of small-scale Federal-aid projects were identified. Issues identified consist of flexibility in application of federal regulations, funding problems, and the extended length of time to complete complex projects such as bridge projects [McCarthy, et al., 2011]. In 2013, NCHRP completed a similar report, *NCHRP Synthesis 442*, examining practices and performance measures for LPA highway projects. Performance measures used for LPA programs included rates of compliance with Federal requirements, quality of cost reimbursement documentation, tracking of LPA project conditions after project completion, and achievement of project milestones [McCarthy, et al., 2013]. Moreover, the study found that most state DOTs do not use performance measures for determining the qualifications of LPAs to complete certain process requirements throughout the life of the project [McCarthy, et al., 2013].

In July 2016, the FHWA released a report analyzing current procedures and identifying best practices for quality assurance (QA) compliance on Federal-aid LPA projects [Konrath, et al., 2016]. Construction QA best practices reported by state DOTs and LPAs included:

- Use of LPA project-specific specifications. State DOTs including Florida and Washington have used a tiered approach where inspection and testing requirements are reduced for projects off the NHS and/or the State highway system;
- Guidelines for construction administration and documentation;
- Construction checklists providing inspection, sampling, and testing requirements;

- QA training;
- Improved communication during predesign, preconstruction, and construction phases;
- Consultant oversight when the LPA does not have sufficient staff; and
- Certification of LPAs [Konrath, et al., 2016].

The study also showed that smaller LPAs usually lack the resources to perform construction QA duties on federally funded projects, whereas larger LPAs normally have the capabilities [Konrath, et al., 2016].

Research on LPA process improvement has also been conducted at the state level. In 2007, the FHWA Florida division completed a process review of the Florida DOT LPA program, recommending improvements in process standardization to address consistency issues [McCarthy and Kurtz, 2007]. For example, interviews conducted with Central Office and Districts showed an insufficient level of staff assigned to the Florida DOT LPA program [McCarthy and Kurtz, 2007]. More recently, the Indiana DOT (INDOT) completed a research project in 2016 to improve its LPA program processes with specific interest in reducing project delivery time. INDOT and LPA staff were interviewed to identify "pain points" in the INDOT LPA process. The research identified several opportunities for streamlining, including alternative pathways to administer LPA projects in different ways based on the size and scope of the projects [Padfield, et al., 2016]. Two major areas for improvement to the INDOT LPA program found by the study were helping smaller LPAs hire a consultant earlier in the process and making the LPA program scalable based on the experience and qualifications of the LPA or MPO [Padfield, et al., 2016].

APPENDIX B: COMPLIANCE REVIEW

Introduction

In Task 2 of the research project, the ORITE research team conducted a compliance review of the ODOT local-let program process requirements for the three process areas being studied in the project: real estate/right-of-way, construction contract administration, and finance. The purpose of the Task 2 compliance review was to identify the minimum thresholds for compliance with Federal regulations and to determine if any ODOT local-let processes exceed these thresholds. Consequently, the Task 2 compliance review was undertaken by the ORITE research team using the following process:

- Identification and inventory of relevant ODOT requirements;
- Review of applicable Federal laws and regulations;
- Identification of minimum thresholds for Federal compliance;
- Development of a classification system for relating ODOT requirements with minimum thresholds for Federal compliance; and
- Identification and discussion of all activities or process areas determined to be exceeding minimum thresholds for Federal compliance.

The first task was to identify the specific activities that LPAs are required to perform as part of administering Federal-aid highway projects through the ODOT local-let process. The ORITE team identified required activities from the following sources:

- The LPA Federal Local-Let Project Agreement, effective 7/11/2017;
- The *ODOT Locally Administered Transportation Projects Manual of Procedures* (Right-of-Way Chapter/Appendices), effective 8/31/2017;
- The *ODOT Locally Administered Transportation Projects Manual of Procedures* (Construction Contract Administration Chapter/Appendices), effective 5/18/2017; and
- The *ODOT Local Public Agencies (LPA) Cost Recovery and Financial Audit Guidance*, effective 5/1/2015.

The ORITE research team reviewed the documents listed above and identified any instances where the source documents noted that "the LPA shall…" or "the LPA must…" perform or complete a certain function or activity. For the right-of-way process area, the research team did not review the complete *ODOT Real Estate Manual*. Rather, general LPA requirements were identified from Section 6 of the LPA Federal Local-Let Project Agreement and process-specific issues from the corresponding LATP manual chapter. All content from the LATP construction contract administration chapter was included as construction contract administration processes with the exception of any matters related to billing, invoicing, and payments, which were assumed to be finance-related processes for this review.

Using the criteria discussed above, the ORITE research team identified a total of 115 specific requirements that LPAs are required to perform or achieve as part of the ODOT LPA local-let processes of real estate/right-of-way, construction contract administration, and finance. Of these 115 requirements, 17 (14.8%) were related to real estate/right-of-way, 57 (49.6%) were related to construction contract administration, and 41 (35.7%) were related to finance. Each of the requirements within each of the three process areas were further broken down into sub-processes to match the local-let project administration functions that are accomplished within each sub-process. Real estate/right-of-way was divided into two sub-processes: general

issues/requirements as outlined in the LPA Federal Local-Let Project Agreement and process-specific issues and requirements as noted in the LATP manual right-of-way chapter. For construction contract administration, the requirements were divided into 11 specific areas which generally followed the headings provided in the LATP construction contract administration chapter. The finance process requirements were divided into four sub-processes: general finance requirements, billing/invoicing/payments, direct labor costs tracking, and cost recovery.

After identifying the specific activities that LPAs are required to perform or achieve, the next task was to identify the relevant Federal regulations, determine the minimum thresholds for compliance, and determine if the activity requirements exceeded the minimum thresholds. The following specific Federal laws (U.S. Code, USC) and regulations (U.S. Code of Federal Regulations, CFR) were examined:

- 23 USC §106, Project Approval and Oversight;
- 23 USC §116, Maintenance;
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 23 CFR Chapter I, Federal Highway Administration, All Subchapters;
- 29 CFR Part 5, Labor Standards for Federal Contracts;
- 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs; and
- FHWA Form 1273, required for all Federal-aid highway contracts.

The ORITE research team's initial review of the applicable laws and regulations revealed that, in many cases, the Federal regulations are not prescriptive in nature; that is to say, the regulation only specified the desired outcome but the State DOT could determine how to achieve the outcome. This follows the broader Federal-aid tradition of allowing State DOTs wide latitude on program implementation tailored to the needs, practices, and preferences of the State DOT. Additionally, the 2 CFR Part 200 regulations outline a framework or set of principles for how Federal awards should be administered, but in many cases, specific process requirements are not provided. The 2 CFR Part 200 regulations place significant responsibility on the recipient of the Federal award (the non-Federal entity, the ODOT in this case) for assuring compliance with 2 CFR Part 200 for each award. Additionally, 2 CFR Part 200.328 states that the non-Federal entity is responsible for oversight and compliance monitoring and to assure that the performance expectations of the Federal award are being achieved. If a Federal award is provided to a subrecipient (in this case, the LPA) by way of a pass-through entity (in this case, ODOT), the pass-through entity maintains primary responsibility for monitoring compliance and performance of the subrecipient to assure that all Federal award requirements are being met (2 CFR Part 200.331). Through this relationship, ODOT has the discretion to place additional performance or documentation requirements on LPAs that are administering Federal-aid highway contracts to ensure that all Federal award requirements are being met. Given this context, the ORITE research team created a classification framework to relate the LPA local-let requirements with the minimum thresholds for compliance with Federal regulations:

- **Compliant:** A specific LPA activity was determined to be compliant with applicable Federal regulations if the research team was able to determine a specific minimum compliance threshold and the LPA requirement did not exceed that threshold.

- **No Minimum:** Specific LPA activities were assigned to this category if the research team was able to identify a specific Federal regulation associated with that activity but the regulation only specified what was to be achieved and not the specific methods by which the desired outcome would be achieved. Consequently, the minimum threshold for compliance with Federal regulations is determined by ODOT policy or practice.
- **No Requirement:** Specific LPA activities were assigned to this category if the activity was not mentioned in Federal regulations but the research team determined that ODOT can still require LPAs to undertake the subject activity as part of the 2 CFR Part 200 provisions that permit pass-through entities to impose requirements on subrecipients of Federal awards.
- **Overly Compliant:** A specific LPA activity was determined to be in this category if the research team was able to determine a specific minimum threshold for compliance with Federal regulations and the LPA requirement exceeded that threshold.

Using this framework, each of the 115 required LPA activities were analyzed and assigned to one of the four classification levels. The results of this analysis are presented in Table 4. The information reported in Table 4 includes the number of specific activities the LPA is required to undertake for each process and sub-process area, the number of specific activities within each process/sub-process that is classified in each of the four levels, and the percentage of activities that are overly compliant. The results from Table 4 indicate that, out of 115 total required activities, 56 (48.7%) were determined to be compliant with Federal regulations, 43 (37.4%) had no minimum threshold for Federal compliance identified, 12 (10.4%) had no specific Federal requirement associated with them, and 4 (3.5%) were determined to be requirements that exceeded the minimum thresholds for Federal compliance. A detailed discussion of the compliance review findings from each of the three process areas examined in this research study is presented in the following sections.

Right-of-Way Process Requirements

The ORITE research team identified a total of 17 activities that LPAs are required to perform or achieve as part of the ODOT LPA local-let real estate/right-of-way process. As noted previously, these activities were identified based on the LPA-specific right-of-way material and did not consider right-of-way related activities that are managed by ODOT personnel. Of these 17 activities, it was determined that 15 were compliant with Federal regulations and 1 activity did not have a minimum threshold for Federal compliance identified. Out of 17 total activities, the research team determined that 1 activity (5.9%) represented a requirement that exceeded the threshold for minimum compliance with Federal regulations. It is not surprising that a majority of the real estate/right-of-way process requirements were determined to be compliant with Federal regulations, as LPAs are required to follow ODOT's real estate manual (which is approved by FHWA) for real estate/right-of-way acquisition activities.

The ORITE research team identified 1 real estate/right-of-way process activity that represented a requirement that exceeded the threshold for minimum compliance with Federal regulations. This requirement was the requirement that the relocation review process be completed by an independent reviewer hired directly by the LPA. The ORITE research team's review of applicable Federal regulations determined that an independent review of relocation activities is not discussed as a requirement under the regulations of the Uniform Act (49 CFR Part 24). Further investigation determined that this requirement is incorporated with ODOT's FHWA-approved real estate process (Section 6112 of the ODOT Real Estate Manual). As noted

in Appendix C of this report, the ODOT Office of Real Estate views these independent review requirements as an essential element of a consistent statewide approach, ensuring fairness to property owners, protecting the acquiring agency against any potential conflicts of interest, and supporting appropriations proceedings if necessary.

Table 4: Summary of Compliance Review Results

	Number of Required Processes	ODOT Process Compliant with Federal Requirements	Minimum Threshold for Compliance Determined by ODOT	Process Not Specifically Referenced in Federal Regulations	ODOT Process Requirements Exceed Minimum Federal Requirements	Percent Overly Compliant
Total All Process Areas	**115**	**56**	**43**	**12**	**4**	**3.5%**
Right-of-Way	**17**	**15**	**1**	**0**	**1**	**5.9%**
• LPA Agreement Requirements	8	7	0	0	1	12.5%
• LATP ROW Chapter Requirements	9	8	1	0	0	0.0%
Construction Contract Administration	**57**	**14**	**29**	**12**	**2**	**3.5%**
• Post-Award	2	0	0	2	0	0.0%
• Active Administration	8	3	4	1	0	0.0%
• Active Project Management	6	0	1	5	0	0.0%
• Materials Management	4	0	4	0	0	0.0%
• Contract Changes	8	1	7	0	0	0.0%
• Claims/Dispute Management	5	2	3	0	0	0.0%
• Prevailing Wage Compliance	5	1	3	0	1	20.0%
• EEO Compliance	4	2	2	0	0	0.0%
• DBE Compliance	5	2	3	0	0	0.0%
• Project Finalization	8	2	2	4	0	0.0%
• Maintenance	2	1	0	0	1	50.0%
Finance	**41**	**27**	**13**	**0**	**1**	**2.4%**
• General Requirements	11	11	0	0	0	0.0%
• Invoicing and Billing	9	4	4	0	1	11.1%
• Direct Labor Cost Recovery	12	3	9	0	0	0.0%
• Indirect Cost Recovery	9	9	0	0	0	0.0%

Construction Contract Administration Process Requirements

The ORITE research team identified a total of 57 activities that LPAs are required to perform or achieve as part of the ODOT LPA local-let construction contract administration process. Of these 57 activities, it was determined that 14 were compliant with Federal regulations, 29 activities did not have a minimum threshold for Federal compliance identified, and 12 activities were not referenced in any Federal regulations. Out of 57 total activities, the research team determined that 2 activities (3.5%) represented requirements that exceeded the threshold for minimum compliance with Federal regulations. A majority of the 29 construction contract administration activities for which no minimum threshold for Federal compliance could be identified are related to activities that are noted in Federal regulations as being required for Federal-aid highway projects but specific requirements on how to achieve compliance are left to the individual State DOTs. Processes such as materials management, contract change order procedures, and claims management fall into this category. Specific processes associated with how a State DOT is to demonstrate compliance with prevailing wage, equal employment opportunity (EEO), and disadvantaged business enterprise (DBE) requirements are also in this category. The 12 construction contract administration activities that were not referenced in any Federal regulations were primarily concerned with active project management activities such as project meetings, progress schedules, and project closeout requirements.

The ORITE research team identified 2 construction contract administration process activities that represented requirements that exceeded the threshold for minimum compliance with Federal regulations. These requirements were as follows:

- Requirement for LPAs to complete a 30% spot check of all certified payrolls by both the Prime Contractor and all Subcontractors. As noted on Pages 7 and 8 of the LATP Manual, Construction Contract Administration chapter, LPAs must "spot check" 30% of all certified payrolls to verify compliance with prevailing wage laws. While the requirement for a prevailing wage compliance monitoring schedule was found to be compliant with applicable Federal laws and regulations, the ORITE research team was unable to locate anything in the applicable Federal laws and regulations that pertained to a random spot check of certified payrolls as part of the prevailing wage compliance process. Discussion with ODOT personnel revealed that this requirement is an ODOT policy that originated approximately 15 years ago and that it is now mandated by the Ohio Auditor of State. Review of ODOT policies (Policy Number 512-006(P)) indicated that prevailing wage compliance via review of a random sample of certified payrolls is part of ODOT policy but the 30% requirement is not noted.
- Requirement for projects funded through the local-let program to remain under the ownership and authority of the LPA for a 20-year period. As noted on Page 12 of the LATP Manual, Construction Contract Administration chapter, projects constructed using local-let process must remain "under the ownership and authority of the LPA for 20 years, unless otherwise agreed to by ODOT." 23 U.S. Code §116 (Maintenance) states that projects funded using Federal-aid funds shall be maintained to appropriate design standards and to correct deficiencies if they are identified. However, the ORITE research team was unable to locate anything in the applicable Federal laws and regulations that defined a length of time that a Federal-aid project is required to be maintained after it is completed.

Finance Process Requirements

The ORITE research team identified a total of 41 activities that LPAs are required to perform or achieve as part of the ODOT LPA local-let finance process. Finance processes identified include general finance requirements, billing/invoicing/payment requirements, tracking and verification of the direct labor costs incurred by LPAs undertaking construction engineering (CE) activities for local-let projects, and cost recovery for fringe benefits and indirect costs associated with these direct labor costs. Of these 41 activities, it was determined that 27 were compliant with Federal regulations and 13 activities did not have a minimum threshold for Federal compliance identified. Out of 41 total activities, the research team determined that 1 activity (2.4%) represented requirements that exceeded the threshold for minimum compliance with Federal regulations. All the LPA requirements associated with general finance issues and requirements for fringe benefits/indirect cost recovery were determined to be compliant with Federal regulations. Out of the 13 finance-related activities for which a minimum threshold for Federal compliance could not be identified, 9 of the activities fell into the category of direct labor costs tracking. Direct labor costs (compensation for personal services under Federal awards, to use the parlance of 2 CFR Part 200) tracking is an area that received substantial revision when the 2 CFR Part 200 Uniform Guidance was revised in December 2014. Specifically, the revised guidance moved away from a prescriptive approach to documentation of personnel expenses to requiring that expenses be documented using a "system of internal control" that has certain features (2 CFR Part 200.430, Paragraph (i)). However, ODOT as a pass-through entity can impose requirements onto subrecipients to ensure all Federal requirements are met (2 CFR Part 200.331). Consequently, the ORITE research team determined that all the LPA direct labor cost tracking requirements are appropriate and compliant with Federal requirements.

The ORITE research team identified 1 finance process activity that represented a requirement that exceeded the threshold for minimum compliance with Federal regulations, both of which were related to billing/invoicing/payments. This requirement was the requirement that LPA local-let invoices shall not be processed without a baseline schedule. As noted on Page 10 of the LATP Manual, Construction Contract Administration chapter, LPA invoices will not be processed unless an approved baseline schedule exists for the projects. Discussions with ODOT staff indicate that this requirement is in place to ensure that payments are being made in accordance with some type of schedule of expected costs and to support resolution of disputes. However, the ORITE research team was unable to locate anything in the applicable Federal laws and regulations that require an approved baseline schedule prior to invoice processing.

Detailed Compliance Review Tables

Additional details of the Task 2 compliance review are presented in the tables provided on the following pages. Details presented include source information for LPA activity requirements, specific Federal regulation citations, and the compliance status of each activity.

Table 5: Compliance Review: Right-of-Way (General Issues)

LPA Required Activity	LPA Must Comply with ODOT Real Estate Manual
Reference	Agreement, Section 6.1
Federal Requirement Citation	23 CFR 710.201
Compliance Status	Compliant
LPA Required Activity	All ROW Activities Shall Comply with Federal Requirements if FA Involved with Any Phase
Reference	Agreement, Section 6.1
Federal Requirement Citation	23 CFR 710.103 (a)
Compliance Status	Compliant
LPA Required Activity	ODOT-Prequalified Staff or Consultants Must be Used
Reference	Agreement, Section 6.2
Federal Requirement Citation	49 CFR 24.103 (d)
Compliance Status	Compliant
LPA Required Activity	LPA Must Use QBS Process for Consultant Selection
Reference	Agreement, Section 6.2
Federal Requirement Citation	23 CFR 172.7 (a)
Compliance Status	Compliant
LPA Required Activity	LPA is Responsible for Monitoring Compliance of Consultant Activities
Reference	Agreement, Section 6.3
Federal Requirement Citation	23 CFR 710.201
Compliance Status	Compliant
LPA Required Activity	Appraisal Review Shall be Completed by Independent Reviewer Hired Directly by LPA
Reference	Agreement, Section 6.2
Federal Requirement Citation	49 CFR 24.104
Compliance Status	Compliant
LPA Required Activity	Relocation Review Shall be Completed by Independent Reviewer Hired Directly by LPA
Reference	Agreement, Section 6.4
Federal Requirement Citation	No Federal Requirement Identified
Compliance Status	Overly Compliant
LPA Required Activity	LPA Shall Provide Certification that all ROW Acquired is Under LPA Control
Reference	Agreement, Section 6.5
Federal Requirement Citation	23 CFR 635.309 (b)
Compliance Status	Compliant

Table 6: Compliance Review: Right-of-Way (Process-Specific Issues)

LPA Required Activity	ROW Plan Review Must be Completed
Reference	LATP-ROW, Appendix ROW Plan Review Checklist
Federal Requirement Citation	23 CFR 635.309 (a)
Compliance Status	Compliant
LPA Required Activity	ROW Cost Estimate Must be Completed
Reference	LATP-ROW, Right of Way Authorization
Federal Requirement Citation	23 CFR 710.303
Compliance Status	Compliant
LPA Required Activity	LPA Must Determine Owner of Property (Title Search)
Reference	LATP-ROW, Appendix Checklist #1
Federal Requirement Citation	49 CFR 24.102 (b)
Compliance Status	Compliant
LPA Required Activity	Use of "Value Analysis" to Establish Property Value
Reference	LATP-ROW, Appendix Checklist #4
Federal Requirement Citation	49 CFR 24.102 (c) (2) (ii)
Compliance Status	Compliant
LPA Required Activity	LPA Required to Establish FMVE
Reference	LATP-ROW, Page 8, Appraisals, Determine FMV
Federal Requirement Citation	49 CFR 24.102 (d)
Compliance Status	Compliant
LPA Required Activity	LPA must provide notice of intent to acquire
Reference	LATP-ROW, Referenced Throughout
Federal Requirement Citation	49 CFR 24.203
Compliance Status	Compliant
LPA Required Activity	LPA Must Provide Relocation Advisory Assistance
Reference	LATP-ROW, Page 11, Relocation Assistance, Advisory Services
Federal Requirement Citation	49 CFR 24.205 (c)
Compliance Status	Compliant
LPA Required Activity	LPA Property Management Requirements
Reference	LATP-ROW, Page 11, Property Management
Federal Requirement Citation	23 CFR 710.401
Compliance Status	No Minimum
LPA Required Activity	ROW Certification Letter Must be Completed for Every Project
Reference	LATP-ROW, Right of Way Certification
Federal Requirement Citation	23 CFR 635.309 (g)
Compliance Status	Compliant

Table 7: Compliance Review: Contract Administration (Post Award)

LPA Required Activity	Preconstruction Conference Shall be Held Prior to Beginning of Construction
Reference	LATP-CM, Preconstruction Conference
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	Preconstruction Conference Required List of Topics
Reference	LATP-CM, Preconstruction Conference
Federal Requirement Citation	None Identified
Compliance Status	No Requirement

Table 8: Compliance Review: Contract Administration (Documentation)

LPA Required Activity	LPA Must Ensure Documentation is Sufficient to Satisfy an Audit
Reference	LATP-CM, Project Documentation,
Federal Requirement Citation	2 CFR 200.303 (a)
Compliance Status	No Minimum
LPA Required Activity	LPA Must Maintain Daily Diary of Work Performed
Reference	Agreement, Section 8.2
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	Project Records Shall Document Quantity of Work Performed
Reference	LATP-CM, Project Documentation
Federal Requirement Citation	23 CFR 635.123 (a)
Compliance Status	No Minimum
LPA Required Activity	Project Records Shall Document Quality of Work Performed
Reference	LATP-CM, Project Documentation
Federal Requirement Citation	23 CFR 637.205 (a)
Compliance Status	No Minimum
LPA Required Activity	Documentation Required for Railroad/Utility Force Account Work
Reference	LATP-CM, Project Documentation
Federal Requirement Citation	23 CFR 635.120 (d)
Compliance Status	Compliant
LPA Required Activity	Documentation Required to Demonstrate Compliance with General Provisions
Reference	LATP-CM, Project Documentation
Federal Requirement Citation	2 CFR 200.303 (a)
Compliance Status	No Minimum
LPA Required Activity	Project Records Shall be Available for Inspection by ODOT and FHWA
Reference	LATP-CM, Project Documentation
Federal Requirement Citation	2 CFR 200.336 (a)
Compliance Status	Compliant
LPA Required Activity	LPA Must Use QBS Process for Consultant Selection
Reference	Agreement, Section 8.1
Federal Requirement Citation	23 CFR 172.7 (a)
Compliance Status	Compliant

Table 9: Compliance Review: Contract Administration (Active Management)

LPA Required Activity	LPA Required to Attend Progress Meetings
Reference	LATP-CM, Progress Meetings
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	LPA Must Record Progress Meeting Minutes
Reference	LATP-CM, Progress Meetings
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	Progress Meeting Required List of Topics
Reference	LATP-CM, Progress Meetings
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	LPA Must Review and Approve Baseline Progress Schedule
Reference	LATP-CM, Progress Schedule
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	LPA Must Review and Approve Progress Schedule Updates
Reference	LATP-CM, Progress Schedule
Federal Requirement Citation	None Identified
Compliance Status	No Requirement
LPA Required Activity	Process Required for Contract Time Changes
Reference	LATP-CM, Progress Schedule
Federal Requirement Citation	23 CFR 635.121
Compliance Status	No Minimum

Table 10: Compliance Review: Contract Administration (Materials Management)

LPA Required Activity	LPA Must Comply with ODOT Materials Management Process
Reference	LATP-CM, Materials Quality Control
Federal Requirement Citation	23 CFR 637.205 (a)
Compliance Status	No Minimum
LPA Required Activity	LPA Shall Provide Implementation Plan for Materials Testing
Reference	LATP-CM, Materials Quality Control
Federal Requirement Citation	23 CFR 637.205 (a)
Compliance Status	No Minimum
LPA Required Activity	LPA Shall Create PBOM for Material Quantity Tracking
Reference	LATP-CM, Materials Quality Control
Federal Requirement Citation	23 CFR 635.123 (a)
Compliance Status	No Minimum
LPA Required Activity	LPA Must Approve all Materials Incorporated Into Construction Projects
Reference	Agreement, Section 8.2
Federal Requirement Citation	23 CFR 637.205 (a)
Compliance Status	No Minimum

Table 11: Compliance Review: Contract Administration (Contract Changes)

LPA Required Activity	Documented/Approved CO Review Process Required
Reference	LATP-CM, Change Orders
Federal Requirement Citation	23 USC 106 (g) (4) (A) (i)
Compliance Status	No Minimum
LPA Required Activity	Conditions When CO Should be Prepared
Reference	LATP-CM, Change Orders
Federal Requirement Citation	23 CFR 635.120 (a) and (b)
Compliance Status	No Minimum
LPA Required Activity	Required to Submit CO to ODOT CM
Reference	LATP-CM, Change Orders
Federal Requirement Citation	23 CFR 635.120 (a) and (b)
Compliance Status	No Minimum
LPA Required Activity	Definition of Significant Change Order
Reference	LATP-CM, Change Orders
Federal Requirement Citation	23 CFR 635.109 (a) (3) (iv)
Compliance Status	Compliant
LPA Required Activity	Required to Submit CO Notification Form
Reference	LATP-CM, Change Orders
Federal Requirement Citation	23 CFR 635.120 (a) and (b)
Compliance Status	No Minimum
LPA Required Activity	Required Process to Establish Price for CO
Reference	LATP-CM, Change Orders
Federal Requirement Citation	23 CFR 635.120 (e)
Compliance Status	No Minimum
LPA Required Activity	Required Documentation of Project Limits Extension
Reference	LATP-CM, Extension of Project Limits
Federal Requirement Citation	None
Compliance Status	No Minimum
LPA Required Activity	Quantity Measurement for Change Order Work
Reference	LATP-CM, Quantity Measurements
Federal Requirement Citation	23 CFR 635.123 (a)
Compliance Status	No Minimum

Table 12: Compliance Review: Contract Administration (Claims Management)

LPA Required Activity	Documented/Approved Dispute Resolution Process Required
Reference	LATP-CM, Dispute Resolution and Administrative Claims
Federal Requirement Citation	23 USC 106 (g) (4) (A) (i)
Compliance Status	No Minimum
LPA Required Activity	Progressive Dispute Resolution Process Required
Reference	LATP-CM, Dispute Resolution and Administrative Claims
Federal Requirement Citation	23 USC 106 (g) (4) (A) (i)
Compliance Status	No Minimum
LPA Required Activity	Required Dispute Resolution Contract Provisions
Reference	LATP-CM, Dispute Resolution and Administrative Claims
Federal Requirement Citation	23 CFR 635.124 (a)
Compliance Status	Compliant
LPA Required Activity	Required to Submit Claim Intent to ODOT CM
Reference	LATP-CM, Dispute Resolution and Administrative Claims
Federal Requirement Citation	23 CFR 635.124 (b)
Compliance Status	No Minimum
LPA Required Activity	Required Termination Contract Provisions
Reference	LATP-CM, Termination
Federal Requirement Citation	23 CFR 635.125 (a)
Compliance Status	Compliant

Table 13: Compliance Review: Contract Administration (Prevailing Wage Compliance)

LPA Required Activity	Required Prevailing Wage Contract Provisions
Reference	LATP-CM, Prevailing Wage Requirements
Federal Requirement Citation	29 CFR 5.5
Compliance Status	Compliant
LPA Required Activity	Minimum Monitoring Schedule for Prevailing Wage Compliance
Reference	LATP-CM, Prevailing Wage Requirements
Federal Requirement Citation	29 CFR 5.6 (a)(3)
Compliance Status	No Minimum
LPA Required Activity	Documentation for Prevailing Wage Compliance
Reference	LATP-CM, Prevailing Wage Requirements
Federal Requirement Citation	29 CFR 5.6 (a)(3)
Compliance Status	No Minimum
LPA Required Activity	Monthly Report for Prevailing Wage Compliance
Reference	LATP-CM, Prevailing Wage Requirements
Federal Requirement Citation	29 CFR 5.6 (a)(3)
Compliance Status	No Minimum
LPA Required Activity	30% Spot Check of Payrolls for Prevailing Wage Compliance
Reference	LATP-CM, Prevailing Wage Requirements
Federal Requirement Citation	No Federal Requirement Identified
Compliance Status	Overly Compliant

Table 14: Compliance Review: Contract Administration (EEO Compliance)

LPA Required Activity	Required EEO Contract Provisions
Reference	Agreement, Section 10.2
Federal Requirement Citation	23 CFR 230.109 (a)
Compliance Status	Compliant
LPA Required Activity	EEO Compliance Minimum Monitoring Schedule
Reference	LATP-CM, EEO Contract Compliance & Monitoring Requirements
Federal Requirement Citation	23 CFR 230.409 (b)
Compliance Status	No Minimum
LPA Required Activity	EEO Compliance Documentation
Reference	Agreement, Section 8.2 - PW Interview Form
Federal Requirement Citation	23 CFR 230.409 (e)
Compliance Status	No Minimum
LPA Required Activity	Bulletin Board Monitoring
Reference	LATP-CM, Bulletin Board Requirements
Federal Requirement Citation	FHWA Form 1273 II 3 d
Compliance Status	Compliant

Table 15: Compliance Review: Contract Administration (DBE Compliance)

LPA Required Activity	Required DBE Contract Provisions (PN 13)
Reference	Agreement, Section 10.3
Federal Requirement Citation	49 CFR 26.13 (a)
Compliance Status	Compliant
LPA Required Activity	Required Use of ODOT-Prequalified DBE
Reference	Agreement, Section 10.3
Federal Requirement Citation	49 CFR 26.53 (b) (2) (ii)
Compliance Status	Compliant
LPA Required Activity	Commercially Useful Function Monitoring Schedule
Reference	LATP-CM, Commercially Useful Function
Federal Requirement Citation	49 CFR 26.37 (b)
Compliance Status	No Minimum
LPA Required Activity	Commercially Useful Function Documentation
Reference	LATP-CM, Commercially Useful Function
Federal Requirement Citation	49 CFR 26.37 (b)
Compliance Status	No Minimum
LPA Required Activity	DBE Payment Tracking
Reference	LATP-CM, Projects with DBE and EDGE Goals
Federal Requirement Citation	49 CFR 26.29
Compliance Status	No Minimum

Table 16: Compliance Review: Contract Administration (Project Finalization)

LPA Required Activity	LPA Shall Provide Punch List to Contractor
Reference	LATP-CM, Final Inspection
Federal Requirement Citation	2 CFR 200.331 (a) (6)
Compliance Status	No Requirement
LPA Required Activity	LPA Shall Conduct Audit of Project Records
Reference	LATP-CM, Final Inspection
Federal Requirement Citation	2 CFR 200.331 (a) (6)
Compliance Status	No Requirement
LPA Required Activity	LPA Shall Conduct Audit of Project Records
Reference	LATP-CM, Prepare and Audit Contract Quantities
Federal Requirement Citation	2 CFR 200.331 (a) (6)
Compliance Status	No Requirement
LPA Required Activity	Final Quantities Shall be Reconciled with Contract Quantities
Reference	LATP-CM, Prepare and Audit Contract Quantities
Federal Requirement Citation	23 CFR 635.123 (a)
Compliance Status	No Minimum
LPA Required Activity	LPA Shall Review Testing/Acceptance Records for Every Contract Item
Reference	LATP-CM, Final Material Acceptance
Federal Requirement Citation	23 CFR 637.205 (a)
Compliance Status	No Minimum
LPA Required Activity	Final Project Report Must be Certified by LPA's CPE
Reference	LATP-CM, Final Payment and Release
Federal Requirement Citation	2 CFR 200.331 (a) (6)
Compliance Status	No Requirement
LPA Required Activity	LPA Shall Issue Final Payment and Contractor Release
Reference	LATP-CM, Final Payment and Release
Federal Requirement Citation	2 CFR 200.343 (b)
Compliance Status	Compliant
LPA Required Activity	Final Closeout Package Must be Submitted Within 6 Months
Reference	Agreement, Section 8.12
Federal Requirement Citation	2 CFR 200.343 (g)
Compliance Status	Compliant

Table 17: Compliance Review: Contract Administration (Maintenance)

LPA Required Activity	LPA Shall Maintain Facility to Design Standards
Reference	Agreement, Section 8.11
Federal Requirement Citation	23 USC 116 (c)
Compliance Status	Compliant
LPA Required Activity	Project Shall Remain Under LPA Ownership and Authority for 20 Years
Reference	Agreement, Section 8.12
Federal Requirement Citation	None
Compliance Status	Overly Compliant

Table 18: Compliance Review: Finance (General Requirements) (Part 1 of 2)

LPA Required Activity	Form 1273 Must be Physically Incorporated into Each Federal-Aid Contract
Reference	Agreement, Section 7.4
Federal Requirement Citation	23 CFR 633.102 (b)
Compliance Status	Compliant
LPA Required Activity	LPA Must Clearly and Separately Identify Bid Items that are 100% Locally-Funded
Reference	CR Guidance, Page 4, Section II, Part A.2
Federal Requirement Citation	2 CFR 200.405
Compliance Status	Compliant
LPA Required Activity	LPA Must Clearly and Separately Identify and Track Hours that are 100% Locally-Funded
Reference	CR Guidance, Page 4, Section II, Part A.2
Federal Requirement Citation	2 CFR 200.405
Compliance Status	Compliant
LPA Required Activity	LPA Must Pay Allocable Portion of Overriding Project Costs in Proportion to Local Portion
Reference	CR Guidance, Page 4, Section II, Part A.2
Federal Requirement Citation	2 CFR 200.405
Compliance Status	Compliant
LPA Required Activity	LPA Must Ensure Prime Contractor Completes at least 30% of Contract
Reference	Agreement, Section 7.6
Federal Requirement Citation	23 CFR 635.116 (a)
Compliance Status	Compliant
LPA Required Activity	LPA Must Ensure that Contractors are not on List of Parties Excluded
Reference	Agreement, Section 7.9
Federal Requirement Citation	2 CFR 200.205 (d)
Compliance Status	Compliant

Table 19: Compliance Review: Finance (General Requirements) (Part 2 of 2)

LPA Required Activity	LPA Required to Submit Performance Reports
Reference	Agreement, Section 15.2
Federal Requirement Citation	2 CFR 200.328 (b) (1)
Compliance Status	Compliant
LPA Required Activity	LPA Audit Requirements
Reference	Agreement, Section 15.2
Federal Requirement Citation	2 CFR 200.501
Compliance Status	Compliant
LPA Required Activity	LPA Must Complete Schedule of Expenditures of Federal Award
Reference	Agreement, Section 15.2
Federal Requirement Citation	2 CFR 200.510 (b)
Compliance Status	Compliant
LPA Required Activity	SEFA Must Identify Each ODOT Project Separately
Reference	Agreement, Section 15.2
Federal Requirement Citation	2 CFR 200.510 (b) (2)
Compliance Status	Compliant
LPA Required Activity	SEFA Must Accurately Report Date of Expenditure of Federal Funds
Reference	Agreement, Section 15.2
Federal Requirement Citation	2 CFR 200.510 (b)
Compliance Status	Compliant

Table 20: Compliance Review: Finance (Invoicing and Billing)

LPA Required Activity	Approve all invoices prior to payment before requesting reimbursement.
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	2 CFR 200.302 (a)
Compliance Status	No Minimum
LPA Required Activity	Payment shall be made to contractor within 30 days of receipt of invoice.
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	23 USC 106 (g)(4)
Compliance Status	No Minimum
LPA Required Activity	Supporting documentation required to validate payment quantities and material acceptance.
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	23 CFR 635.123 (a)
Compliance Status	No Minimum
LPA Required Activity	Invoices shall not be processed without a baseline schedule.
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	None Identified
Compliance Status	Overly Compliant
LPA Required Activity	Invoices Must Include Proof of LPA Payment of Local Share
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	2 CFR 200.306 (b) (1)
Compliance Status	No Minimum
LPA Required Activity	LPA responsible for ensuring sufficient balances exist in encumbrances.
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	23 CFR 630.112 (b)
Compliance Status	Compliant
LPA Required Activity	LPA must verify that costs are allowable, allocable, and reasonable.
Reference	LATP-CM, Page 10, Billing
Federal Requirement Citation	2 CFR 200 Subpart E (Various Sections)
Compliance Status	Compliant
LPA Required Activity	LPA must verify that costs do not duplicate any other payments.
Reference	LATP-CM, Appendix N
Federal Requirement Citation	2 CFR 200.53
Compliance Status	Compliant
LPA Required Activity	Final invoice showing zero balance due must be submitted.
Reference	LATP-CM, Appendix N
Federal Requirement Citation	2 CFR 200.343 (b)
Compliance Status	Compliant

Table 21: Compliance Review: Finance (Direct Labor Costs) (Part 1 of 2)

LPA Required Activity	LPA Employees Required to Submit Timesheets
Reference	CR Guidance, Page 5, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (a)
Compliance Status	No Minimum
LPA Required Activity	LPA Employee Timesheet Standards
Reference	CR Guidance, Page 5, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum
LPA Required Activity	Timesheets Must be Maintained for Each Employee for Duration of Project
Reference	CR Guidance, Page 6, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum
LPA Required Activity	Timesheets Must Document all Paid Hours for All Projects
Reference	CR Guidance, Page 6, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(vii)
Compliance Status	No Minimum
LPA Required Activity	Timesheets Must Include Detail on Overtime and Leave Time
Reference	CR Guidance, Page 6, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(iii)
Compliance Status	Compliant
LPA Required Activity	Timesheets Must be Signed and Dated by Employee and Supervisor
Reference	CR Guidance, Page 6, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum
LPA Required Activity	Supervisory Review Requirements
Reference	CR Guidance, Page 6, Section II, Part B
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum
LPA Required Activity	List of Project Numbers and Descriptions Must be Provided to Employees
Reference	CR Guidance, Page 6, Section II, Part C
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum

Table 22: Compliance Review: Finance (Direct Labor Costs) (Part 2 of 2)

LPA Required Activity	Timekeeping Policy Requires Employees to Prepare Timecards
Reference	CR Guidance, Page 7, Section II, Part C
Federal Requirement Citation	2 CFR 200.430, Paragraph (a)(1)
Compliance Status	Compliant
LPA Required Activity	Timesheet Requirements for Elected Officials
Reference	CR Guidance, Page 7, Section II, Part C
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum
LPA Required Activity	Labor Reimbursement Must be Calculated at Employee's Hourly Wage
Reference	CR Guidance, Page 8, Section II, Part D
Federal Requirement Citation	2 CFR 200.430, Paragraph (a)(1)
Compliance Status	Compliant
LPA Required Activity	Time Should be Tracked to Smallest Practicable Interval
Reference	CR Guidance, Page 8, Section II, Part D
Federal Requirement Citation	2 CFR 200.430, Paragraph (i)(1)(i)
Compliance Status	No Minimum

Table 23: Compliance Review: Finance (Cost Recovery Requirements)

LPA Required Activity	LPA Must Select Cost Recovery Method at Time of Contract Execution
Reference	CR Guidance, Page 8, Section II, Part E
Federal Requirement Citation	2 CFR 200.331 (4)
Compliance Status	Compliant
LPA Required Activity	De Minimis Rate Available for MTDC
Reference	CR Guidance, Page 8, Section II, Part E
Federal Requirement Citation	2 CFR 200.414 (f)
Compliance Status	Compliant
LPA Required Activity	De Minimis Rate Only Available if No Other Rate Established
Reference	CR Guidance, Page 8, Section II, Part E
Federal Requirement Citation	2 CFR 200.414 (f)
Compliance Status	Compliant
LPA Required Activity	De Minimis Rate Not Available if >$35 Million Received by LPA
Reference	CR Guidance, Page 8, Section II, Part E
Federal Requirement Citation	2 CFR 200, Appx. VII, Paragraph (D)(1)(b)
Compliance Status	Compliant
LPA Required Activity	LPA Must Submit Rate Request Each Year for Fringe Rate
Reference	CR Guidance, Page 15, Appendix A, Section A
Federal Requirement Citation	2 CFR 200, Appx. VII, Paragraph (D)(1)(d)
Compliance Status	Compliant
LPA Required Activity	LPA Cost Proposals Must be Submitted within 6 Months of FY Close
Reference	CR Guidance, Page 15, Appendix A, Section A
Federal Requirement Citation	2 CFR 200, Appx. VII, Paragraph (D)(1)(d)
Compliance Status	Compliant
LPA Required Activity	Supporting Documentation Required for Fringe Rate/CAP Approval
Reference	CR Guidance, Page 15, Appendix A, Section B
Federal Requirement Citation	2 CFR 200, Appx. VII, Paragraph (D)(2)(a)-(c)
Compliance Status	Compliant
LPA Required Activity	Supporting Documentation Requires Organizational Chart
Reference	CR Guidance, Page 15, Appendix A, Section B
Federal Requirement Citation	2 CFR 200, Appx. VII, Paragraph (D)(2)(d)
Compliance Status	Compliant
LPA Required Activity	Supporting Documentation Requires Signed Certification Form
Reference	CR Guidance, Page 15, Appendix A, Section C
Federal Requirement Citation	2 CFR 200, Appx. VII, Paragraph (D)(3)
Compliance Status	Compliant

APPENDIX C: STAKEHOLDER OUTREACH

Introduction

Purpose and Objectives

As part of its overall project approach, the ORITE research team identified multiple opportunities to outreach to stakeholders of the ODOT LPA local-let process to obtain feedback on key issues and streamlining opportunities associated with the three process areas being studied in the project: real estate/right-of-way, construction contract administration, and finance. Stakeholders of the ODOT LPA local-let process include the following organizations:

- Ohio's Local Public Agencies – including county engineers (88 counties); cities, villages, and townships; and other units of local government eligible to administer Federal-aid highway funds on behalf of ODOT;
- Ohio Department of Transportation – including the Office of Local Programs, District-level LPA program personnel, Office of Real Estate, Division of Construction Management, and Division of Finance (assumed to be ODOT process owners for the specific areas under study in this project);
- Federal Highway Administration, Ohio Division;
- The County Engineers' Association of Ohio (CEAO); and
- Engineering/consulting firms that provide professional services to LPAs in right-of-way activities, project planning and design, and construction engineering activities.

Stakeholder Outreach Activities Conducted

The ORITE research team engaged stakeholders throughout several tasks of this project. Specific tasks associated with stakeholder outreach activities were as follows:

- Task 3 – included meetings with ODOT process owners, the ODOT LPA Advisory Group, the FHWA Ohio Division, and consultant stakeholders.
- Task 4 – consisting of an online survey of Ohio's LPAs, in particular, county engineers and contacts from cities/villages/townships that are frequent local-let program users. Additional details of the Task 4 survey are provided in the following section.
- Task 5 – consisting of primarily in-person meetings between the ORITE research team and LPA contacts around the state. The purpose of the Task 5 meetings was for the ORITE research team to obtain more detailed information about the key issues facing Ohio's LPAs in a more personal or informal environment.

Table 24 reports a list of stakeholder outreach meetings conducted by the ORITE research team as part of Task 3 and Task 5 of this project. A total of 28 meetings were conducted, of which 16 were meetings with Ohio's LPAs, 4 meetings with ODOT District-level staff, 2 meetings with consultants, and 1 meeting each with the ODOT LPA Advisory Group, the ODOT Office of Local Programs, the other ODOT offices responsible for various processes, and the FHWA Ohio Division. A total of 92 individuals participated in these stakeholder outreach meetings. The names of the individuals that participated in each stakeholder meeting are noted in Table 24; the ORITE research team gratefully acknowledges these individuals and their willingness to provide valuable feedback to this project as stakeholders of the local-let process.

Table 24: List of Stakeholder Meetings Conducted by ORITE Research Team

Meeting Date	Stakeholder (Meeting Location)	Stakeholder Participants
August 24, 2017	ODOT LPA Advisory Group (Columbus)	LPA Advisory Group Members (including Michele Risko, CEAO*)
September 19, 2017	ODOT District 10 (Marietta)	Alan Craig, Eric Reed, Greg Huffman
September 20, 2017	ODOT-Prequalified Right-of-Way Consultant	Travis Missler
September 21, 2017	ODOT District 4 (Akron)	Chad Root, David James, Chris Huff
September 21, 2017	ODOT District 5 (Jacksontown)	Randy Comisford, Steve Smith, John Woolridge, Chris Yount, Michele Sines
September 28, 2017	ODOT District 8 (Lebanon)	Scott Brown, Douglas Raters, Jon Milesky
October 18, 2017	Consultant Active in Local-Let Project Management	Keith Geiger, Spencer Hall, Hassan Zahran
October 24, 2017	ODOT Office of Local Programs (Columbus)	Andrea Stevenson*, Victoria Beale*, Nicole Wade, Jeff Shaner, Jeff Peyton
October 24, 2017	ODOT Division of Finance (Columbus)	Dan Balsley, Greg Stephens, Rich Winning, Alana Haberman, Nancy Courtney, Michele Kujaski, Margaret Tabor
November 14, 2017	FHWA Ohio Division (Columbus)	Jim DeSanto*, Jessica Patterson, Andy Thompson, Abraham Geevarghese
November 14, 2017	ODOT Construction Management (Columbus)	Chase Wells*
November 15, 2017	ODOT Office of Real Estate (Columbus)	Shawn Hillman, Doug Maitland, Drew Gilmore
March 7, 2018	City of Athens (Athens)	Andy Stone, Jessica Adine
March 19, 2018	Mercer County Engineer (via Telephone)	Jim Wiechart*, Jerry Martens, Mark Linn, Karen Heinrichs
March 19, 2018	Stark County Engineer (Canton)	Keith Bennett, Dave Torrence, Dan Houck
March 26, 2018	City of Beavercreek (Beavercreek)	Nick Smith, Jeff Moorman
March 26, 2018	Montgomery County Engineer (Dayton)	Rex Dickey, Paul Gruner, Dan Medeiros
March 27, 2018	Muskingum County Engineer (Zanesville)	Doug Davis, Shawn Johnson, Matt Russell
March 28, 2018	City of Kettering (Kettering)	Steve Bergstresser, John Sliemers
March 29, 2018	Clinton County Engineer (via Telephone)	Jeff Linkous*, Adam Fricke
April 2, 2018	City of Columbus (Columbus)	James Young
April 4, 2018	City of Cambridge (Cambridge)	Jeffrey N. McConaughy
April 6, 2018	Violet Township (via Telephone)	Greg Butcher*
April 9, 2018	City of Cuyahoga Falls (Cuyahoga Falls)	Tony Demasi, Craig Marko, Scott Fitzsimmons, Paul Novelli
April 9, 2018	Coshocton County Engineer (Coshocton)	Fred Wachtel, Andrew Jones
April 10, 2018	Ashland County Engineer (Ashland)	Ed Meixner, Becky Schaly, Ryan Athy, Guy Keener
April 10, 2018	Erie County Engineer (Sandusky)	Matt Rogers, Tim Lloyd, Mike Farrell
May 7, 2018	Athens County Engineer (Athens)	Jeff Maiden, Donnie Stephens
*Indicates member of the Technical Advisory Committee (TAC) for this project.		

Online Survey of Ohio LPAs

Task 4 of this research study consisted of an online survey of Ohio LPAs. The objective of the Task 4 survey was to obtain feedback from a large number of Ohio LPAs on key issues, concerns, and streamlining opportunities in the three process areas being studied in the project: real estate/right-of-way, construction contract administration, and finance. The survey was designed by the ORITE research team and approved by the ORIL TAC prior to distribution. The final survey questionnaire included approximately 30 questions and was designed to take approximately 15 to 20 minutes for the LPA representative to complete. Surveys were distributed via e-mail invitation to all 88 county engineers (regardless of local-let program participation) as well as 164 cities/villages/townships with varying degrees of local-let program participation (of which 136 had participated in a local-let project during the previous five years). Initial distribution of the survey (via e-mail invitation) occurred in mid-December 2017 with several reminders sent out to those LPAs that had not yet responded during the month of January 2018. A final distribution to only county engineers took place in mid-February 2018, to coincide with a regular meeting of the CEAO; this additional distribution, coupled with the CEAO encouraging its members to participate in the survey, was effective at increasing the overall response rate to the survey among county engineers. Table 25 reports a summary of the Task 4 online survey participation as measured by the number of LPAs invited, the number that responded, and the response percentage between the two key LPA types targeted in the survey. Among county engineers, 47 of the 88 county engineers invited responded to the survey, resulting in a response rate of 53.4%. Out of 164 cities/villages/townships that were invited to participate in the survey, a total of 32 provided a response (19.5%).

Table 25: Summary of Task 4 Online Survey Participation

LPA Type	Number Invited	Number Responded	Percent Responded
County Engineer	88	47	53.4%
City/Village/Township	164	32	19.5%
Total	**252**	**79**	**31.3%**

Among the 47 county engineer offices that responded to the Task 4 online survey, 44 had completed at least one local-let project during the last five years. Two of the remaining three county engineer offices had only completed ODOT-let projects during the last five years while one had no Federal-aid projects during this same time period. The county engineer offices that responded to the survey accounted for 46.6% of all local-let projects administered by county engineers and 36.5% of the dollar value of local-let projects administered by county engineers between SFY 2013 and 2017. All 32 cities/villages/townships that responded to the Task 4 online survey had completed at least one local-let project in the last five years, accounting for 27.7% of projects and 23.3% of the dollar value of local-let projects administered by these agencies during the same time period. Analysis of the distribution of the Task 4 online survey respondents indicated that the responses were a representative cross-section of local-let program participants among both LPA types. The remainder of this Appendix will describe the feedback obtained by the ORITE research team as part of the stakeholder outreach activities conducted in this project. The results are presented in two sections, as follows: first, the feedback obtained during the Task 3 stakeholder outreach activities is presented; second, the feedback obtained from Ohio's LPAs as part of the Task 4 and Task 5 outreach activities is presented.

LPA Program Stakeholder Outreach Results

ODOT LPA Advisory Group

The ORITE research team attended the regularly-scheduled meeting of the ODOT LPA Advisory Group on August 24, 2017. The research team provided the group with a brief overview of the objectives and key tasks of the research project. Feedback provided to the research team at this meeting included the following items:

- One member of the group asked the research team to verify the requirements that property appraisals undergo a review or "check" appraisal as part of the right-of-way process and also expressed concern about the fee structure for right-of-way consultants relative to the value of the property being acquired.
- One member of the group asked the research team to investigate how the entire local-let process could be streamlined for those LPAs that only administer one local-let project per year or less, particularly with respect to the establishment of a fringe benefits/indirect cost rate in light of the elimination of the safe harbor rate usage in Ohio.
- Several members of the group expressed interest in more detailed research on the requirements imposed by ODOT for payroll tracking and documentation for direct labor associated with construction engineering activities undertaken by LPA staff.

ODOT Central Office – Office of Local Programs

The ORITE research team met with representatives of the ODOT Office of Local Programs at ODOT Central Office on October 24, 2017. Included among the attendees at this meeting was Ms. Andrea Stevenson and Ms. Victoria Beale, who are representing the Office of Local Programs on the ORIL TAC for this project. Feedback provided to the research team at this meeting included the following items:

- The Office of Local Programs supports the ODOT local-let process by assisting LPAs with becoming qualified to administer projects through local-let, maintaining the ODOT *Locally-Administered Transportation Projects* (LATP) manual, assisting LPAs with finding local funding opportunities, and managing LPA training requirements. Additionally, the staff provides support to ODOT District staff when dealing with project issues, as well as serving as a liaison to FHWA and other ODOT subject matter experts.
- The Office of Local Programs manages the process through which an LPA can become qualified to administer Federal-aid projects through the local-let process. The process includes the LPA completing a qualifications review form (Excel) and completing 12 e-learning training modules through the Ohio LTAP center. The training requirements were put into place after an FHWA review identified LPA programs as high-risk. The staff noted that, although the qualifications form only has to be renewed every four years, some LPAs are pushing back on the requirements. To streamline the qualifications process, the finance portion of the qualifications review form ("Tab D") is being removed and will only be used for LPAs that are claiming direct labor cost reimbursement. [*Author Note: Since the meeting between the ORITE research team and the ODOT Office of Local Programs in October 2017, the LPA re-certification process has been revised to allow LPAs to complete the Participation Requirement Review Form every four years instead of every three years.*]

- Staff noted that one of the key factors that affect the performance of the LPA in administering local-let projects is the resources available to the LPA. Larger LPAs generally have more resources and can meet all the requirements of the program. Smaller LPAs can sometimes struggle to meet the requirements if they only have a small staff.
- Staff noted that performance measures used for local-let projects were primarily related to the timeliness of project development milestones, such as the on-time approval of PS&E and on-time contract award. No performance measures or metrics are used to track the performance of an LPA's administration of a project. The Districts are advised to document poor performing work by LPAs for consideration of approval for future projects. LPAs that are challenged by the Local-let process or "take-on" projects that may be above their level of expertise are advised by the ODOT District and instructed to follow process that fit their project level, impacts and financial capabilities for future projects. Districts are advised to use professional judgement in determining what LPAs can participate and to what level. LPAs are generally given significant leeway to correct errors or issues that come up throughout the process.
- With respect to the real estate/right-of-way process, staff noted that LPAs often complain about the high cost of prequalified consultants that are required to be used for the right-of-way process and that the "value analysis" approach for low-value, uncomplicated right-of-way acquisition is not being used as much as it should be.
- With respect to construction contract administration, staff noted that the District-level LPA construction monitors are often inconsistent in the requirements that are placed on the LPAs during the construction process. The staff also noted that the local-let construction administration is still primarily a paper process and that advances in "e-construction" should be brought into the program.
- With respect to the finance process, staff noted that the process required for LPAs to be approved for direct labor costs reimbursement and to obtain a fringe benefits/indirect cost rate is complicated and has opportunity to be streamlined.
  [*Author Note: Since the meeting between the ORITE research team and the ODOT Office of Local Programs in October 2017, the Office of Local Programs has worked closely with the ODOT Office of External Audits to improve the process required for LPAs to obtain approval to seek recovery of direct and indirect costs associated with Federal-aid projects. Changes that have been made include face-to-face meetings between ODOT auditors and LPA staff to improve inter-agency communication and to develop solutions that reduce administrative burden for the LPA. A webinar was delivered on March 13, 2018 to discuss these process improvements.*]

ODOT Central Office – Office of Real Estate

The ORITE research team met with representatives of the ODOT Office of Real Estate at ODOT Central Office on November 15, 2017. Feedback provided to the research team at this meeting included the following items:

- The staff outlined the entire right-of-way process requirements and discussed potential streamlining opportunities within each area of the process. Potential streamlining avenues included: use of Abbreviated Title Reports, use of the expedited "Value Analysis" or waiver valuation approach for low-value, non-complex acquisitions, and to initiate right-of-way acquisition activities as early as practical in the process.

- For ODOT system projects, approximately 75% of acquisitions utilize the simplistic and expedited approach for low-value, non-complex acquisitions. LPA data are not tracked separately but it is a safe assumption that at least that same percentage of LPA acquisitions utilize this simplified process.
- ODOT requires that acquisitions utilizing the value analysis approach require ODOT prequalification through the ODOT Office of Consultant Services. This is how ODOT complies with Federal requirements that individuals performing waiver valuations must be sufficiently qualified to understand local real estate markets.
  [*Author Note: Since the meeting between the ORITE research team and the ODOT Office of Real Estate in November 2017, the Office of Real Estate is in the process of updating the value analysis process to create a more simplified process including elimination of the independent review requirements.*]
- ODOT requires that acquisitions using the value analysis approach still undergo an independent review; this is an ODOT practice and exceeds the Federal requirements. Requiring these reviews is essential to a consistent statewide approach, ensures fairness to the property owners, and supports appropriations proceedings if necessary.
- The staff agreed that there are opportunities for county engineers to manage certain right-of-way activities in-house, including project management, title review, establish fair market value estimate, negotiation and offer, and closing and title transfer. Where all these processes can occur "in-house" there is a possibility for streamlining.
- Standard highway easements are permitted under the applicable Federal regulations.
- Establishing compensation estimates based on auditor's tax information is inaccurate because the principles of acquisition and valuation are not encompassed in that amount.
- LPAs can utilize ODOT manuals and District-level resources to obtain guidance on consultant fees for right-of-way acquisition.

ODOT Central Office – Construction Management

The ORITE research team met with representatives of the ODOT construction management division at ODOT Central Office on November 14, 2017. Included among the attendees at this meeting was Mr. Chase Wells, who is a member of the ORIL TAC for this project. Feedback provided to the research team at this meeting included the following items:

- LPAs struggle with the materials management process; in particular, proper documentation of acceptance for project items in accordance with ODOT requirements. An Excel-based Project Bill of Materials (PBOM) spreadsheet was recently developed to assist LPAs with identifying correct acceptance methods and for quantity tracking. However, the use of the electronic PBOM by LPAs is not required.
- The LPA District construction monitor has an electronic reporting system that is used to file reports each time a project is inspected or if the LPA documentation is reviewed.
- Many LPAs are not large enough to utilize ODOT's preferred dispute resolution technique, which requires a three-tiered process. However, LPAs do have the option of using their own process as long as it is documented and on file with ODOT.
- Some LPAs are using construction management software to assist with construction engineering functions. There is a pilot study going on with some LPAs in District 6 utilizing the "Site Manager" software system that links to ODOT's system.

ODOT Central Office – Division of Finance

The ORITE research team met with representatives of the ODOT Division of Finance at ODOT Central Office on October 24, 2017. Finance specializations represented at the meeting included payment processing and auditing. Feedback provided to the research team at this meeting included the following items:

- With respect to the billing and invoicing process, the current process requires that LPAs e-mail invoice packets to the District LPA coordinators, who then print out the invoices and send them to Central Office via a once-weekly courier service. This courier service has been identified as one of the key delays in the payment process. The Division of Finance cannot accept electronic invoices because there is not enough storage space on the computer system to allow for storage. However, as of this writing, a modernization project is on-going that will allow for electronic submittal and processing of invoices.
- The LPA's representative and the District LPA coordinator are each supposed to review and sign each invoice prior to being sent to Central Office for payment. These signatures serve as required validation of the goods/services provided. In many cases, it appears that either the LPA or the District are not reviewing the invoices prior to signature. New checklists are being developed to assign responsibility for each party in the process. Some LPAs/Districts take a long time to approve invoices as well.
  [*Author Note: Since the meeting between the ORITE research team and the ODOT Division of Finance in October 2017, the Division of Finance and the Office of Local Programs have worked together to implement new invoice review checklists, allowing for greater consistency and timeliness in the verification of local-let invoices.*]
- The Division of Finance is responsible for providing FHWA with the necessary documentation to satisfy audit requirements and is held accountable for any missing documentation. Therefore, additional responsibilities are placed on the LPAs to provide all the relevant documentation to comply with FHWA audits.
- Because many projects have complex funding structures, the Division of Finance must review invoices to ensure that payments are being allocated correctly. For example, some projects have portions that are not eligible for Federal reimbursement – these must be paid with 100% local funds. The LPA must produce sufficient documentation that these portions are paid appropriately.
- An approved baseline schedule is not required to process invoices.
- With respect to prompt payment, it was noted that invoices that are properly reviewed and approved are usually paid within 1 or 2 business days – if an invoice is not correct, it is sent back to the LPA/District and the clock will "reset" on the payment requirements.
- With respect to the proof of local share payment, the Division of Finance would like to see something from a third-party source (i.e., a bank) rather than something from the LPA's internal system. This is the source of the cancelled check requirement. Vendor disbursement reports from the OPWC are also acceptable.
  [*Author Note: Since the meeting between the ORITE research team and the ODOT Division of Finance in October 2017, the Division of Finance has revised its practices related to requiring cancelled checks prior to the payment of local-let project invoices. In instances where ODOT is paying the contractor directly, the Division of Finance will pay the Federal portion of the invoice as requested by the LPA with the expectation that the LPA pay the local portion of the invoice within 30 days of the ODOT payment.*]

- With respect to direct labor costs tracking, the Division of Finance desires to see employee time sheets that have adequate detail and accounting of employee activity, review and signature by the employee and the supervisor, and related to the LPA's regular accounting systems. This protects ODOT and Federal government from fraud.
- If an LPA is only requesting reimbursement for direct labor or direct labor plus the *de minimis* rate for expenses related to construction engineering and inspection, then the LPA is only required to provide supporting documentation for the costs related to the LPA's direct labor expenses that are billed to the project. This was noted in an April 2016 communication within ODOT. However, the requirements for an ODOT-approved time tracking system are still in place to support the time charges.
- The Safe Harbor Rate for fringe benefit and indirect costs is no longer available. This is a Federal-level decision and not an ODOT decision; however, many LPAs do not understand that and feel like it was an ODOT decision.
- If an LPA has an approved fringe benefits/indirect cost rate from another Federal agency serving as the LPA's cognizant agency, ODOT will approve that rate for use on local-let projects as long as the rate was established if the LPA was the direct award recipient and not a subrecipient. However, as of this writing, no LPAs have used this option.

ODOT District-Level LPA Staff

The ORITE research team conducted in-person meetings with District-level LPA staff in four ODOT Districts. Additionally, feedback from the remaining eight districts was solicited via e-mail. A summary of the feedback provided by ODOT District-level LPA staff follows in this section, divided into feedback on general issues, real estate/right-of-way issues, construction contract administration issues, and finance issues. Feedback provided to the ORITE research team on general local-let program issues included the following items:

- The capability of an LPA to successfully administer a local-let project is related to the size of the LPA and the complexity of the project. Larger LPAs have more resources and capabilities to meet the requirements of local-let project administration. Smaller LPAs have fewer resources and rely heavily on third-party consultants to assist with many aspects of project administration. Some LPAs use ODOT-let process if projects are complex or the LPA staff cannot devote adequate resources to the project.
- ODOT District personnel assist LPAs with administering local-let project and help LPAs comply with all relevant Federal and ODOT requirements.
- ODOT District-level LPA staff include the District LPA Manager as well as functional area specialists for construction monitoring and right-of-way. Larger Districts have multiple LPA specialists while in smaller Districts, the LPA personnel also have a wide range of other responsibilities.

Feedback provided to the ORITE research team on real estate/right-of-way issues included the following items:

- District staff noted that LPAs should start the real estate/right-of-way acquisition process as early as possible in a local-let project to avoid any project delays.
- The cost of prequalified right-of-way consultants and the training required to obtain this prequalification represents a burden on LPA project costs and timelines.

- The simplified acquisition process for low-value, uncomplicated parcels ("value analysis") needs to be more accessible to LPAs and simple to undertake. [*Author Note: Since the meetings between the ORITE research team and ODOT District-level LPA staff in September 2017, the ODOT Office of Local Programs and Office of Real Estate delivered a webinar (April 18, 2018) to provide LPAs with information on the streamlined value analysis process for low-value acquisitions.*]
- One district stated that LPAs could save time and money during the right-of-way process by including "if authorized" line items in the consultant scope and fee agreement that would allow the consultant to undertake more sophisticated right-of-way acquisition tasks on behalf of the LPA, if needed, without having to re-negotiate the agreement.
- In addition to the above comments, the research team observed the following inconsistencies in the application of the LPA real estate/right-of-way process between the various ODOT Districts:

    1. The level of assistance provided by ODOT Districts to LPAs in the right-of-way acquisition process (However, it should be noted that the LATP Manual Right-of-Way chapter permits ODOT Districts to assist LPAs with right-of-way acquisition as long as sufficient capacity is available at the Districts).;
    2. The use of the simplified "value analysis" acquisition method for low-value properties; and
    3. Support for the use of standard highway easements on LPA projects versus requiring fee simple acquisition.

Feedback provided to the ORITE research team on construction contract administration issues included the following items:

- Compliance with the ODOT CMS is required in the ODOT-LPA local-let agreement.
- The documentation process can be difficult for LPAs, particularly those with limited local-let project experience. The District staff and consultants provide assistance with understanding the required documentation, but the type of assistance can vary.
- Materials management processes can be challenging for LPAs. Multiple Districts mentioned the issue of asphalt plant quality assurance being a key issue. There is inconsistent use of ODOT District resources to support LPAs in materials management.
- LPAs utilize third-party engineering consulting firms to support the construction management process. Such firms typically utilize ex-ODOT personnel to assist with these projects, which allows for that expertise to be applied to local-let projects.
- Districts noted that they promote the use of the Project Bill of Materials (PBOM) tool but some LPAs struggle with using the PBOM and accepting materials in general.
- Districts noted that LPAs would benefit from standard templates for certain types of construction policies that could be easily modified for use on local-let projects. [*Author Note: Since the meetings between the ORITE research team and ODOT District-level LPA staff in September 2017, the ODOT Office of Local Programs and Division of Construction Management have developed new templates for LPAs to use for dispute resolution and claims management on local-let projects.*]
- Multiple Districts noted issues with LPAs paying for work performed on projects without an approved change order document having been sent to the District. This has caused

issues with the billing process as ODOT cannot approve invoice payments for work that is not in the original project or has not been accounted for with a change order.

- Multiple Districts noted that larger contractors, if they are aware that the work is a Federal-aid project, are able to provide the LPA with the necessary documentation because they are accustomed to providing it for ODOT projects. However, in some cases, the contractor is not aware that the work is Federal.
- Multiple Districts acknowledged that LPAs struggle with complying with DBE requirements and that there is simply not enough DBE firms in some regions of the state to allow for the goals to be met on each project.
  [*Author Note: It should be noted, however, that the availability of a DBE firm and the availability of DBE firms for particular crafts in the geographic region of the project is considered when DBE goals are established.*]

Feedback provided to the ORITE research team on finance-related process issues included the following items:

- District staff noted that LPAs need to provide a better review of contractor invoices prior to sending the invoice packets to the Districts. Among the key issues noted was that LPAs, in some cases, did not verify or have supporting documentation to verify that the work described on the invoice was actually performed and accepted.
- Districts noted that LPAs use several different methods to provide evidence that they have paid their local share portion of each invoice. This proof is supposed to be provided in some form before District staff can process the invoices. LPAs have struggled to comply with new requirements to provide a cancelled check as proof of local share payment. [Author Note: *Since the meeting between the ORITE research team and the ODOT Division of Finance in October 2017, the Division of Finance has revised its practices related to requiring cancelled checks prior to the payment of local-let project invoices. In instances where ODOT is paying the contractor directly, the Division of Finance will pay the Federal portion of the invoice as requested by the LPA with the expectation that the LPA pay the local portion of the invoice within 30 days of the ODOT payment.*] Additionally, in some instances, there is a lag between when the invoice is provided to the LPA and when the LPA can send the local share payment to the contractor. This occurs when the LPA's finance office only processes checks on certain days or if the LPA's legislative body has to approve all payments during regular meetings that may only occur once or twice a month.
- Multiple Districts noted that the paper-based process required to submit LPA invoices to the Central Office is slow and inefficient.
  [*Author Note: As previously noted, the ODOT Division of Finance is implementing a system modernization that will, when completed, allow for electronic submittal and processing of LPA local-let invoices.*]
- Multiple Districts noted that LPAs have struggled to develop direct labor cost tracking systems with detail that is sufficient enough to be reimbursed for expenses. In particular, the tracking of indirect activities and the establishment of accounting codes for each activity was mentioned as specific issues.
  [*Author Note: Since the meeting between the ORITE research team and the ODOT Office of Local Programs in October 2017, the Office of Local Programs has worked closely with the ODOT Office of External Audits to improve the process required for LPAs to*

obtain approval to seek recovery of direct and indirect costs associated with Federal-aid projects. Changes that have been made include face-to-face meetings between ODOT auditors and LPA staff to improve inter-agency communication and to develop solutions that reduce administrative burden for the LPA. A webinar was delivered on March 13, 2018 to discuss these process improvements.]

FHWA Ohio Division

The ORITE research team met with representatives of the FHWA Ohio Division at the FHWA Ohio Division offices in Columbus on November 14, 2017. Included among the attendees at this meeting was Mr. Jim DeSanto, who is a member of the ORIL TAC for this project. Feedback provided to the research team at this meeting included the following items:

- FHWA provides oversight for all ODOT programs, including the local-let program. ODOT's local-let program is larger than some states' entire Federal-aid programs. Among FHWA's responsibilities include approval of the ODOT *Locally-Administered Transportation Projects* manual and the other manuals used by ODOT, including the Real Estate manual which applies to local-let projects. FHWA staff noted that LATP manual updates are continuously reviewed and approved as they are submitted to FHWA, instead of having the entire manual reviewed and updated every few years.
- FHWA staff sit in on ODOT quality assurance reviews and LPA partnering reviews.
- FHWA does not have any specific performance measures used to evaluate the performance of LPAs administering projects via the local-let process.
- FHWA staff noted that if LPAs do not like cost and time burden of having to use prequalified consultants for real estate/right-of-way acquisition, there is nothing stopping them from either having their own ODOT-approved real estate process or going through the ODOT-required process to become prequalified for acquisition activities.
- FHWA requires some form of materials management process but does not specify what specific activities should be included in the process.
- FHWA staff noted that the minimum amount of oversight needed for invoice processing was the review of the invoice packet by District staff.
- FHWA staff noted that ODOT needs to be more cognizant of differences between Federal and State requirements for financial management. ODOT's requirements for LPA direct cost tracking is over compliant with Federal regulations and detailed tracking of time spent on non-Federal awards is not necessary. The requirements of 2 CFR Part 200 only requires that award recipients have financial systems with adequate internal control but that the regulation does not specify what internal control means.

Consultant Stakeholders

To obtain further insight on opportunities for streamlining ODOT's local-let processes, the ORITE research team met with two engineering consulting firms that are active in providing LPAs with professional services on local-let projects. One meeting was with an ODOT-prequalified right-of-way services firm and took place on September 20, 2017. The second meeting was with a firm that provides construction engineering and management services to LPAs that are administering local-let projects; this meeting took place on October 18, 2017. Feedback provided to the research team at these meetings included the following items:

- [Real Estate/Right-of-Way]: LPAs need to involve appraisers and review appraisers earlier in the process. An expedited process is available for acquisitions between $10,000 and $65,000 in value, but an appraisal and appraisal review may still be required.
- [Real Estate/Right-of-Way]: LPAs need to get compensation checks out to landowners faster and do not fear using appropriation process. The CFR only requires establishment of "just compensation" for payments. Some deadlines that are used by ODOT are only used for project planning purposes and can be expedited if owners are cooperative.
- [Construction Management]: LPAs would benefit from a consistent construction management software program that would be used for e-construction. Some ODOT Districts permit software usage while others are strictly paper-based.
- [Construction Management]: One reason why LPAs find the PBOM tool to be difficult is that there is no logical relationship between the material type and the acceptance requirements for the materials. Some items require supplier-provided certification while other items must be sourced from an approved qualified products list.
- [Construction Management]: Engineering firms have an approved fringe benefits/indirect cost rate that is approved by ODOT auditors each year. Therefore, if LPAs utilize these firms they do not have to go through the hassle of trying to get approved rates for their agency's use. Charges from the consulting firms are not questioned by ODOT. However, because the consultant rates are publicly-available, some LPAs are known for selecting firms based on the lowest indirect cost rates.

Local Public Agency Outreach Results

This section discusses the results and findings from the outreach activities conducted by the ORITE research team specifically-targeted to Ohio's LPAs. These activities included the Task 4 online survey and the Task 5 follow-up interviews. The results in this section will be presented in separate sections for general feedback related to the ODOT local-let program, feedback related to the real estate/right-of-way process, feedback related to the construction contract administration process, and feedback related to the finance process. Within each section, the results of the Task 4 online survey and the Task 5 follow-up interviews will be presented together to allow the reader a full understanding of the context and issues associated with each process. Tables reporting the online survey responses are also presented in each section; these tables distinguish between county engineers and cities/villages/townships to provide additional context and understanding of the responses. Tables reporting the verbatim comments provided by LPAs on the open-ended response questions included on the Task 4 online survey are presented at the end of this section.

General Local-Let Program Feedback

General ODOT local-let program feedback collected in the Task 4 online survey included the frequency of funding program usage by the LPA (Table 26), the types of projects administered by the LPA (Table 27), and the LPA's level of satisfaction with different aspects of the ODOT local-let process (Table 28). Nearly one-third of county engineers that responded to the online survey undertake 2 or more local-let projects per year while the city/village/township respondents were slightly less frequent users of the program. However, more than 85% of respondents had undertaken at least one local-let project during the last 2 to 3 years. This finding indicates that the respondents had good insight on recent experience with the local-let process.

The types of projects administered via the local-let process generally reflected the infrastructure needs of the different LPA types in Ohio. County engineers predominantly use local-let processes for bridge replacement, guardrail projects, and signs/pavement markings while cities/villages/townships are more active on pavement, roadway, sidewalks, and non-motorized projects. Commonly-mentioned reasons why the LPA utilizes the local-let process (see Table 34) include greater access to funding for local system projects; greater control over project cost, schedule, and quality; and that the LPA is required to use the local-let process with funds provided through an MPO. The LPAs surveyed were generally satisfied with the various aspects of the ODOT local-let process. In general, city/village/township respondents were more satisfied than county engineers; the highest level of satisfaction was with the assistance of ODOT District personnel in the LPA process. Additional feedback provided on the Task 4 survey related to improvements or process streamlining suggestions (see Table 35) included the following:

- Greater coordination between ODOT Central Office and District staff;
- Desire for the LPA manual and associated requirements to be stored in a more centralized website resource that is maintained, up-to-date, and user-friendly;
- Desire for LPAs to administer Federal-aid projects with minimal ODOT oversight;
- Perception that many requirements are the result of one or two LPAs being careless with project administration and that all LPAs are being punished;
- Documentation requirements for construction inspection should be reduced;
- Federal-aid projects are generally more expensive than 100% local projects primarily due to the resources required to inspect and comply with all regulations; and
- LPAs are not provided with sufficient training, follow-up feedback, or compilation of best practices could be shared to assist LPAs with improving their local-let administration processes and ensure that ODOT requirements are met.

Additional feedback provided to the ORITE research team during the structured portion of the Task 5 LPA interviews on general issues included the following:

- Five out of 16 LPAs interviewed noted that they like using the local-let process because they have greater control over the cost of the work and the quality of the work performed by inspecting projects with their own staff. Because the LPAs are owners of the facility and are responsible for maintenance once the project is complete, they have a vested interest in making sure the final constructed product is of the highest possible quality.
- With respect to the LPA qualifications review form, nine out of 16 LPAs that were interviewed for this project noted that they had to develop at least one new written process or procedure to satisfy the requirements to have written processes in place for certain aspects of construction contract administration. Commonly-mentioned processes included: change order review/approval process, dispute resolution process, process to verify the Prime Contractor is performing at least 30% of the work, and process to verify that the Prime Contractor is not on the list of parties excluded from Federal procurement.
- With respect to the plan review process, eight out of 16 LPAs interviewed noted that there was an inconsistent level of detail provided by ODOT on LPA project plan review; notably, inconsistent enforcement of ODOT requirements on LPA projects, maintenance of traffic, utilities, clear zone requirements, and back slopes. Generally, in many cases, ODOT plan reviews are done without the awareness that the project is a local-let project.

- Two out of 16 LPAs interviewed commented that they will use ODOT-let for complex projects or situations where they cannot devote resources to project administration.

Additional feedback provided to the ORITE research team during the unstructured portion of the Task 5 LPA interviews on general issues included the following:

- Three LPAs commented that the ODOT Office of Local Programs staff is very helpful.
- One LPA commented that the "LPA Days" events held recently by the Office of Local Programs was helpful and should be held again in the future.
- LPAs are most successful in meeting all the necessary requirements when ex-ODOT personnel are on the LPA staff or under contract to assist. Six LPAs interviewed noted use of ex-ODOT personnel on local-let projects.
- Three LPAs noted that ODOT needs to have better communication on policy or process requirement changes. LPAs are expected to meet new requirements as soon as they are put in place and in many cases, no lead time is provided.

In addition to the issues discussed above, the Task 4 online survey included a separate set of questions for LPAs that had not used the ODOT local-let program during the last 5 years or had never used the ODOT local-let program in their agency. A total of 5 out of 79 LPAs surveyed fit into this category, which included 4 county engineers and 1 city/village/township. Due to the low sample size of this group, the responses for these LPAs are presented here in a qualitative manner. Reasons given as to why these LPAs do not use the ODOT local-let process included the following:

- LPA does not have staff or resources to participate in local-let (3 LPAs).
- ODOT's LPA local-let program is an administrative challenge (2 LPAs).
- Prefer to use the ODOT-let process for local projects (2 LPAs).
- LPA has not participated in the required training modules (1 LPA).
- LPA currently has no projects or funding needs (1 LPA).

When asked which aspects of the local-let process present the greatest challenge to LPAs wishing to utilize Federal funds for local projects, the LPA cost recovery approval process was noted as a challenge by two LPAs while project design, environmental, right-of-way, project documentation, and compliance monitoring were each noted by one LPA as most challenging. One LPA that does not use local-let process commented that the additional cost incurred on a federally-funded project is hard to justify.

General Local-Let Program Online Survey Responses

Table 26: Use of Various Funding Sources among Ohio's LPAs

Funding Source		County Engineer	City/Village/ Township	Total
Federal-Aid Programs (Local-Let Process)	2 or More Projects per Year (%)	32	16	25
	1 Project per Year (%)	26	41	32
	1 Project Every 2 to 3 Years (%)	28	31	29
	1 Project Every 4 to 5 Years (%)	6	9	8
	None in the Past 5 Years (%)	6	0	4
	Never Used in My Agency (%)	2	3	3
Federal Aid Programs (ODOT-Let Process)	2 or More Projects per Year (%)	4	0	3
	1 Project per Year (%)	13	9	11
	1 Project Every 2 to 3 Years (%)	13	22	16
	1 Project Every 4 to 5 Years (%)	13	38	23
	None in the Past 5 Years (%)	45	25	37
	Never Used in My Agency (%)	13	6	10
Other Federal Sources (e.g., FTA/CDBG)	2 or More Projects per Year (%)	2	0	1
	1 Project per Year (%)	13	41	24
	1 Project Every 2 to 3 Years (%)	6	16	10
	1 Project Every 4 to 5 Years (%)	23	6	16
	None in the Past 5 Years (%)	38	25	33
	Never Used in My Agency (%)	17	13	15
Other State Sources (e.g., OPWC/ORDC/SIB)	2 or More Projects per Year (%)	49	16	35
	1 Project per Year (%)	38	63	48
	1 Project Every 2 to 3 Years (%)	9	9	9
	1 Project Every 4 to 5 Years (%)	2	6	4
	None in the Past 5 Years (%)	0	6	3
	Never Used in My Agency (%)	2	0	1
100% Local Funds	2 or More Projects per Year (%)	85	69	78
	1 Project per Year (%)	11	16	13
	1 Project Every 2 to 3 Years (%)	2	3	3
	1 Project Every 4 to 5 Years (%)	0	3	1
	None in the Past 5 Years (%)	0	6	3
	Never Used in My Agency (%)	2	3	3

Note: Columns for each funding source may not sum to 100 percent due to rounding.

Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.

Table 27: Types of Projects Administered by LPAs Using ODOT Local-Let Process

Type of Project Administered	County Engineer	City/Village/ Township	Total
Bridge – Replacement (% Yes)	88	39	68
Bridge – Repair (% Yes)	18	10	15
Culvert – Replacement (% Yes)	5	7	5
Pavement – Resurfacing/Rehabilitation (% Yes)	60	77	68
Roadway – New Construction (% Yes)	14	29	20
Roadway – Widening (% Yes)	30	52	39
Safety Improvement – Guardrail (% Yes)	65	3	39
Safety Improvement – Roadway Construction (% Yes)	28	29	28
Safety Improvement – Sidewalks (% Yes)	5	42	20
Safety Improvement – Signs/Pavement Markings (% Yes)	74	19	51
Safety Improvement – Traffic Signals (% Yes)	7	48	24
Railroad Grade Crossing (% Yes)	0	0	0
Bicycle/Pedestrian/Other Non-Motorized (% Yes)	9	35	20
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Table 28: LPA Level of Satisfaction with Different Aspects of ODOT Local-Let Process

Aspect of ODOT Local-Let Process	County Engineer	City/Village/ Township	Total
Assistance of ODOT District Personnel in LPA Process	5.93	6.55	6.19
Assistance of ODOT Central Office Personnel in LPA Local-Let Process	4.49	5.21	4.77
Availability of Funding to Match Project Needs	4.47	5.81	5.03
ODOT Prequalification Requirements for LPA Process	4.30	5.81	4.93
ODOT Training Requirements for LPA Process	4.34	5.35	4.77
Process Required to Obtain Federal Funds	4.19	5.37	4.67
Use of Statewide LPA Task Order Contracts for Local-Let Projects	4.97	5.19	5.06
Note: Average response shown based on scale ranging from 1 [Extremely Dissatisfied] to 7 [Extremely Satisfied].			
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Right-of-Way Process Feedback

Feedback on the real estate/right-of-way process collected in the Task 4 online survey included the extent of the LPA's right-of-way activities on local-let projects and potential streamlining options for the right-of-way process (Table 29). A majority of LPAs surveyed responded that right-of-way activities controlled their local-let project schedules less than 50% of the time. Approximately one-quarter of LPAs never had any local-let projects where only low-value, non-complicated right-of-way acquisition was required. Most of the county engineers surveyed encountered only low-value acquisition on more than 75% of projects while cities/villages/townships had a more uniform distribution of the percentage of projects requiring only low-value acquisition. These responses are not surprising given the right-of-way needs of different LPA types as well as the urban/rural nature of different LPA jurisdictions. One

potential avenue for streamlining the right-of-way process that is being examined by the research team is the possibility of undertaking some right-of-way activities using in-house resources, rather than needing to obtain the services of ODOT-prequalified right-of-way consultants. A vast majority of respondents indicated that they would be willing to perform right-of-way project management and negotiation and offer tasks in-house, while the willingness to take on other functions was not as high. In general, county engineers were more willing to take on right-of-way duties with in-house staff as compared to cities/villages/townships. The greatest challenges experienced by LPAs during the right-of-way process (Table 36) included: cost and time associated with prequalified right-of-way consultants, the cost of acquisition relative to the cost of the parcel being acquired, the level of detail required to ensure full compliance, and the use of different acquisition methods for easements. Potential streamlining opportunities within the right-of-way process as noted by LPAs on the Task 4 survey (Table 38) included: allowing LPAs to take on greater right-of-way tasks in-house, allowing the use of work agreements for temporary construction and slope easements, utilizing an MPO-type regional agency for acquisition purposes, and utilizing locally-available resources for certain processes similar to non-highway real estate requirements.

In addition to the online survey responses, the following real estate/right-of-way items were noted by the ORITE research team during the structured portion of the Task 5 interviews:

- Ten out of 16 LPAs interviewed noted that their right-of-way process follows state law if no Federal funds are involved and the ODOT process if Federal-aid funds are involved.
- Three out of 16 LPAs interviewed noted that having to use prequalified consultants for local-let projects was expensive because in many cases, the consultants are not located near where the projects are being built. In general, LPAs were frustrated that the cost of the prequalified consultants greatly exceeded the cost to acquire the right-of-way.
- Three out of 16 LPAs interviewed noted that they liked having an independent entity determine the valuation of a parcel even if they were doing the negotiations in-house.
- Nine out of 16 LPAs interviewed (particularly the larger LPAs) noted that many of the right-of-way acquisition functions are performed in-house by prequalified staff or by the LPA's legal departments. Two LPAs also noted that they have more sophisticated in-house GIS capabilities that allowed for a more precise determination of if a project would impact adjacent right-of-way.

Additional feedback provided to the ORITE research team during the unstructured portion of the Task 5 LPA interviews on real estate issues included the following:

- The use of Standard Highway Easements by LPAs was inconsistent across the state. One LPA specifically noted that they are not permitted to use them while two LPAs stated that they are used on nearly every local-let project.
- One LPA noted that ODOT requirements only allow the LPA to be reimbursed for the depreciated value of a business sign even though the business owner has to completely pay for a brand new sign. The difference must be paid with 100% local funds.
- One LPA noted that adequate scoping of the right-of-way consultant scope and corresponding fee allowed for identification of potentially-difficult parcels and those parcels that could be acquired using the simplified process.
- One LPA noted that the lack of quick-take authority for bicycle and pedestrian-related projects that did not have a roadway component was an issue for local-let projects.

- Eleven LPAs that were interviewed were willing to receive a training of 1 or 2 days in length in order to be qualified to manage more of the right-of-way process for simplified acquisitions with their own staff and resources. One LPA noted that this would be beneficial not just for highway projects but for other local government projects that require right-of-way (specific example mentioned was expansion of fire station).
- Two LPAs interviewed noted the following right-of-way "Red Flags" that impact length of time required to obtain necessary right-of-way for projects: land owned by a large corporate entity, properties that have been held by the same owner for a long period of time, and properties owned by a prominent member of the community.

Right-of-Way Process Online Survey Responses

Table 29: Online Survey Responses – Right-of-Way Process

	County Engineer	City/Village/ Township	Total
Frequency of Local-Let Project Schedules Being Controlled by ROW Activities			
• Never (%)	19	14	17
• Rarely (Less than 25% of Projects) (%)	21	34	27
• Sometimes (25% to 50% of Projects) (%)	31	14	24
• Often (50% to 75% of Projects) (%)	12	28	18
• Frequently (More than 75% of Projects) (%)	17	7	13
• Always (100% of Projects) (%)	0	3	1
Frequency of Local-Let Projects Requiring Only Low-Value Property Acquisition			
• Never (%)	27	24	26
• Rarely (Less than 25% of Projects) (%)	0	17	7
• Sometimes (25% to 50% of Projects) (%)	0	10	4
• Often (50% to 75% of Projects) (%)	15	14	14
• Frequently (More than 75% of Projects) (%)	24	24	24
• Always (100% of Projects) (%)	34	10	24
Willingness to Perform Certain ROW Activities In-House			
• Right-of-Way Project Management (% Yes)	91	67	81
• Title Review (% Yes)	54	25	42
• Establish Fair Market Value via Value Analysis (% Yes)	51	21	39
• Establish Fair Market Value via Full Appraisal (% Yes)	23	8	17
• Negotiation and Offer (% Yes)	91	58	78
• Closing/Preparation of Title Transfer Document (% Yes)	57	38	49
Note: Columns may not sum to 100 percent due to rounding.			
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Construction Contract Administration Process Feedback

Feedback on the construction contract administration process collected in the Task 4 online survey included key issues and streamlining opportunities (Table 30) and the use of third-party engineering consulting firms for construction engineering (CE) activities (Table 31). It should be noted that the billing and invoicing element of the construction contract administration process was included as a finance process for the purposes of this research. Approximately one-quarter of LPAs surveyed had encountered issues with contractors being able to comply with Federal construction requirements; these issues were primarily related to material certifications and submitting DBE plans. DBE compliance issues were noted with 51% of county engineers surveyed and 32% of cities/villages/townships surveyed. Key issues with DBE compliance included not being able to meet the DBE goals, documentation issues, and other issues that are mentioned in the Task 5 interviews discussion in this section. A majority of LPAs surveyed rarely or never use third-party firms for CE activities, primarily due to having all the available resources for CE requirements in-house. Factors considered when determining the use of a third-party consulting firm for CE included availability of in-house resources, project size or complexity, and requirements for materials testing or compliance.

The greatest challenges for local-let construction contract administration noted by LPAs on the Task 4 survey (see Table 39) included: paperwork/documentation requirements being excessive relative to usual local practices and OPWC requirements; perception that requirements and standards are always changing so correct procedures are not known; DBE goals; staffing requirements for inspection, strict adherence to ODOT CMS requirements; general perception that the experience and qualifications of the LPA staff do not matter for construction administration; and materials tracking and quality assurance requirements. One potential streamlining option proposed on the Task 4 online survey was to develop a statewide "task order" contract for certain functions of LPA project inspection similar to what CEAO uses for certain functions on county engineer projects. The survey results indicated that LPAs would be most interested in DBE Compliance Monitoring and Materials Management processes being undertaken via statewide task order. Other potential streamlining avenues for construction contract administration noted by LPAs on the Task 4 survey (see Table 41) included: waiving certain materials certification requirements for smaller projects or quantities; expanding the Federal-State exchange program; incorporating greater e-construction features; and elimination of DBE requirements for smaller projects.

In addition to the online survey responses, the following construction contract administration items were noted by the ORITE research team during the structured portion of the Task 5 interviews:

- Eight out of 16 LPAs interviewed stated that their routine documentation (i.e., daily diary) did not vary much from what is required by ODOT to be included in a daily diary. Many LPAs had adapted their local processes to match ODOT requirements for convenience. Other LPAs noted that they do not maintain extensive daily records of employee work.
- Six out of 16 LPAs interviewed stated that they had to hire a full-time or part-time inspector just to deal with local-let projects; in many cases, these inspectors are ex-ODOT employees working under contract with the LPA. Having ex-ODOT experience on the project team is extremely helpful in navigating the local-let program requirements.

- Four out of 16 LPAs interviewed noted the use of third-party construction engineering consultant firms to assist with construction engineering activities on local-let projects, ranging from specific tasks to a complete "turnkey" management contract.
- Four out of 16 LPAs interviewed questioned the need to comply with what they perceived to be strict material acceptance requirements on every item used on a local-let project. Some LPAs felt that the ODOT-provided PBOM was helpful for materials management while others expressed displeasure or confusion in having to use the tool. One LPA noted that PBOM training would be helpful.
  [*Author Note: Since the Task 4 online survey data was collected between December 2017 and February 2018, the ODOT Office of Local Programs and Division of Construction Management delivered a webinar (June 27, 2018) to provide LPAs with more information on the use of the PBOM for LPA projects.*]
- Nine out of 16 LPAs interviewed noted that they had experienced issues with meeting the DBE requirements on Federal-aid projects. Issues included: lack of DBEs in region, lack of DBEs that can perform certain types of work, low-quality work performed by DBE contractors, DBE contractors not showing up for jobs because they are working on another job, difficulty in observing a DBE performing a commercially-useful function, and being able to meet the DBE goals if project quantities changed or the project goals were revised due to a change order.

Additional feedback provided to the ORITE research team during the unstructured portion of the Task 5 LPA interviews on construction contract administration issues included:

- Four LPAs noted that they have acquired construction management software but that ODOT District personnel will not accept a "remote access" viewing of the software output as sufficient verification during documentation audits.
- One LPA noted that for short-term projects (less than 30 days), it was impossible to meet certain documentation requirements because the project would be completed by the time any issues or problems with documentation were identified.
- Three LPAs noted that DBE goals for local-let projects had only been set on projects above $500,000 and that this had changed in recent years to include all projects regardless of project value.
- One LPA suggested that DBE goals could be established at the District-level rather than by Central Office, which would allow for a more local understanding of DBE availability and resources.
- One LPA stated that having an "Appalachian-based" business enterprise qualify as a DBE for the purposes of DBE compliance would be a benefit to both the LPA and the business in the region.
- Two LPAs noted that prevailing wage compliance monitoring was handled by a different department of the local government that was responsible for monitoring prevailing wage compliance across all areas of the LPA.

Construction Contract Administration Process Online Survey Responses

Table 30: Online Survey Responses – Construction Contract Administration Process

	County Engineer	City/Village/ Township	Total
LPA had Issues with Contractors Meeting Federal Compliance?			
• Yes (%)	28	20	25
• No (%)	72	80	75
LPA had Issues with Contractors Meeting DBE Requirements?			
• Yes (%)	51	32	44
• No (%)	49	68	56
Interest in Local-Let Contract Administration Functions via Task Order?			
• Construction Engineering/Inspection (% Yes)	51	42	47
• DBE Compliance Monitoring (% Yes)	60	54	58
• Materials Management (% Yes)	71	88	78
• Prevailing Wage/EEO Compliance Monitoring (% Yes)	46	33	41
• Project Closeout/Final Inspection (% Yes)	29	38	32
Note: Columns may not sum to 100 percent due to rounding.			
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Table 31: Online Survey Responses – Use of Third-Party Firms for CE Activities

	County Engineer	City/Village/ Township	Total
Frequency of Use of Third-Party Firms for CE Activities			
• Never (%)	41	36	39
• Rarely (Less than 25% of Projects) (%)	26	12	20
• Sometimes (25% to 50% of Projects) (%)	10	8	9
• Often (50% to 75% of Projects) (%)	3	12	6
• Frequently (More than 75% of Projects) (%)	10	8	9
• Always (100% of Projects) (%)	10	24	16
If "Never" Use, Reasons Why Third-Party Firms "Never" Used			
• All Required Resources Available In-House (% Yes)	63	78	68
• Engineering Consultants too Expensive (% Yes)	56	44	52
• Prefer to Use In-House Staff/Resources (% Yes)	50	89	64
• QBS Process Required is too Cumbersome (% Yes)	25	11	20
If LPA does Use, Factors Considered When Determining Use of Third-Party Firms			
• Availability of Funds to Support Consultant Contract (% Yes)	52	50	51
• Availability of In-House Staff/Resources (% Yes)	78	81	79
• Expertise of In-House Staff (% Yes)	57	44	51
• Lack of In-House Staff/Resources (% Yes)	39	50	44
• Requirements for Materials Testing/Compliance (% Yes)	52	19	38
• Size or Complexity of Project (% Yes)	70	56	64
Note: Columns may not sum to 100 percent due to rounding.			
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Finance Process Feedback

Feedback on the finance process for ODOT local-let projects included issues related to billing and invoicing, reimbursement for direct labor costs incurred by the LPA for construction engineering (CE) activities, and reimbursement of fringe benefits and indirect costs associated with direct labor expenses for CE. Task 4 survey responses for general finance issues are presented in Table 32 and the survey responses for cost reimbursement issues are presented in Table 33. Approximately 19% of county engineers surveyed stated that they had been denied reimbursement of a local-let project invoice due to insufficient documentation, while just 4% of cities/villages/townships had been denied reimbursement. Specific issues mentioned included denied payment for unapproved change orders and inclusion of consultant timesheets as backup documentation. A relatively small number of LPAs noted that they had experienced issues with providing sufficient proof of local share payment on an invoice. The greatest challenges for local-let billing and invoicing noted by LPAs on the Task 4 survey (see Table 42) included: delays in ODOT review or invoice approval; the inability of ODOT to process invoices near the end of the fiscal year; lacking clarity on which project phase a consultant is billing for; desire for electronic payment system; having to supply proof of local share payment; and confusion with the ODOT payment process. Potential streamlining for the billing and invoicing process as noted by LPAs on the Task 4 survey (see Table 44) included development of a web-based payment processing mechanism and training on the procedures. As previously noted, the ODOT Division of Finance is implementing a system modernization project that will, when completed, allow for electronic submittal and processing of LPA local-let invoices

Approximately 40% of LPAs surveyed stated that their agency has been approved by ODOT to be reimbursed for direct labor costs associated with CE activities undertaken by the agency. The approval process requires the LPA to submit information to ODOT about its employee time tracking system and to make revisions to the system if requested. Among those LPAs that do not have time tracking system approval, a majority stated that the approval process was too cumbersome. Other LPAs noted that their agencies do not track employee time with sufficient detail or that they prefer to use the funds that are originally encumbered for CE expenses for construction instead. Among those LPAs that do have an approved time tracking system, a majority reported difficulty with the approval process. Key issues with time tracking system approval as noted in the Task 4 survey (see Table 45) included limited staff resources to devote to the approval process and the LPA being unable to modify its time tracking system to meet the requirements imposed by ODOT. Detail on employee time tracking was also noted as a key issue by a relatively small number of LPAs that had been denied reimbursement for CE direct labor costs. Potential streamlining opportunities for direct labor costs reimbursement as noted by LPAs on the Task 4 survey (see Table 46) included: establishment of guidance or training for development of time tracking systems; standard templates for timesheets that only requires tracking time on Federal-aid projects; and establishment of a formula-based process that provides reimbursement for CE expenses without a detailed time tracking system.

LPAs that are approved to be reimbursed for direct labor costs for CE activities are also permitted to obtain approval from ODOT to be reimbursed for the cost of fringe benefits and indirect cost expenses associated with these activities. The approval process requires the LPA to submit evidence of its fringe benefit costs and indirect cost expenses; this information is used to establish the appropriate rates to apply for the cost reimbursement estimate. Of the 26 LPAs surveyed that stated they had an approved time-tracking system, 17 LPAs (approximately 70%)

stated that they were approved to be reimbursed for fringe and indirect costs (7 were not approved and 2 did not supply a response). LPAs that did not have an approved rate cited issues with documentation, incompatibility of accounting systems, required process not worthwhile for the agency, and issues with ODOT personnel as reasons why they did not have an approved rate. Of the 17 LPAs with approved cost recovery rates, 12 LPAs noted that they use a fringe benefits only rate while 5 noted that they use the "de minimis" rate. Additionally, 10 out of the 17 LPAs with approved cost recovery rates noted that they had encountered difficulty with obtaining approval from ODOT. The length of time of the approval process, the level of detail required, lack of clarity on specific data requirements, and issues with ODOT personnel were frequently cited as issues with rate approval. Verbatim comments provided by LPAs related to fringe benefit/indirect cost recovery are noted in Table 47.

In addition to the online survey responses, the following finance process items were noted by the ORITE research team during the structured portion of the Task 5 interviews:

- The 16 LPAs interviewed for this project had a wide range of viewpoints and practices on the topic of the proof that was required to verify that the LPA had paid its share of the project costs on each invoice. Two LPAs were using a cancelled check from the current invoice, which had the effect of delaying ODOT's processing of the invoice until the contractor had cashed the LPA's check. One LPA used a cancelled check from the previous invoice as sufficient evidence. Two LPAs provided their local share payment verification in the form of a copy of the request for invoice payment that was submitted to their finance office. Four LPAs stated that they had never provided ODOT with any type of proof of local share payment or have never been asked for proof.
- Four out of 16 LPAs interviewed questioned why the proof of local share payment requirements were so strict and felt that ODOT was punishing all LPAs because one LPA "messed up" on local share payment. One LPA suggested that if an LPA was slow to pay or unable to pay invoices, that LPA should be prohibited from using the local-let process.
- Three out of 16 LPAs interviewed noted that they are no longer able to view the online system that would provide evidence that ODOT has paid contractors for the purposes of developing audit documentation. What is able to be viewed from this payment system is watermarked with a statement that it cannot be used for audit purposes.
  [*Author Note: The ODOT Office of External Audits clarified to the ORITE research team that the system previously used by LPAs to track and verify ODOT payment to contractor typically yielded significant reporting improprieties.*]
- Three out of 16 LPAs interviewed noted that they had to create "work codes" or similar accounting mechanisms that describe specific employee work activities in order to receive ODOT approval of the LPA's time tracking system. Creation of these accounting codes, particularly detailed codes for indirect activities such as phone calls, e-mails, or staff meetings, was the main issue raised by LPAs pertaining to direct labor cost tracking.

Additional feedback provided to the ORITE research team during the unstructured portion of the Task 5 LPA interviews on finance-related processes included:

- Four LPAs noted that there were issues with the invoice cover sheets that ODOT sets up at the start of the project – in some cases, the LPA is not aware that the cover sheet is incorrect because they are unware of what is correct. One LPA noted that they seek "pre-

approval" of invoices from their District prior to processing the local cost share portion due to issues with ODOT invoice approvals in the past.

- Three LPAs noted that they did not pursue reimbursement of direct labor costs associated with construction engineering because they preferred to use those funds for construction.
- One LPA noted that invoices for personnel time and expenses incurred by engineering consulting firms providing services on local-let projects are not questioned by ODOT, yet LPAs have to go through significant approval requirements to receive reimbursement.
- Six LPAs noted that they had experienced difficulty in recent years working with ODOT personnel to obtain an approved fringe benefits/indirect cost rate for use on local-let projects. Three LPAs stated that their office or their financial management office are unwilling to go through the process of obtaining a rate or that their accounting systems were simply not compatible with ODOT's requirements. Three LPAs felt that the effort to obtain the necessary approvals was not worth the amount of funds that were ultimately reimbursed by ODOT.

Finance Process Online Survey Responses

Table 32: Online Survey Responses – Finance Process

	County Engineer	City/Village/ Township	Total
LPA ever denied payment due to insufficient documentation?			
• Yes (%)	19	4	13
• No (%)	81	96	87
LPA ever denied payment due to proof of local share payment issue?			
• Yes (%)	8	12	10
• No (%)	92	88	90
Note: Columns may not sum to 100 percent due to rounding.			
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Table 33: Online Survey Responses – Construction Engineering (CE) Cost Reimbursement

	County Engineer	City/Village/ Township	Total
LPA approved for direct labor cost reimbursement?			
• Yes (%)	47	31	41
• No (%)	53	69	59
If LPA not approved, reasons why agency does not seek reimbursement?			
• Currently do not track time with sufficient detail (% Yes)	45	50	47
• Currently seeking approval from ODOT (% Yes)	5	6	5
• Unable to maintain compliant time tracking system (% Yes)	25	22	24
• No need to recover direct costs for CE (% Yes)	15	22	18
• Not aware that reimbursement was possible (% Yes)	0	0	0
• Prefer to use funds for construction (% Yes)	15	61	37
• Process required for approval too cumbersome (% Yes)	75	56	66
• Process required for approval difficult to understand (% Yes)	50	28	39
If LPA is approved, encountered difficulty obtaining approval of time tracking system?			
• Yes (%)	75	38	63
• No (%)	25	63	38
If LPA is approved, ever denied reimbursement due to insufficient detail on time sheets?			
• Yes (%)	13	13	13
• No (%)	88	88	88
Note: Columns may not sum to 100 percent due to rounding.			
Source: ORITE research team analysis of survey responses from 79 Ohio local public agencies obtained between December 2017 and February 2018.			

Open-Ended Survey Responses

This section reports verbatim comments provided by LPAs in response to open-ended questions on the online survey. The type of LPA (county engineer or city/village/township) and the corresponding ODOT District is also noted with each comment. Comments have been edited to remove specific references to LPAs, LPA or ODOT personnel, spelling, or inappropriate remarks. Specific survey question responses provided in this section are as follows:

- Table 34: Please describe the main reason(s) why your agency utilizes ODOT's LPA local-let programs to construct transportation-related projects in your jurisdiction.
- Table 35: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to participate in this program.
- Table 36: Please describe the specific aspects of the ODOT LPA local-let right-of-way process requirements that you feel present the greatest challenge to efficient local-let project delivery.
- Table 37: Please describe the main differences between the right-of-way process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let right-of-way process requirements.
- Table 38: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let real estate/right-of-way process could be streamlined.
- Table 39: Please describe the specific aspects of the ODOT LPA local-let construction contract administration process requirements that you feel present the greatest challenge to efficient local-let project delivery.
- Table 40: Please describe the main differences between the construction contract administration process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let process requirements.
- Table 41: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let construction administration process could be improved.
- Table 42: Please describe the specific aspects of the ODOT LPA local-let invoicing and billing process requirements that you feel present the greatest challenge to efficient local-let project delivery.
- Table 43: Please describe the main differences between the invoicing and billing process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let process requirements.
- Table 44: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let invoicing and billing process could be streamlined.
- Table 45: Please explain any issues or difficulties you have encountered when seeking approval of your agency's time tracking system from ODOT.
- Table 46: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to claim reimbursement for direct agency costs associated with construction engineering activities on local-let projects.
- Table 47: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to claim reimbursement for fringe benefits and/or indirect agency costs associated with construction engineering activities on local-let projects.

Table 34: Open-Ended Responses – Why LPA Participates in Local-Let Process

Survey Question: Please describe the main reason(s) why your agency utilizes ODOT's LPA local-let programs to construct transportation-related projects in your jurisdiction.

LPA Type	District	Comment
County Engineer	10	1. Control Costs (From change orders, inspectors sitting on the job during non-critical work, my employees are at a lower rate than ODOT's) 2. Quality of Work (By making sure I have a quality inspector that A. Holds the line in following standards and specs. and B. takes pride in job with workmanship issues., and do not want an inspector that you will never see again. 3. Project Status - It is important to the Owner knows status of the project at all times and is in the loop on items that may be an issue.
County Engineer	7	Able to control the processes of project delivery and construction with our own staff. Less reliant on ODOT staff and ODOT timing. Better control of construction administration costs. County staff is very knowledgeable about LPA program requirements.
County Engineer	11	ADDITIONAL FUNDING
County Engineer	11	Construction is cheaper and we can get the project built as we want it done.
County Engineer	10	cost saving
County Engineer	11	Cost savings
County Engineer	6	Easier and better control over our own project.
County Engineer	8	Easier than the standard process
County Engineer	1	Funding - We do not have enough local funds to maintain the XXX miles of roads and XXX bridges we are responsible for without federal funding. However, there is heavy burden (both financial and in time) that comes with federal projects, so there are only a select few projects that are worth the funding.
County Engineer	2	funds
County Engineer	5	Gives the locals a little more control over the project. Can bid earlier.
County Engineer	5	Grant money thru CEAO
County Engineer	1	High Cost
County Engineer	2	Insufficient funding levels to maintain and improve infrastructure to a locally acceptable level.
County Engineer	1	It is the only way my agency can afford to pay for high cost projects and still maintain the majority of design input to the project
County Engineer	5	It was supposed to be easier and quicker than the traditional ODOT let process. However, we no longer use the local-let program because the process has become so burdensome that I cannot divert my limited staff to handle the volume of paperwork now required.
County Engineer	2	Largely Locally Controlled Grant program
County Engineer	3	Less headaches when local let
County Engineer	2	Leverage local funds to help meet infrastructure needs
County Engineer	11	Minor projects are more manageable and affordable as we have more control locally and this precludes much of the Government procedures and paperwork.
County Engineer	2	Money
County Engineer	11	Money is available - but we can only utilize it for the least complex projects we have due to the amount of federal requirements that need navigated, our very small staff cannot dedicate that much of our resources to one project.
County Engineer	1	More control of the project
County Engineer	1	More control over final product, more efficient inspection
County Engineer	9	Our office must acquire federal dollars to attempt to maintain the crumbling roads and bridges in the County. We choose to utilize the local-let program because it give our office control of the project as well as the project schedule. Utilizing our own personnel also cuts down on total project costs.

Survey Question: Please describe the main reason(s) why your agency utilizes ODOT's LPA local-let programs to construct transportation-related projects in your jurisdiction.

LPA Type	District	Comment
County Engineer	7	The federal and state funding is needed to complete larger road and bridge projects that would otherwise be cost prohibitive.
County Engineer	2	The federal funding allows our office to construct more projects in a given year than with local money or state money alone. With the condition or the roads and bridges in XXX County, maximizing the number of projects a year is a priority.
County Engineer	10	The funding is needed in order to complete the project. Local-let is chosen in order to maintain control/involvement in the project and keep costs lower.
County Engineer	8	The responsibility/control of the entire project stays in our local control.
County Engineer	7	To ensure inspections and quality control.
County Engineer	8	To leverage federal funding to offset the use of local funds.
County Engineer	7	To use the opportunity.
County Engineer	3	Using this program allows increases to our construction budget by accessing state and federal funds administered by ODOT but also allows us more control over the delivered project.
County Engineer	7	Utilize county specifications and less construction administration expense.
County Engineer	5	we are capable of designing and inspecting our own projects as good or if not better than ODOT
County Engineer	6	We are knowledgeable of the federally-funded requirements for project administration and using the local-let process allows us to follow our own basic project administration processes and our own staff.
County Engineer	2	We can expedite projects faster using LPA local-let compared to traditional ODOT process. We have more control on project scheduling and progress.
County Engineer	10	We can manage the financial cash flow of a project without depositing huge sums of money with ODOT at the front end. We can put a project out to bid several months before ODOT can obtain bids. WE have good working relationships with Contractors and can usually get the projects built faster, and cheaper.
County Engineer	4	We could not fund these major projects with local funds only
County Engineer	1	We feel we have more control with funding and construction inspection
County Engineer	7	We have more direct involvement in the project and more control over the end project than if the large bureaucracy that is ODOT would manage it.
County Engineer	8	We use the local-let program so that we can control the schedule, design, construction and inspection of the project. I think we have also been successful in keeping costs lower.
City/Village/Township	8	Additional funding sources to perform project are required.
City/Village/Township	8	Adequate Funding Source
City/Village/Township	4	Assist with funding
City/Village/Township	8	Because we really want the federal grant dollars, and the size and experience of our in-house staff is sufficient for ODOT to trust us managing our federally funded projects. A lesser reason is we can help control construction cost overruns by us managing it locally instead of ODOT.
City/Village/Township	2	Better Control over the project schedule. Not enough local funding.
City/Village/Township	5	Can execute projects faster. Use in-house staff for construction administration and inspection.
City/Village/Township	3	Financial support
City/Village/Township	4	For resurfacing projects - control of schedule and costs. For other projects - the co-funding.
City/Village/Township	4	Funding
City/Village/Township	11	It is a faster/quicker process ------on simple projects it is but where R/W and Environmental is involved ---NOT SO MUCH
City/Village/Township	12	It is a requirement of the federal funding source.

Survey Question: Please describe the main reason(s) why your agency utilizes ODOT's LPA local-let programs to construct transportation-related projects in your jurisdiction.

LPA Type	District	Comment
City/Village/Township	4	Local control
City/Village/Township	7	Monies. We don't have enough monies to fix our infrastructure.
City/Village/Township	7	More control over project.
City/Village/Township	8	Offsetting costs where we would not be able to do these projects with just local funds
City/Village/Township	2	Originally to be able to help streamline the process from design to construction and to be able to use local standards.
City/Village/Township	2	Required by ODOT
City/Village/Township	10	The City maintains the qualified staffing levels required to administer the local-let program. The local-let program allows the City to administer and inspect construction projects, which saves the City from paying the ODOT administration fees.
City/Village/Township	5	The City of XXX has the resources to manage the projects.
City/Village/Township	4	The City of XXX utilizes the LPA local let process as a means to effectively deliver projects with STP/LTAP funding programmed approved through our MPO There is more control over the selection of design engineer, project scope, and timing of the project letting and the selection of a consultant for project administration. We are a small city and do not have the resources to perform the design and construction admin. However, there is a P.E. on staff that allows for project oversight and control. The local-let process allows the design, construction and administration to be tailored to the City's needs, while maintaining compliance with the Federal Highway Regulations. The local-let process delivery method allows the City to have direct input to decisions made during the design, construction and administration. As a vested stakeholder, there is a direct line of communication about the project details to City Council and residents impacted by the project. The types of projects undertaken are simple, non-complex transportation projects. Traditional Let have been utilized for project with more complex design and construction sequencing.
City/Village/Township	12	The main reason is to help subsidize our construction costs.
City/Village/Township	2	To augment City of XXX Bridge Budget
City/Village/Township	7	to have control over our projects
City/Village/Township	8	To help offset large project cost with federal funds, otherwise projects would be nearly impossible to build with all local funds.
City/Village/Township	12	We have control of the project and schedule. Funding is great.
City/Village/Township	5	We have the knowledge and experience to successfully complete the project.
City/Village/Township	2	We have used the local-let process to construct projects that are too expensive to fund with just local money. Typically, larger resurfacing projects and intersection improvements.
City/Village/Township	7	We prefer to have local control over project administration and have the staff capability to complete local-let projects on time and within budget. On past ODOT-let projects, we had little control over construction change orders and contractor management, which led to significant budget over-runs.

Table 35: Open-Ended Responses – Additional Streamlining or Improvement Suggestions

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to participate in this program.

LPA Type	District	Comment
County Engineer	3	1) ODOT needs to seriously examine its staffing viz. the LPA program, both in terms of numbers of staff dedicated to the program as well as personnel turnover. 2) LPA-specific training needs to be provided on aspects of the LPA program: much of the training is geared toward consultant-prequalification in technical aspects of the project development process, as opposed to more general 'how to manage the process' geared to managing and administrating the technical aspects. 3) Changes in the LPA program need more LPA stakeholder comment/consideration. 4) Changes to the LPA program need more notice (many times, it's a change to an internal ODOT procedure that LPA's need to comply with nonetheless). 5) The ODOT LPA website needs to be completely revamped and reorganized so that essential information is easy to find, and the LPA Manual needs to be maintained in an updated condition (and Districts also need to comply with the Manual and its requirements, not abide by their own practices).
County Engineer	5	Allow locals to manage local-let projects in the same way they manage self-funded projects.
County Engineer	9	Allow locals to utilize local standards and construction monitoring techniques. Then allow locals to certify project was completed to local standards, as they are responsible and elected to do.
County Engineer	7	Allow LPA's to use local standards and eliminate documentation of materials on straight forward projects. Eliminate DBE requirements for these projects as well.
County Engineer	1	As stated earlier, have funding approved by an application process, and then turn the funds over to the LPA for administration.
County Engineer	2	As stated previously, we acknowledge that the LPA Local Let process is necessary for our agency to keep up with our infrastructure needs. The requirements of this system are substantial and constantly changing. We are dedicated to assure that we are complying with all requirements of the process. Therefore, we desire to have the guidance for this process to be as up-to-date as possible and available from a singular source. Additionally, policy made at the Federal or ODOT Central Office level needs to be better coordinated with Local LPA personnel. If we are better prepared for the requirements, it will be a better experience for all and beneficial to our residents.
County Engineer	1	Back at its beginning the local let process was very simple. As local agencies have made mistakes, each mistake results in a mandatory policy to prevent that mistake from happening again statewide and we are nearly back to the point where there is little advantage to go local let. Also as the number of federal projects has decreased due to lack of funding, it is harder to stay up on the federal requirements. More frequent projects helps.
County Engineer	7	For low value right of way acquisitions allow the county to establish value through the County Auditor's Office and allow the county Engineer to negotiate acquisition. For lower cost projects allow thresholds whereby block grants or excluded environmental consultation is needed
County Engineer	8	Go back to the way it was. Every time there was an issue with a jurisdiction the shotgun came out and punished everyone instead of the one who caused the problem.
County Engineer	7	Hold LPA days training more frequently - provide quick reference checklists for each phase of a project (LPA agreements, use of consultants, environmental, right of way, etc.)

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to participate in this program.

LPA Type	District	Comment
County Engineer	11	I guess the best thing I can give you is remember that small counties, which make up most of the state, have very small staffs frequently 2 or less people to get these projects done. In addition, those folks have to dedicate equal attention to maintenance, design, administration, assisting townships, running tax map office, equipment maintenance and purchasing needs and in house force account construction. Adding a project with many requirements to meet on top of the other duties is what keeps us from using the money. Having the money act like local money if under a certain threshold would allow us to use it to more frequently.
County Engineer	2	Less Paperwork
County Engineer	8	More LPA's will use the process when it is simple and straightforward. Counties with smaller staff have to "re-learn" on each project because they don't stay familiar the program... Allow smaller projects more flexibility with some assistance from ODOT district staff
County Engineer	2	More time efficient when requesting to use a CEAO task order to when a firm actually can start working on the project.
County Engineer	1	Move all Federal funds to State funds and allow locals to control the projects. We have an incredible amount of talent on the local level but the locals are handcuffed and managed by individuals that are not qualified to make engineering or construction decisions.
County Engineer	7	Move the project more into the local hands and let them be responsible for the project. Use OPWC as a template for this.
County Engineer	7	No additional suggestions.
County Engineer	9	One of my biggest concerns is the liability that the local inherits when being involved with local-let. This a very major problem that many local miss when they do local-let. Simply not worth the risk verses the cost savings!
County Engineer	2	Project expense is more using federal funds due to added time, documentation, processes, and project audits than with just using local funds but still allows for additional funds to meet infrastructure needs
County Engineer	7	Reduce requirements. Only do what FHWA requires and no more. Often, the problem is that ODOT's interpretation of the FHWA requirements are more cumbersome than what FHWA intended.
County Engineer	11	STARTED TO SAVE LPA TIME AND MONEY. DOES NOT MEET THIS OBJECTIVE.
County Engineer	11	The easiest way would be to pattern the program after OPWC - give us grants, and make us responsible for following the Ohio Revised Code.
County Engineer	3	This actually is a suggestion for changing the invoicing process but I could not page back in the survey: 1) Better explanations of terminology and significance of terms on the Invoice Template. We are responsible for filling the template out but have had instances where the template was not initially set up correctly by ODOT personnel and we had trouble filling it out and getting information about how to fill it out. How can we fill out a form that can't be explained to us? Now, on to suggestions to encourage more LPAs to participate (might I add - continue to participate!): 1) An ongoing relationship with an approachable ODOT District rep is extremely important. We have had a good District rep and a not so good District rep. The difference was that one felt his job was to help us through the process while the other felt it was our job to figure it out.
County Engineer	2	We have worked well with the program. As you can tell from the survey our issue is the reimbursement of in house time. The personnel in our district are great to work with.

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to participate in this program.

LPA Type	District	Comment
City/Village/Township	10	Construction inspection and TE-24 tracking requires a lot of paperwork organization, which can feel overwhelming.
City/Village/Township	2	I think the task order process would be a major benefit. Smaller local jurisdictions probably do not have the staff to allow them to administer a program and just avoid it all together because it is a great deal of work and coordination.
City/Village/Township	8	I've covered most of my detailed comments previously. In general, more support on specialty areas would be very helpful. I understand the goal of the federal transportation funding process is to ensure that the money is spent wisely and properly so we have some consistency on major roads around the country, but it seems like some of the tracking and hoops to jump through could be streamlined. Thanks for the opportunity to provide input.
City/Village/Township	2	No matter how much good faith effort it does not seem like ODOT is satisfied with the documentation for a project. No follow up feedback following reviews or audits. Negative attitude towards the locals with an assumed guilty until proven otherwise attitude. Need to provide more specific training and share other LPA "best practices" for administering a project. ODOT expects the LPA to be an expert in every aspect of a project: design, environmental, right of way, contract admin, EEO/DBE, Inspection etc. However, ODOT has individuals that their entire job is to focus on one specific area.
City/Village/Township	2	Provide more money and or reduce local match.
City/Village/Township	4	Smaller LPA may not have staff qualified. Also - if Federal Funding exceeds limits for community then single audit triggered which some finance directors may not want.
City/Village/Township	12	Working with ODOT staff is exceptional. If you cannot figure something out, they really help you. There is some conflicting language in the required ODOT specs that need to be straightened out but all in all ODOT is great to work with on LPA projects.

Table 36: Open-Ended Responses – Greatest Challenges in ROW Process

Survey Question: Please describe the specific aspects of the ODOT LPA local-let right-of-way process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
County Engineer	3	1) ODOT requires that we use their forms and their terminology. Even the wording of some letters is mandated. 2) ODOT has frequent procedural changes that prevent us from confidently proceeding, instead, we have to double check the process - even small steps like how many copies to send to who.
County Engineer	3	Acquiring r/w using federal methods is very time consuming, has delayed project delivery, and is much more expensive than acquiring r/w pursuant the Ohio Revised Code. It is typical for the r/w consultants to charge more than the amount the property owners are compensated for the r/w being acquired. compensation
County Engineer	5	Acquiring right of way for projects.
County Engineer	11	COST AND TIME
County Engineer	2	Cost to acquire vs purchase price
County Engineer	8	Environmental and right of way
County Engineer	5	Federal versus State requirements if property is less than $10,000.
County Engineer	7	For business signs on private property that must be moved by a project, ODOT will only allow us to pay a depreciated value of the sign. This is usually very little compared to the cost to the business owner of buying a new sign. We feel that this is very unfair to the business owner who was satisfied with their existing sign but now must buy a new one at this time because of our project. ODOT says this is because of FHWA requirements. When we run into this situation, it automatically results in appropriation - we can never make an offer to purchase that the owner will accept.
County Engineer	7	For low value standard highway easement acquisitions the bureaucratic and costly process that is currently required is excessively expensive and unacceptably lengthy. If the general public knew of the excessive inefficiency that is inherent in these process they would be aghast. Currently you can have acquisitions where the actual cost of the land rights acquired are 10%-20% of the total cost of the summation of the "required" "prequalified" title search, value analysis, appraisal review, negotiator etc. With no question for larger, more complex acquisitions these costlier processes are necessary but in cases where values are more modest and risks lower there has to be a way to lean this costly, cumbersome process up.
County Engineer	10	For very small projects with only temporary right of way needs, the requirements are still the same as a large scale project. There should be some type of simplified process.
County Engineer	2	Have not dealt with R/W Requirements
County Engineer	2	Have not required right-of-way in last 5 years
County Engineer	1	High Cost Requirements
County Engineer	11	I don't have enough people to do this to federal standards, so I cannot comment.
County Engineer	11	If we were allowed to contact owners directly and deal with them, the time frame and the cost would be considerably better.
County Engineer	7	It requires very high attention to detail to efficiently coordinate all of the following: making sure proposed right of way matches with construction limits and environmental constraints, obtain district right of way plan approval, record the centerline plat and associated design consultant coordination, right of way consultant selection/scoping/contracting, making sure all funding is in the needed fiscal year and quarter, securing right of way and associated funding in

Survey Question: Please describe the specific aspects of the ODOT LPA local-let right-of-way process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
		time to relocate utilities and remove protected trees in advance of construction and restricted dates.
County Engineer	5	Just takes too long. Don't think that ODOT should be negotiating costs on behalf of the locals. Pay way too much for ROW and easements.
County Engineer	7	Meeting all requirements.
County Engineer	6	Meeting the federal demands; cost reimbursements for staff time
County Engineer	9	Need to allow locals to utilize local standards to obtain right-of-way including allowing donation of an easement to use for construction. Also, existing fences and other obstructions in the right-of-way should be left to the local agency to deal with using local standards.
County Engineer	11	No consideration of parcel value vs. the cost to acquire.
County Engineer	2	No experience
County Engineer	7	Paper work and negotiations
County Engineer	10	Part ODOT process, but Mostly Dissatisfied with Federal Requirements.
County Engineer	6	Probably the main issue relates to when the real estate processes can start. We should be able to get title work and appraisals started earlier than ODOT's oversight seems to permit. Title work should be able to be done as soon as you have a general idea of the properties involved in your project; so you know exactly who should be coming to public meetings, etc. A good portion of the appraisal work can be started earlier, too.
County Engineer	1	Regarding Federally-funded LPA projects, the process is extremely cumbersome especially when vacant land is involved. The requirements for an Appraisal and Appraisal review often cost more than the land.
County Engineer	7	Requirements change often. DBE, bid templates, etc.
County Engineer	7	Review time is too long. 18 months.
County Engineer	2	The additional oversight by ODOT District personnel with various steps lead to delay and has led to extra project expense with settlement.
County Engineer	10	The last time we hired a consultant to do the R/W acquisition and compliance work it cost approximately $20,000 to acquire $1500 worth of real estate? It sometimes takes a lot of time to get it done and really extends the design & planning phase of the project.
County Engineer	2	The ODOT LPA process requires the use of individually pre-qualified personnel to perform a variety of services for any right-of-way acquisition. Large and small acquisitions are treated the same. It is not reasonable for our agency to expend $5,000 to acquire a piece of property that is worth $1,000. Additionally, our agency performs nearly all of our engineering in-house. The burden of additional time and expense associated with acquiring these services often time outweighs the value of the acquisition.
County Engineer	1	The over the top removal of all common sense from the process. The cost to prepare the paperwork is 5x the cost of obtaining the actual property or easement for small parcels.
County Engineer	1	The overall requirements are more time consuming and costly compared to following ORC 163 for local projects using local money.
County Engineer	1	The requirement of prequalified consultants generally produces expensive\non local appraisers and negotiators and often less in tune with local realities. We have seen the prequalified have half and double the local market.
County Engineer	1	Timelines of appraisal, review and acquisition processes.
County Engineer	2	Utilizing the Task Orders to cover funding for this slows down the process. It seems to take a long time to initiate and get a company on board.
County Engineer	8	We have been very happy with using the task order for the right-of-way process. The greatest challenge is the amount of time it takes to get thru the process and the costs associated with purchasing small parcels of land or R/W

Survey Question: Please describe the specific aspects of the ODOT LPA local-let right-of-way process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
County Engineer	5	We have not had to acquire right-of-way for any projects during that time period.
County Engineer	11	We have not utilized this process in the past.
County Engineer	3	We primarily use the ODOT statewide task orders for right-of-way, which results in a fairly simple process at the local level. The greatest difficulties are 1) the internal disconnect between the ODOT District's utility and R/W staff, 2) the inability of District personnel to respond to LPA questions in a timely manner, and 3) the inability of the District to process LPA plans and paperwork in a timely manner. The ODOT District is understaffed to serve ODOT's own projects and staff simple appear to have little time available to devote to LPA projects.
City/Village/Township	7	1. Lack of quick-take authority for bike & pedestrian projects (bikeways & sidewalks without a roadway construction component) granted by the State legislature. This is not necessarily ODOT's problem, but I see no effort to lobby the State legislature to address this problem. 2. Requirement to complete nearly full-scale ODOT-style right-of-way plans for minor R/W acquisitions. Requirement to hire an ODOT-approved right-of-way negotiator for acquisition when the pool of individuals throughout Ohio is fairly limited.
City/Village/Township	8	Appraisal / Appraisal review process.
City/Village/Township	2	Appraisal process requiring 2 appraisal companies.
City/Village/Township	2	Because of all the requirements, it costs around $5000 in consultant fees to acquire just a simple easement that may have a value of $500 or less.
City/Village/Township	3	communication and the ability to direct
City/Village/Township	4	Environmental Clearance
City/Village/Township	12	Most of our projects are located within the existing ROW. When it wasn't, the process was straight forward.
City/Village/Township	2	No experience
City/Village/Township	5	No Experience
City/Village/Township	4	ODOT Concurrence on ROW offers
City/Village/Township	2	One size fits all process regardless of the scope of R/W needed
City/Village/Township	7	Plan Approval
City/Village/Township	11	R/W is a delicate time consuming process ---where U are dealing with people and their personal property ---I feel the process needs to take time and I don't see any way to improve it
City/Village/Township	2	Right of Way is handled through the City's Real Estate Department
City/Village/Township	8	ROW acquisitions have gone well over the past few years. No issues.
City/Village/Township	4	RR Interface; timeliness of that
City/Village/Township	8	The cost, paperwork, and time associated with temporary takes. Getting a full legal description, drawing, appraisal, and negotiations for grading of soil or driveways is incredibly cumbersome and costly. We end up paying thousands of dollars to pay the property owner $300. Also, the cost for consultant real estate services to create all these documents and manage the process is a large cost impact. It makes sense to me for permanent takes, but not temporary.
City/Village/Township	8	The environmental process is expensive and takes a lot of time to complete.
City/Village/Township	10	The time required to complete the right-of-way process is challenging. The cost of the right-of-way consultant is very expensive.
City/Village/Township	12	The tracking system that is required for the acquisition monitoring.
City/Village/Township	12	We have not done any right-of-way.
City/Village/Township	8	When federal funds are used to acquire right of way, the takes have to been warranty deed, which required property splits/subdivision replats.

Table 37: Open-Ended Responses – Differences between ODOT and Local ROW Process

Survey Question: Please describe the main differences between the right-of-way process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let right-of-way process requirements.

LPA Type	District	Comment
County Engineer	3	1) We do not write a negotiation summary. 2) Appraisal review is performed in house by the County Engineer, not by an ODOT qualified reviewer. 3) We simplify the entire process with less paperwork.
County Engineer	2	Acquisitions performed for locally funded project are performed based on the requirements of the Ohio Revised Code. These requirements are far less stringent than the ODOT LPA requirements and allows us to keep this work in-house. Additionally, our resident are typically more comfortable discussing right-of-way acquisition with their local agency personnel.
County Engineer	4	Agency acquires all right-of -way before application for funding
County Engineer	9	All right-of-way would be donated rather than using vital dollars for construction on purchasing right-of-way.
County Engineer	11	COST AND TIME
County Engineer	10	Counties have a simple right of way agreement for that we are able to sign with landowners and bypass the whole right of way process for small/temporary projects that are not ODOT/FED funded.
County Engineer	8	Go out and get right of way, much donate. LPA you have to follow federal process which costs time and money.
County Engineer	1	Instead of market value, on bridge replacements we offer a standard $250 per landowner. This basically covers their time for the hassle of meeting with our personnel, and for signing off on the easement.
County Engineer	2	It is more consistent when our agency uses 100% local funds. Whether or office performs or a consultant is hired, they are more familiar with the area and projects that we perform.
County Engineer	11	It seems much easier to deal directly with landowners for R/W acquisition and negotiate prices than to follow the ODOT process. It is a lot less involved and less time consuming.
County Engineer	7	Keeping in mind that all acquisitions are noncomplex and modest. Our Office determines value. There is no title work done for a standard highway easement. Our office contacts owners makes fair market offers and negotiates acquisitions.
County Engineer	2	Landowners are actively engaged in the process. Donations are made regularly and no other requirements are necessary. These projects are mutually beneficial.
County Engineer	7	Less paperwork and formality
County Engineer	5	Local - survey $5000, appraisal services < $1000, in house doc prep < $500, offer < $3000 LPA - survey $5000, appraisal services < $25,000, offer < $3000
County Engineer	10	Local Process - Use Work Agreement when off right of way where the property owner gives county permission to be on their property for a certain task and for a certain period of time and county agrees to any damages. Engineer's Office meets with property owner showing them what/how much we need, most owners donate the property due to benefit to them and neighbors, others ask for an amount the Engineer's Office agrees or we seldom use local appraisers.
County Engineer	7	Much more difficult with ODOT requirements.
County Engineer	3	On locally-funded projects, we perform in-house appraisals of the r/w to be acquired and present our offer directly to the owner. Usually, r/w acquisition takes about 2 weeks from start to finish on our projects. The ODOT projects, involving federal funding, require hiring consultants to perform the appraisals and negotiations. The process is extremely expensive, takes months to complete, and usually have less informed owners that are upset with the project. I am extremely dissatisfied with the required methods to acquire r/w when federal dollars are involved. It is a disservice to the taxpayers because of the extra costs and the unnecessary delays. I have a bridge

Survey Question: Please describe the main differences between the right-of-way process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let right-of-way process requirements.

LPA Type	District	Comment
		replacement project currently under design that we are using a design exception for the width of the structure because of the delay that would be caused to acquire the r/w using the federal method. So r/w acquisition drove the design of the bridge from a 30' width to a 24' width.
County Engineer	10	Our process is greatly simplified. For smaller acquisitions, we simply look at land values on the Auditor's website and make an offer ourselves, and negotiate ourselves. Often times we get a "right-of-entry" as a temporary easement and pay nothing to the landowner.
County Engineer	1	The primary difference is that we approach and negotiate directly with the land owner. Utilizing an out of town negotiator that does not have a personal relationship or vested interest in the project makes the land owner feel uneasy about the entire process.
County Engineer	7	The start of the local right of way process is not tied to environmental clearance. Due to size of the projects, the LPA process typically requires the use of right of way consultants. This can be intimidating to some owners when the public agency is not dealing with the owner directly. The local process typically acquires standard highway easements and avoids formal closings.
County Engineer	5	There is not supposed to be a difference once the project is scoped.
County Engineer	3	Using federal funds = complying with state AND federal laws = more stringent, more hoops to jump through. Using local only funds = complying with state laws ONLY = less stringent, fewer hoops to jump through.
County Engineer	1	Usually we do a search of similar sales to determine a per acre price and do not do an official appraisal nor a review appraisal. We are able to contact the landowner directly without having a fully ODOT certified person on staff or hiring a consultant. When we acquire locally, it feels like the landowner is part of the project and it is a mutual agreement rather than the ODOT process feels like more of a taking of their land.
County Engineer	11	We almost always get use of right-of-way donated by convincing the owners that the project is needed. We sometimes "make a trade" such as agreeing to cut down a tree, or gravel a drive, to get use of right-of-way
County Engineer	11	We can approach the owner and ask for a right of entry at no cost. We are usually successful.
County Engineer	1	We determine a standard price/acre to offer land owners by taking typical prices, then rounding and increasing the price/acre to reasonable thousand dollar amount before offering it to the landowner. Typically, farmers want to sell us the entire farm for the price/acre we are offering. This makes the transaction proceed very smoothly.
County Engineer	1	We do all the steps internally for our local process, appraisal, title and negotiations. We have not\cannot justify the time and training required to be certified by ODOT for the small number of federal projects we have and have to use expensive\non local consultants
County Engineer	6	We do our own research and easement/right of way documents. We meet with a property owner, come to agreement on payment (if any, typically not) and they sign. Federal process is a little different....
County Engineer	8	We follow ORC on locally-funded projects and are able to obtain permission much quicker and at a lower cost.
County Engineer	7	We follow the process in the Ohio Revised Code for 100% local projects. The main difference with the ODOT process is that ODOT requires a review appraisal, but the ORC does not. Our Real Estate Manager is ODOT pre-qualified for negotiations and title reports. We outsource the appraisals. We use appraisals for all projects, even locally funded projects, because an appraisal is necessary (by ORC) if we must appropriate property or an easement.

Survey Question: Please describe the main differences between the right-of-way process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let right-of-way process requirements.

LPA Type	District	Comment
County Engineer	2	We generally only need small strips of land - not large takes. We just meet with landowners after making a fair offer based on Auditor's Office appraised land value. Local R/W process uses less paperwork and time even though we don't have personal experience with ODOT R/W process.
County Engineer	5	We have not had to acquire right-of-way for any projects during that time period
County Engineer	11	We typically can handle everything with a one page work agreement with the property owner that details what we are doing, how we'll restore their property, etc. If we need additional right of way, we can typically get the property owners to donate the little that is needed, but this has only been done here for bridge/culvert projects.
County Engineer	2	We typically follow the ODOT right of way process (without ODOT involvement) for our local acquisitions
County Engineer	1	We use common sense, plain and simple. We understand that we are farther ahead to offer the owner a larger amount of money and deal directly with them as opposed to wasting the money in preparing the endless amounts of paperwork that is required through the ODOT process. The ODOT process will cost at a minimum $2,000 per parcel regardless of the parcel value. The ODOT process will take months and cost you $2,400 for a simple $400 easement or parcel. I can sit down and explain this to the owner, offer them $1,000 and they just received 250% more money and the County just saved $1,400. Everyone is happy.
County Engineer	2	We will follow guidance of orc
County Engineer	7	We work with the landowners to develop and acceptable easement and they usually donate the easement.
County Engineer	6	We would typically not do the "reviews" on much of the real estate administration.
County Engineer	5	We would work off of local tax records for value, contact the owners and then negotiate cost or other items that may offset cost that we can due during construction. When owners deal with locals, they feel that we are making improvements and it will benefit them or the county so they don't ask for too much in return. When ODOT works with owners the mindset is that it is state money and they will try and get as much as they can.
City/Village/Township	8	Acquire in easement vs warranty deed and also do not perform full appraisals on local projects, just use auditor data and also previous history to determine easement amounts.
City/Village/Township	2	Appraisal process and time frame.
City/Village/Township	2	Appraisal reviews, length of time needed for ODOT's review
City/Village/Township	2	City's Real Estate Department handles the right of way for our projects.
City/Village/Township	4	Less paperwork
City/Village/Township	4	Level of concurrences
City/Village/Township	8	Locally funded projects are completed much quicker when we don't have to get approvals at every step of a project.
City/Village/Township	7	Much less paperwork and local does not cost as much.
City/Village/Township	12	Not much different. Again our projects are within existing ROW.
City/Village/Township	8	On 100% local projects we utilize work agreements instead of temporary takes. There is no money involved and only one legal document. That legal document can describe the anticipated impacts, give a conservative distance onto the property that the work would be allowed (or estimated) to be performed within, and commit the local government to restoring the private property to its prior condition. I think ODOT and federally funded projects could utilize these type of work agreements as a first step in a temporary take process. Almost like a glorified Parcel Impact Note. Then if there is any impact that could be monetary (tree cut down, fence removed, etc.) or the property owner is non-responsive hinting that eminent domain might be needed, that property would revert to the Temporary Take process. Otherwise, all parties signing of on the

Survey Question: Please describe the main differences between the right-of-way process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let right-of-way process requirements.

LPA Type	District	Comment
		glorified PIN would be sufficient. My general request is that we have a simpler process for the simple properties, which are the majority.
City/Village/Township	10	On 100% locally-funded projects City representatives often meet directly with the property owner. Removing the R/W consultant from the process saves money and usually time. The City only meets with property owners when the project is simple, however.
City/Village/Township	7	Paper work is less and speed is a lot faster on a 100% local project.
City/Village/Township	8	Same
City/Village/Township	7	Simple survey documents (R/W dedication plats) are permitted by our County Engineer and County Recorder for all R/W dedications. ODOT typically has not permitted these for R/W acquisitions and instead require full-scale R/W plans prepared in the standard ODOT format, which is far more time consuming and costly for locals, especially on smaller-scale projects. Negotiations with property owners on 100% locally-funded projects are handled by Professional Engineers on our staff, with assistance from our Law Department.
City/Village/Township	3	Somewhat painful, because we are a village we struggle to receive funding from the State.
City/Village/Township	4	The City typically does not get involved in right-of-way acquisition on 100% locally funded projects. FHA funds will be sought if a project involves ROW.
City/Village/Township	11	we have always followed the Federal Process
City/Village/Township	2	We use a very similar process for any major right of way acquisition. However for a smaller easement the City will handle the acquisition with in-house staff
City/Village/Township	8	We use the ODOT process for local as well.
City/Village/Township	4	We use work right agreements for temporary and drive impacts. We have negotiated cost - which usually is higher than ODOT price but less than actual cost of right of way process/consultant/appraisal fees.

Table 38: Open-Ended Responses – Additional Comments on ROW Process

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let real estate/right-of-way process could be streamlined.

LPA Type	District	Comment
County Engineer	2	Allow local Title Companies to do necessary work.
County Engineer	8	Allow locals to negotiate locally first with property owners and only go thru the full process on properties that they are unable to come to an agreement on.
County Engineer	1	Allow the LPA to procure the RW utilizing the local process following the ORC when no Federal Funds are utilized in the acquisition of the property.
County Engineer	5	Allow the use of Work Agreements rather than right-of-way acquisition, especially for temporary construction easements and slope easements.
County Engineer	1	Eliminate the rules currently in place, and allow local negotiations to take place. If an impasse is reached with a landowner, then a real estate specialist can be called in. Normally in our rural county, the landowners are cooperative.
County Engineer	7	I did not check any above items for training because the value analysis process is far more costly and bureaucratic than is necessary. There has to be provisions under the law whereby for lower value parcels counties can determine fair market value through the County Auditor's Office. A review appraisal requirement is superfluous, costly and unneeded. The County Engineer should be able to negotiate these low value acquisitions.
County Engineer	11	I don't have enough people to do this to federal standards, so I cannot comment.
County Engineer	10	If we are going to negotiate with FHWA on a process, why don't we ask them on all real estate including low valued property to allow us the ability to 1. secure ourselves or 2. Use local real estate agents. Also, to value or appraisal1. In house or 2. Use local real estate appraisals.
County Engineer	11	If we have to follow Fed/ODOT rules, we do not want to be involved.
County Engineer	2	It would be beneficial to scale down required services for acquisition even further than stated above. Is it really necessary to include items such as Right-of-Way Project Management when acquiring a 100' x 10' strip of waste property in a flood plain for a bridge replacement project?
County Engineer	5	Just allow us to quit claim property on local roads and let the owner of the property donate it.
County Engineer	2	Less Paperwork
County Engineer	1	Let the local secure all R/W and certify it themselves. Provide to ODOT a simple summary showing that R/W has been cleared. After all counties have engineers, surveyors and prosecutors who are more than capable of handling these tasks without someone holding our hand.
County Engineer	3	Most all of our r/w acquisition is for bottom land at a bridge or culvert. Typically, we purchase the r/w for $500-$1500 depending on the size of the take. The current process is set up to address projects on a much bigger scale than we do. It would be a welcomed relief if there was a simplified process for acquiring r/w on projects of our size. Currently, we may spend $6000-$8000 on consultant fees to acquire $2000 worth of r/w. To me, that is a flawed system.
County Engineer	5	Need better communication with locals for the current process. Many times we know ODOT is working on ROW, but the locals have no idea what is happening or what costs are being negotiated.
County Engineer	2	Our office would be willing to perform more of the simplified RW tasks, but it largely depends on what prequalification would be necessary to perform the above tasks.
County Engineer	1	Recognition of local abilities without the requirement for excessive training
County Engineer	9	Support legislation that would allow local standards to be utilized for right-of-way acquisition on local projects that include State funds.

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let real estate/right-of-way process could be streamlined.

LPA Type	District	Comment
County Engineer	6	The process is what it is. I am not sure w federal requirements being what they are, if it is possible. Just too many hoops to jump through. Hoops take time...
County Engineer	2	There seems to be a "secret" process to allow LPA personnel to become right of way project managers despite the employees FHWA project right of way experience and completion of classes offered by ODOT. Develop a reasonable defined methodology to obtain status.
County Engineer	7	There should be a better, cheaper method for acquiring temporary easements. Typically, we pay the consultant more money to acquire the temporary easement than we pay to the land owner for granting the easement.
County Engineer	11	USE STATE LAW
County Engineer	2	We don't use the ODOT R/W process. Projects that require a significant amount of R/W are not submitted for federal funding - we submit the straight forward projects so the funding is primarily used for construction.
County Engineer	7	We have a good group of Real Estate people to work with in our ODOT District. That is the biggest aid to the County.
County Engineer	3	We have doubts about ODOT's ability to streamline anything that allows the LPA's to take more ownership of project processes, particularly with something as legally-entangling as right-of-way acquisition. ODOT's incredibly botched rollout of their CMS 611 drainage specification a few years ago-which was supposed to make inspection of drainage construction simpler-is a perfect example. Frankly, much of the problem simply lies with ODOT devoting too few staff resources to the LPA program, and internal ODOT communication issues, both within District and between District offices and Central Office.
City/Village/Township	2	Expedite the appraisal process by using only one appraiser verses" getting a 2nd opinion on the first appraisal.
City/Village/Township	3	it is a good process
City/Village/Township	10	It would be helpful to be able to start the right-of-way process before the environmental document is fully cleared.
City/Village/Township	7	Lobby the State Legislature to change the eminent domain law to allow for quick-take on bikeway and sidewalk projects without a roadway component. This would greatly accelerate the time to construction for these types of projects without the threat of the project being held hostage by an uncooperative property owner. It would also be in line with the Complete Streets and Transportation Alternatives movements that have gained strength within the last 3-5 years.
City/Village/Township	4	More often than not if the local has to take on additional work; it usually means additional cost to the Local. When you are a Non-MPO and have a smaller budget with decreased revenue over the last several years; it is difficult to do.
City/Village/Township	4	Not enough experience in right-of-way during the LPA project undertaken by the city to offer comments or suggestions
City/Village/Township	8	Please see my comments on the previous page. The question above about performing some right-of-way functions in-house is likely very dependent on size of the local municipality. With 1-3 local let projects per year with not all containing right-of-way work, XXX would be unlikely to have enough work to maintain the skills of an in-house employee. It may make sense for a larger city like Dayton or Columbus. For more specialized work areas in the project development process like Environmental, Right-of-Way, and even Construction Inspection, I think locals would be money ahead if they jointly funded a regional public employee group to handle these pieces for multiple member jurisdictions. Whether it becomes a department of a local MPO, a council of governments, or even adding additional ODOT District staff, it seems like it would be more efficient for all. Smaller local governments a low number of

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let real estate/right-of-way process could be streamlined.

LPA Type	District	Comment
		employees who must wear many hats. The human brain can only be efficient at so many tasks. And the knowledge of specific detail needed to manage these portions of ODOT and FHWA projects is immense. Locals get frustrated trying to remember all the pieces, even after training, and ODOT District personnel also get frustrated with the locals messing it up all the time. I would think XXX and many other jurisdictions in the Dayton region would be happy to pay a little more in dues to MVRPC for them to add Environmental, Real Estate, and Construction Inspection staff for Federally funded projects. So XXX could need services in 2017, but not in 2018. And Miamisburg might need services in 2018, but not in 2017. Instead of both needing expertise on staff for part-time need or over-paying a consultant, they could share the staff at MVRPC that they both pay for at a reasonable price.
City/Village/Township	11	We are dealing with people ----and their private property --80% of the time for locals (LPA) the process works. The other 20% u cannot plan for. The process works it just take time
City/Village/Township	2	We have an internal Real Estate Department that does much of the work and hires out appraisals and Title Research

Table 39: Open-Ended Responses – Greatest Challenges in Contract Administration Process

Survey Question: Please describe the specific aspects of the ODOT LPA local-let construction contract administration process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
County Engineer	3	1) Level of documentation required is high. 2) ODOT adherence to letter of contract vs intent of contract complicates making construction adjustments. 3) Multiple reviews of construction process and delivered product. 4) 104.02 adjustment requirement and process is confusing and time consuming.
County Engineer	5	All the additional paperwork. If the project is being inspected, I feel that the contractor should be able to submit an agreed upon pay estimate and we confirm that the work was completed in accordance with the contract.....we pay the contractor and move on. The paperwork that is required for work, subcontractors, DBE's, copies of canceled checks, etc. does nothing to add to the quality of the project. Professional Engineers should have more control and authority over the project and not have to present a piece of paper for every little part of the project. Engineering judgement should have more weight. At this point I feel we have taken all authority to run an efficient project away from the engineers. I build projects with local money at half to one third the cost of ODOT projects. I feel a good set of contract documents goes a long way to insure projects are constructed properly. The entire state of Ohio should not have to be penalized for a couple of locals that are not doing thing correctly.....focus on fixing the problem not making blanket rules and regulations that cause more work and cost more money for everyone.
County Engineer	9	Allow local jurisdiction to certify that the project was completed to local standards without completing burdensome paperwork.
County Engineer	1	Always changing standards, contract requirements, environmental requirements and timelines.
County Engineer	7	Audits and monitors of project prior to any auditors visit.
County Engineer	1	Compared to OPWC, the LPA process is extremely cumbersome. We do it rarely enough that I'm in constant fear of missing a step or form, which could lead to loss of funds.
County Engineer	1	Constantly changing requirements after the project has been awarded. Confusion of the ODOT District staff as to the changes and how they relate and /or conflict to the LPA's requirements of the County Auditor and County Contracting procedure. Post Project Audit when ODOT District has reviewed and approved all aspects of the project is cumbersome. Information should be gathered at District Level first then supplemented with the LPA documentation.
County Engineer	2	Contract Admin is OK
County Engineer	11	DBE goals
County Engineer	6	DBE requirements
County Engineer	10	District XX - specifically XXX - has been exceptional in assisting on all of our projects with them.
County Engineer	2	Environmental requirements on resurfacing projects consume a disproportionate amount of time.
County Engineer	5	Full time construction inspection staffing, voluminous paperwork, employee time reporting.
County Engineer	5	None, we mimic the odot process. If you are going to play, you have to know the rules
County Engineer	3	ODOT changes specifications in the CMS with 1) little effort expended in thinking about possible unintended consequences, 2) not involving stakeholders (other than ODOT and contractors/suppliers), 3) insufficient notice and training to non-ODOT personnel. The rollout of CMS 611 is a prime example. However,

Survey Question: Please describe the specific aspects of the ODOT LPA local-let construction contract administration process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
		SS 832 also has had issues. There is a breakdown in the trust relationship between LPA's and ODOT. ODOT essentially has the attitude that LPA's do not know what they are doing and can't be trusted to make correct decisions in the field. We have seen a trend of ODOT personnel unable to step outside the 'box' of ODOT policies and procedures and problem-solve situations the way many LPA's do.
County Engineer	6	Pbom
County Engineer	8	Plan review
County Engineer	4	Prevailing Wage reporting and data collection requirements. Local agencies verification of inspector's time and cost.
County Engineer	2	Requirements associated with the overall process have been changing rapidly over the past few years. We have found it very challenging to meet requirement of which we may not be aware. The department has been very slow in updating LPA guidance but that does not stop them from initiating new requirements. We have always endeavored to comply with requirements but it is hard to hit a target you can't see.
County Engineer	7	satisfying the requirements
County Engineer	11	Some of the documentation (materials acceptance, written field reports) is cumbersome.
County Engineer	7	Specifications and requirements change often. Allow counties to use
County Engineer	11	The amount of time involved.
County Engineer	7	The DBE goal requirement adds inefficiencies; confusion on prevailing wage as it relates to trucking/hauling, etc., can add inefficiencies; tracking quantities for multiple funding sources both in design and construction adds to inefficiencies;
County Engineer	1	The DBE process and requirements are ridiculous and destroy the spirt of each and every construction project. This single aspect of each and every project is a complete waste of money and a plain and simple fleecing of the transportation funding system. Office of Diversity and Inclusion should be shuttered and these lobby imposed sanctions should be removed if you are interested in building quality projects at the best price. These lobby imposed sanctions drive the cost of every single job up and time after time result in inferior work/materials at an inflated cost to the public.
County Engineer	7	The greatest challenge is in the DBE requirements. There are not enough DBE subcontractors to perform the work, in this area of the state, to meet ODOT goals. There is also a problem with getting quality work from some DBE subcontractors. Change orders during construction can wreak havoc on the DBE percentage, especially if any of the DBE committed work is non-performed. Additive change orders increase the cost of the project and can require the prime contractor to find additional DBE work.
County Engineer	1	The level of documentation and file management is time consuming.
County Engineer	7	The scheduled review times.
County Engineer	8	The time-keeping and paperwork seem excessive on certain projects.
County Engineer	11	TIME
County Engineer	7	We are not a little ODOT. Our contract management processes are more simplified and should not be forced in that box. Being able to utilize the portions of the CMS that are applicable and beneficial are good but there should be more flexibility provided to deviate as circumstances merit.
County Engineer	2	We feel that the District construction contract portion is handled very well.
City/Village/Township	2	Better communication with district offices.
City/Village/Township	12	Certified Payroll and DBE requirements.
City/Village/Township	4	Change Order Processing

Survey Question: Please describe the specific aspects of the ODOT LPA local-let construction contract administration process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
City/Village/Township	2	DBE processes. ODOT has recently revised the process where ODOT will approve contractor's DBE submittals
City/Village/Township	10	Ensuring the Contractor submits the TE-24's can be time consuming.
City/Village/Township	5	Excessive documentation of inspection, certification materials, number of contractor personnel and equipment on-site, etc.
City/Village/Township	5	I believe the biggest challenge is to keep up with all the federal rules that are in place that we must follow to complete the project.
City/Village/Township	8	It is not too hard on us because it is similar to our local process and we do it every year. Staff doesn't have to relearn the specifics.
City/Village/Township	2	Materials management documentation. Change Order Approval
City/Village/Township	11	My staff is small and the RFP Quality Based selection process to prepare, review and select a CE consultant takes up a lot of time.
City/Village/Township	4	Nothing that really impacts project delivery, just that the documentation of construction activities require a great attention to detail. Consultant delivers a project manual to allow for the potential audit and review by ODOT/FHWA
City/Village/Township	2	ODOT should take back the administration of these projects
City/Village/Township	12	Paperwork.
City/Village/Township	7	Project bill of materials spreadsheet
City/Village/Township	5	Reimbursement of inspection and administration costs
City/Village/Township	12	Remembering all the steps required can be somewhat challenging.
City/Village/Township	8	Review times have been issues with DBEs. Under the new process, we have been able to award quicker.
City/Village/Township	7	The materials management process required by ODOT can be cumbersome at times. We recently purchased construction management computer software that assists with this effort, but many locals are not in a financial position to be able to afford expensive software.
City/Village/Township	8	The pre-approval of DBE contractors.
City/Village/Township	8	Timeline to get the PS&E package thru central office.
City/Village/Township	7	Tracking each line item along w/ ODOT approved suppliers

Table 40: Open-Ended Responses – Differences between ODOT and Local Contract Administration Process

Survey Question: Please describe the main differences between the construction contract administration process your agency might use on a 100% locally-funded project and the ODOT LPA local-let process requirements.

LPA Type	District	Comment
County Engineer	1	%hassle: local=10, fed=90
County Engineer	11	Because ODOT has so many staff each with a "piece of the puzzle" to attend to, the documentation and paperwork are way more extensive than local funding which is completed using a very small group of folks with multiple responsibilities which greatly simplifies things.
County Engineer	5	Contracts don't include the federal boiler plate language. We hold retainage on local funded projects. We use common sense when considering change orders and don't have some complicated system for items that may not have been included in the original bid.
County Engineer	7	Documentation of approved materials, we know plants in the area are certified.
County Engineer	4	Documentation of inspector's time and pay is not required on locally-funded projects. Payment process on locally-funded projects is simplified and less cumbersome
County Engineer	8	Faster plan preparation, quicker to construction
County Engineer	7	greatly simplified with local-let
County Engineer	9	Less paperwork. Finished product in the field is more important than paperwork in office.
County Engineer	7	Less testing and inspection, less paperwork
County Engineer	1	Locally all materials and quantities are checked and approved but this process seems overwhelming using the ODOT method.
County Engineer	3	Locally-funded projects are much quicker.
County Engineer	2	More documentation. I am not against this.
County Engineer	1	Mostly meeting the federal DBE requirements. Some differences in material documentation and testing. We generally use the same suppliers but don't track all the paperwork. We generally make decisions on risk, federal jobs document everything!
County Engineer	7	No DBE goal on locally-funded projects; advertise for two weeks instead of three (depending on size of project);
County Engineer	11	Not a great difference between local-funded and the LPA process - the big thing is that we document everything on an LPA project. We may rely on verbal agreements more on local financed projects.
County Engineer	2	ODOT has an insert on the contract that we use. That's the main difference
County Engineer	3	ODOT's documentation requirements for construction inspection are involved and complicated, particularly related for change orders and force account work. Changes often require ODOT concurrence, and ODOT staff can be difficult or impossible to reach in a timely manner. We are able to maintain simpler documentation and follow simpler procedures when only local personnel are involved.
County Engineer	7	On our own projects we do not do material certifications. We do not do a PBOM--no value. Our project diaries are far simpler and more streamlined.
County Engineer	2	One of the big differences is the lack of mandatory DBE involvement in our projects. We always encourage the inclusion of qualified DBE firms in the development of our projects but do not seek out or specify minimum % involvement for locally funded projects.
County Engineer	6	Plan / bid package review and approval process through ODOT & FHWA
County Engineer	1	Pre-qualification requirements, DBE requirements, PBOM requirements, inspection requirements

Survey Question: Please describe the main differences between the construction contract administration process your agency might use on a 100% locally-funded project and the ODOT LPA local-let process requirements.

LPA Type	District	Comment
County Engineer	8	The amount of time spent on the construction site are about the same. Time spent documenting for an LPA local-let is more.
County Engineer	10	The biggest difference is getting Contractor's paid in a timely manner. We have to pay the Contractor first- then supply a copy of the check to ODOT- before ODOT will begin the payment process. This can delay payment to the Contractor for about 2 weeks minimum.
County Engineer	11	The many requirements of the ODOT process
County Engineer	2	There are very few differences. The main difference may be the level of paperwork.
County Engineer	1	There is no review or concurrence by ODOT District and State Level making the Bid letting to Construction much faster.
County Engineer	7	There is very little difference in construction administration between the two processes. We use a construction management application called APPIA for both.
County Engineer	5	This is a loaded gun, this cannot be answered in this short of time
County Engineer	11	TIME
County Engineer	1	We are interested in getting the best job for the money in our budget instead of spending extra money and getting nothing to show for it.
County Engineer	3	We do all the steps ODOT requires, we simply do them less formally or only under certain circumstances. For instance, we would consider a verbal request by the contractor to be paid additional money for doing unforeseen additional work sufficient notice to do additional work. Also, as long as cost for construction remains under the contract amount we do not issue change orders.
County Engineer	6	We don't require certifications for materials and don't track the quantities the same way.
County Engineer	2	We follow the same practices but our turnaround time is much shorter since it is kept local.
County Engineer	5	We inspect as needed depending upon the activities taking place, and minimal paperwork.
County Engineer	7	We would not set such long review time restrictions on projects. This unnecessarily extend the project delay.
City/Village/Township	4	C-92 and documentation a little more intensive on ODOT projects. We still have submittals and material testing on local projects but not to the same level.
City/Village/Township	4	Change Order Processing
City/Village/Township	10	During 100% locally-funded projects, the City relies less on the ODOT QPL and approved list and evaluates submittals internally for compliance.
City/Village/Township	12	Engineering
City/Village/Township	7	Far less paperwork, time-keeping, and inspection requirements for 100% locally-funded projects when compared to LPA local-let requirements. We still end up with the same quality product at the end of a project, whether it's 100% locally-funded or Federally funded, which brings into question the value of the ODOT requirements.
City/Village/Township	8	It is the same except for DBE items.
City/Village/Township	2	Less documentation required for the material management. We require shop drawings for approval but do not have all of the QPL and TE-24 requirements.
City/Village/Township	5	Less paperwork, documentation, etc.
City/Village/Township	2	LPA projects take 25% to 50% longer
City/Village/Township	8	No plan package approval with local projects, can be sold and awarded contract normally within a week of one another depending on when local government meets.
City/Village/Township	7	No tracking of suppliers/materials or DBE
City/Village/Township	12	Not as many submittals.

Survey Question: Please describe the main differences between the construction contract administration process your agency might use on a 100% locally-funded project and the ODOT LPA local-let process requirements.

LPA Type	District	Comment
City/Village/Township	11	Quicker selection ---------the QBS process takes up to much time for my small staff
City/Village/Township	2	Safety & Service Director can expend up to $50,000.00 without Council approval for very small projects. (i.e. mill & fill project). Advertisement of project, reimbursement schedule and close out of said project.
City/Village/Township	4	The 100% locally-funded projects will have construction administration performed by city inspectors
City/Village/Township	8	The main difference is we don't have DBE goals. We are also able to track quantities more efficiently and pay contractors faster because we don't have to track quantity splits and fill out paperwork for different funding sources.
City/Village/Township	5	There is much more documentation required on the ODOT local let process.
City/Village/Township	12	We do not require DBE.
City/Village/Township	2	With an LPA project ODOT reimbursement requires submittals to ODOT and coordination with the ODOT Project Engineer. These additional steps are not required for a Locally let Project

Table 41: Open-Ended Responses – Additional Comments on Contract Administration Process

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let construction administration process could be improved.

LPA Type	District	Comment
County Engineer	3	1) Having one contact at the district to whom we would submit all paperwork to be routed to the appropriate offices/individuals would alleviate the run-around we do to figure out who to submit things to. 2) Allowing final inspections to be performed by any P.E. would alleviate the bottleneck we experience at the end of the project waiting for an ODOT final inspection that holds up final payment to the contractor.
County Engineer	7	Again for smaller projects relieve the responsibility for materials certification, PBOM preparation and diary management. Prevailing wages would just need to be collected and filed.
County Engineer	3	Again, ODOT staff are hard-pressed to monitor ODOT construction projects, much less devote time to the LPA program. ODOT construction monitors usually have too many projects to monitor, too much paperwork to do, etc.
County Engineer	5	Allow the locals to manage construction contract administration in the same manner they do when self-funded.
County Engineer	2	Although our office has not had experience, other counties have shared stories about how difficult it was to become approved to get reimbursed for county personnel time on a construction project. Our county would have trouble meeting some of the accounting and time sheet requirements.
County Engineer	8	As long as the feds are calling the shots, the process will not change. You need to get the money in the hands of the state and get the federal government out of the process as much as possible. The exchange program that is used on bridges is a good example of getting the money in the states hands and getting rid of some of the federal red tape.
County Engineer	7	Consider use of a standard software package that can store and track all project documentation, track DBE goals, track wage compliance, materials, etc. The program would be viewable by all ODOT and LPA personnel.
County Engineer	1	Develop a Web based Project/Construction management software that is easy to use and contains all the requirements for a project.
County Engineer	11	Elimination of unnecessary or superfluous requirements
County Engineer	1	Give the funds to the locals and let them administer their own projects without having to jump through all the hoops
County Engineer	11	If the current audit requirements stay in place, there may not be a lot of potential changes. We have an eye toward audit with every step on an LPA project.
County Engineer	9	Less emphasis on paperwork and ODOT standards, especially on State funded projects. Allow locals to utilize local standards to cut costs and allow grant dollars to go further on construction projects.
County Engineer	2	Less Paperwork
County Engineer	5	Let federal money go directly to the locals without oversight from ODOT. We all pay taxes and do not get to see how the feds are using our money. Yet, part of our money comes back to us and we have to jump thru the hoops to spend it
County Engineer	2	More realistic requirements for Environmental and ROW Approvals
County Engineer	6	Overall the district is extremely helpful with this. Hesitant to change it.
County Engineer	11	Put it in to play only on projects above $5 million dollars. Honestly, this is the best of the LPA processes in my opinion and even though it is cumbersome for a small local to do to federal requirements, it is way easier for me to do contract admin than say row or environmental processes - those have reached the point of ridiculousness.

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let construction administration process could be improved.

LPA Type	District	Comment
County Engineer	1	Relax documentation requirements on small material quantities.
County Engineer	11	SIMPLIFY FOR SMALLER PROJECTS
County Engineer	2	Streamline the environmental clearance on projects that would qualify such as paving.
County Engineer	2	Though some of the requirements are a bit of a burden, have no significant issues with the process. More opportunities to be aware of specific process requirements would be beneficial. Updating of the LPA Guidance documents would be a good start.
County Engineer	7	Typically we are bidding smaller resurfacing projects which cost a few thousand dollars. Eliminate the DBE requirement for these smaller projects.
County Engineer	7	We are pleased with the level of support from the ODOT construction staff.
County Engineer	10	We just became prequalified to administer ODOT LPA Projects one year ago- and have only done one project with 3 landslide locations. We are currently training an 'in-house" inspector and using the services of a retired ODOT inspector to train our inspector.
City/Village/Township	2	Better Communication between district staff and LPA
City/Village/Township	2	Have not been satisfied with the training and expertise of consultants that are available to handle LPA Projects.
City/Village/Township	12	Only when our engineer designs project. ODOT requires third person
City/Village/Township	8	Shorten timeline to get PS&E package approved
City/Village/Township	4	The ODOT local-let delivery method has been an effective method to complete projects. There is always something changing, or new area of focus with each project. It appears to be a program that is capable to adapt to locals needs, FHWA compliance and requirements
City/Village/Township	8	We haven't had good results with consultant-supplied inspectors on local non-federally funded projects. We find they don't do it very often so the staff they supply is inexperienced and not reliable. They are also expensive and hiring them is a pain. They also seem more detached than in-house inspectors. Those small conversations that happen often when you cross paths in the office help result in a better product.

Table 42: Open-Ended Responses – Greatest Challenges in Local-Let Billing Process

Survey Question: Please describe the specific aspects of the ODOT LPA local-let invoicing and billing process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
County Engineer	3	1) Waiting for ODOT to approve the invoice amount. This is particularly troublesome when matching funds are involved because we don't know our percentage until we know the amount they approve.
County Engineer	7	Availability for final inspections and closing out the project.
County Engineer	6	County staff timekeeping requirements.
County Engineer	9	District personnel seems unfamiliar with requirements.
County Engineer	7	Getting the approved De minimus fringe rate was and is painful.
County Engineer	1	invoice approval
County Engineer	8	Invoicing and billing process has been pretty efficient
County Engineer	11	It runs fairly smoothly.
County Engineer	5	Locals should be able to handle invoicing and bill processing the same as they do on self-funded projects.
County Engineer	2	Not receiving a copy of an approved LLS&PI back once submitted for our files.
County Engineer	3	ODOT is incredibly inconsistent with who should receive invoice documentation and in what format. We have seen inconsistencies whether it should be hardcopy or electronic, and who it should be sent to. Our ODOT District itself has tried to restructure its LPA office about 3 times in the last 3 years, it would seem (we have had 3 different personnel assigned as LPA manager in that time). ODOT has no understanding that staff consistency is one of the keys to success, and constant people-shuffling is a tremendous cause of inefficiency. There is also an unwillingness to continue processing invoices during 1) calendar year end and 2) fiscal year end, and ODOT financial staff devote attention to internal ODOT finance matters. This results in delayed payments to contractors.
County Engineer	1	Other than record keeping and checking DBEs, I do not see an issue with this section.
County Engineer	5	Pay estimates have to be reviewed by more people before payment can be made.
County Engineer	1	Performing steps in order and ensuring that no steps or forms are missed, and keeping sure that all steps are performed in order.
County Engineer	5	Reimbursement requirements, Providing canceled checks
County Engineer	10	See previous comments regarding delays in getting Contractors paid.
County Engineer	7	The 8 to 10 page invoice format required a half-day training to interpret...seems excessive. When subconsultants are involved, they submit an additional 10 page invoice per consultant. If a contract has multiple parts, the payments in each part are tracked. In the end, the consultants typically try to use all of the available contract amounts and it becomes cloudy as to whether they are truly working out of the PE phase, DD phase, etc.
County Engineer	2	The difficulty in obtaining overhead/fringes for reimbursement. It is virtually impossible to accomplish.
County Engineer	1	This process needs to be web based. The invoice template does not match the local requirements for payment of the local share. Additionally, multiple pages of backup documentation is required. The Consultant IPS Template is a ridiculous and cumbersome process when a simple 1 page invoice would suffice.
County Engineer	7	We had great difficulty with ODOT C.O. Finance in establishing a fringe benefit rate to use in reimbursement of construction engineering costs. It took over a year and many iterations get an approved rate. The person in charge of this at ODOT was not helpful and very difficult to work with. The second

Survey Question: Please describe the specific aspects of the ODOT LPA local-let invoicing and billing process requirements that you feel present the greatest challenge to efficient local-let project delivery.

LPA Type	District	Comment
		problem area is also with ODOT Finance: ODOT will not provide proof of payments made directly to contractors on our behalf. It is obvious that ODOT has this information, yet will not share it with local agencies. OPWC provides us with a statement every time they make a payment directly to a contractor on one of our projects. +
County Engineer	2	We have no significant issues with the process.
City/Village/Township	7	Amount of time it takes ODOT to pay
City/Village/Township	2	Better ability to track District to Central office payment requests.
City/Village/Township	4	Change from Fair Harbor Rates - these were easy to use
City/Village/Township	2	City of XXX reviews and processes contractor invoices for payment for all projects. For LPA projects there is some additional paper work required to submit for reimbursement.
City/Village/Township	11	Electronic PDF Invoices should be utilized eliminate all paper if possible
City/Village/Township	8	Having to have proof of local payment before ODOT will pay a contractor the ODOT portion. This is new and has created even more delay to contractor payment which is not unnecessary as ODOT portions for our projects are usually 70-80%.
City/Village/Township	8	New requirement to prove local payment before ODOT will direct pay the contractor.
City/Village/Township	8	Setting up the invoicing forms after the project is awarded can be cumbersome with the participation percentages and funding caps, but I haven't thought of a better way to do it.
City/Village/Township	12	The form for payment is confusing. There can be a better way to show ODOT's funding and other funding. OPWC has a great form that is not complicated. Acceptance via email would be nice.
City/Village/Township	4	The IPS forms for PE and CE are complicated, and are forwarded to the District for direct pay of the consultant services. The Construction pay estimates remain manageable with a simple letter format to issue a warrant to pay the contractor on behalf of the city.
City/Village/Township	10	The process is efficient.
City/Village/Township	4	Verifying ODOT issued payment to contractors' Retainage
City/Village/Township	7	We have not experienced significant challenges with ODOT LPA local-let invoicing or billing.

Table 43: Open-Ended Responses – Differences between ODOT and Local Billing Process

Survey Question: Please describe the main differences between the invoicing and billing process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let process requirements.

LPA Type	District	Comment
County Engineer	9	Additional invoice added for ODOT.
County Engineer	7	A lot less paperwork. For LPA we have to have proof of payment for a lot of items. Testing reimbursement costs are micromanaged down to mileage reimbursements. As an example a recent LPA invoice package to ODOT for construction management activities amounted to 68 pages. For a 100% locally funded project we estimate for this case it would be roughly 7-8 pages.
County Engineer	2	Basically the same
County Engineer	7	Consultant contracts are typically lump sum on smaller projects. The consultants use their own standard invoice format. There are no multiple encumbrances between PE and DD that have to be planned/tracked/authorized/shifted between fiscal year and quarter, etc.
County Engineer	5	If the locals approve the invoice for payment, then the invoice gets paid.
County Engineer	2	It just has one more step which is submitting for approval by ODOT before payment. We follow the same process prior to that.
County Engineer	3	LPA project: the LPA reviews/approves the invoice, then sends it to the District, which reviews/approves, then sends to Central Office, which pays. Local project: the LPA approves and pays the invoice. Fewer steps = quicker pay to contractors.
County Engineer	1	More paperwork?
County Engineer	2	No significant differences.
County Engineer	5	Not allowing direct pay and having to provide canceled checks
County Engineer	11	Not much difference - the LPA process is more complicated only because there are typically multiple funding sources.
County Engineer	1	ODOT creates an extra third level of review and signatures, which we don't us on local projects
County Engineer	10	On 100% locally funded projects- Contractor's submit a bill, we review- and submit for payment. The Contractor should receive a check within 2 weeks after the process begins. ODOT does not begin the process for at least 2 weeks after the process begins.
County Engineer	3	Our process: 1) Contractor submits an invoice. 2) Invoice is compared to the construction diary and material tickets. 3) If adjustments are needed the contractor is consulted and resubmits a new invoice. 4) Repeat steps 2-3 as needed. 5) Pay invoice. ODOT process: 1) Contractor submits an invoice. 2) Invoice is compared to the construction diary and material tickets. 3) If adjustments are needed the contractor is consulted and resubmits a new invoice. 4) Repeat steps 2-3 as needed. 5) Complete and submit ODOT "Invoice Template" with documentation to ODOT District Office. 6) Readjust numbers if ODOT has an issue. 7) If numbers are adjusted contractor is consulted and submits a new invoice. 8) Repeat steps 5-7 as needed. 9) Pay invoice.
County Engineer	7	The main difference is that OPWC will provide proof of payment to a contractor on our behalf, and ODOT will not provide proof.
County Engineer	8	The only difference is the processing of the invoice thru the district
County Engineer	11	The time it takes for ODOT to review and sign-off on payment requests.
County Engineer	6	Timekeeping requirements
County Engineer	5	we develop an purchase order and a bill is presented when the job is done
County Engineer	5	We don't have subcontractor and DBE requirements. Don’t have to prove that contractors were paid.
County Engineer	11	We have way less people involved each with multiple responsibilities which makes the process faster and less cumbersome.

Survey Question: Please describe the main differences between the invoicing and billing process your agency might typically use on a 100% locally-funded project and the ODOT LPA local-let process requirements.

LPA Type	District	Comment
County Engineer	1	We receive a bill, review, sign off, and submit to County Auditor for payment. LPA process is cumbersome.
County Engineer	1	We require an AIA Document 702 or similar with quantities and totals on a simple spreadsheet. Consultant invoices we require a 1 page invoice with percent complete of lump sum fee.
County Engineer	1	We use the same basic method
City/Village/Township	10	During 100% locally-funded projects the City would pay the invoice directly without having to send it to ODOT for partial payment.
City/Village/Township	11	Electronic PDF invoices
City/Village/Township	7	Faster reimbursement on local end to the contractor.
City/Village/Township	2	Having another party review the invoices slows down payment to the Contractor
City/Village/Township	5	Less documentation on 100% locally-funded project to justify invoice
City/Village/Township	7	Less paperwork with 100% locally-funded projects.
City/Village/Township	8	Local portion is the same. We invoice ODOT for their portion on LPA projects.
City/Village/Township	8	Local project can pay the contractor within two weeks, federal projects could take up to 45 days.
City/Village/Township	8	Only the reimbursement request.
City/Village/Township	2	Other than getting reimbursement the invoicing and billing are similar.
City/Village/Township	4	Retainage
City/Village/Township	8	The less funding sources, the easier it is. Ideally, we wouldn't have to go through the competitive application process to get the local tax dollars back from the federal government so we wouldn't have to track the different funding sources at the project level.
City/Village/Township	12	The only difference is we have to invoice ODOT for reimbursement.
City/Village/Township	4	There is no third party involvement in processing invoices or pay estimates.
City/Village/Township	12	We use the AIA G702 and G703 form

Table 44: Open-Ended Responses – Additional Comments on Billing Process

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let invoicing and billing process could be streamlined.

LPA Type	District	Comment
County Engineer	7	Contractor was delayed payment until adjusted DBE paperwork was filed.
County Engineer	1	Develop a web based project / construction management software to make sure all documentation that is required is included.
County Engineer	5	Give control of the project back to the engineers. Let Professional Engineers run the project and be responsible for the quality of work being done. We do not have to have a signed piece of paper for every little item on a project. The paperwork required on a project is to the point that I hire consultants to deal with it on EVERY project otherwise it would consume all of my or my staffs time and we have other responsibilities we have to deal with besides preparing paperwork that will just get shoved in a file and means absolutely nothing.
County Engineer	6	It works ok. Problem has been with CO getting reimbursed for our time.
County Engineer	2	Less Paperwork
County Engineer	2	Making sure the counties receive a copy of the approved signed by ODOT LLS&PI.
County Engineer	7	More willingness of ODOT personnel to recommend/ assist us with solutions rather than not approving and providing no/limited guidance
County Engineer	7	ODOT Central Office Finance needs to be much more oriented toward helping local agencies navigate the invoicing, billing and reporting processes.
County Engineer	3	Stop the constant change of staff in the District LPA offices.
County Engineer	1	The auditing is ridiculous. We were wrote up on an inspection testing/reporting incident, and then had to submit all the required documentation that followed.
County Engineer	1	The CMRS portal could be a benefit. Instead of talking about taking it down maybe ODOT should put some resources into improving it.
County Engineer	2	We do not experience any problems
County Engineer	2	We have a good working relationship with our LPA Construction Monitor. This has proven to be very beneficial to our projects.
City/Village/Township	11	Electronic //PDF invoices -----no US snail mail
City/Village/Township	7	Eliminate sending invoices to District for payment
City/Village/Township	4	I have not had any issues with getting payments issued. System seems to work well.
City/Village/Township	8	I think its fine just the way it is.
City/Village/Township	10	It would be helpful not to have to submit proof of local payment, this can delay submitting the invoice to ODOT by a few days.
City/Village/Township	12	OPWC type form and email of the request would be nice.
City/Village/Township	8	See above regarding ODOT requiring local portion payment before they pay. This is an unnecessary delay in payment to the contractor. This should not be an agency wide rule and ODOT should treat these on a case by case basis and penalize locals not paying.
City/Village/Township	5	Training and setup of reimbursement procedures for locals

Table 45: Open-Ended Responses – Issues with Time Tracking System Approval

Survey Question: Please explain any issues or difficulties you have encountered when seeking approval of your agency's time tracking system from ODOT.

LPA Type	District	Comment
County Engineer	5	Because our county is self-insured, my fringe rates are too low. Again, this is not easy for us to understand and therefore is a waste of our time.
County Engineer	11	I've heard horror stories of the process, and again, we don't have the staff available to meet the standards.
County Engineer	3	Let me be clear: it is easy to be reimbursed for straight wages. Just about any LPA can do that without difficulty, including ourselves. What is difficult is establishing the reimbursement rate for fringe benefits.
County Engineer	7	Looking into being reimbursed. Have started time tracking system but have not sent it for ODOT approval.
County Engineer	7	ODOT's Auditing department is completely out of touch with reality. We have daily time sheets and time cards. However, ODOT wants to force us to implement an entirely new system that adds no more information than we already provide. They cannot handle the real world where a staff member works on multiple projects in one day.
County Engineer	2	See previous comment
County Engineer	2	They need too much information. It takes as longer to figure out how to comply with their requirements than it would take to just get reimbursed for the CE work.
County Engineer	1	We have a small staff and aren't willing to spend the time to get overhead rates calculated and approved.
County Engineer	6	We were denied this ability several times by the CO staff at the time after literally spending days on providing them what they asked for. Absolutely ridiculous. We would actually resubmit the form they gave us and it was still denied. How and what we track our personnel time for should be up to us. They won as we had given up. We have not asked for reimbursement.
City/Village/Township	2	ODOT has made this process more difficult
City/Village/Township	2	The City has adjusted its Tracking System and we are waiting for ODOT approval.
City/Village/Township	12	We have not had any difficulties.
City/Village/Township	12	We have our own time tracking system that is not project related which is primarily why we do not seek reimbursement.

Table 46: Open-Ended Responses – Additional Comments on Direct Labor Costs Reimbursement

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to claim reimbursement for direct agency costs associated with construction engineering activities on local-let projects.

LPA Type	District	Comment
County Engineer	1	"Justifying" time spent on project is more work than necessary. ODOT used to charge 10% for CE, paid upfront and in-full, but never received a rebate or return. The LPA process started using consultants who charged 7% and then later was reduced to 4-5%. Then we started doing CE in-house for under 3% without any construction or performance issues. Unfortunately, ODOT started pushing "ODOT methods" and requirements that Locals can't stay informed about because competition for funds limits how many projects we have. Therefore, the learning curve and extra work is not worth the effort and savings. So, we give up and have to go back to spending 10% up front.
County Engineer	9	Create a process that makes sense to obtain approved overhead rates. Give guidance on how to obtain vs. denying or continuously asking for additional documentation.
County Engineer	5	Establish "safe harbor" rates for overhead costs.
County Engineer	2	Establishing specific consistent guidance for fiscal tracking for projects charges would be beneficial.
County Engineer	7	Find a way to bring back safe harbor rate--let County Engineers as an aggregate compute and get an approved rate.
County Engineer	5	Give local agencies money for design services 80/20, like CE services.
County Engineer	11	Give us a simple formula for reimbursement even if it means less reimbursement.
County Engineer	6	go back to the safe harbor rates
County Engineer	2	It is the benefits/fringes that are impossible to obtain. Simplify the process/requirements.
County Engineer	3	ODOT Central Office financial staff responsible for approving fringe rate reimbursements are just about impossible to get in touch with. Entirely insufficient training/guidance available to LPA's attempting to submit documentation to support fringe rate reimbursement requests. LPA's are generally using non-financial people to collect and supply rate requests, but ODOT uses dedicated financial staff to review and approve. The financial staff use financial jargon which is unfamiliar to those of use outside the accounting world trying to understand this stuff.
County Engineer	1	Section D (Financial) of the LPA Participation Form is extremely cumbersome and does not recover all of the costs of the LPA. Consultants are typically compensated 165% of Direct Labor and it is a struggle to get 55% of Direct Labor approved for the LPA.
County Engineer	7	See comments on the previous page about the difficulty in obtaining an approved fringe benefit rate.
County Engineer	11	There has to be a way that is much simpler that uses our time tracking to get reimbursed. You have to understand our people do maintenance and design and inspection and surveying - minimal staff, multiple responsibilities - so the time tracking is quite different from ODOT and Feds where each person has a particular area of responsibility to deal with.
County Engineer	2	They are asking for way too much information and is almost impossible to comply. Might as well not make it available. Ask for what is needed to get reimbursed only. Less Paperwork

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to claim reimbursement for direct agency costs associated with construction engineering activities on local-let projects.

LPA Type	District	Comment
County Engineer	7	They need to accept a local process that provides clear and detailed time tracking. We should go back to allowing safe harbor rates for fringes and overhead.
County Engineer	2	Unlike other LPA's we have not had issues with the requirements of direct labor once we understood what they wanted and why.
County Engineer	8	We should only have to track the time that is relevant to the specific project
County Engineer	10	We will soon be submitting our first request for labor reimbursement for construction engineering and inspection. Check back to see if we get reimbursed please.
County Engineer	10	When XXX was the LPA Coordinator our County was approved for CE and reimbursed for labor, equipment, material, and safe harbor. The new process has poor guidance, poor manual, poor training even with changes in ODOT Finance. Recommend bringing back XXX or someone supporting counties as an LPA Coordinator. I would like to see a template stating exactly what is needed and in what process/order for approval. Maybe have a training on an updated manual, and go over/hand out a template at the training.
City/Village/Township	7	Allow safe harbor for reimbursement
City/Village/Township	2	Assuming our system is approved we would have no comments.
City/Village/Township	5	Direct individual training / assistance from ODOT staff to get LPA set up properly
City/Village/Township	4	Fair Harbor Rates were very easy to use --- liked that way better, especially since City is health benefits are self-insured to a point and these costs do not make our calculations as the documentation would be more difficult to obtain from our system and varies based on use.
City/Village/Township	5	I would recommend that a standard time card be provided to the locals that would satisfy the auditors' requirements.
City/Village/Township	10	It would be straight forward to just use the hourly cost of the employee, without an overhead rate.
City/Village/Township	11	Review locals methods for tracking time and if it has demonstrated clear and good results ---approve the method -----don't make the locals jump thru hoops to get reimbursed
City/Village/Township	2	Simplify the process. All of the additional requirements seem to make it appear ODOT does not want LPAs to seek reimbursement. Provide training and guidance as to how work through the process
City/Village/Township	12	We are satisfied with ODOT's Construction funds and Construction Engineering Reimbursement.

Table 47: Open-Ended Responses – Additional Comments on Fringe Benefits/Indirect Cost Rate Approval Process

Survey Question: Please provide the research team with any specific comments or suggestions on how the ODOT LPA local-let process could be improved or streamlined to encourage more LPAs to claim reimbursement for fringe benefits and/or indirect agency costs associated with construction engineering activities on local-let projects.

LPA Type	District	Comment
County Engineer	1	A Web based LPA Participation Form that can upload the required information should be developed.
County Engineer	2	Allow Safe Harbor Rates.
County Engineer	10	Documenting our fringe benefit costs was extraordinarily difficult and unnecessary. It should never had been this difficult. Attempting to justify the XXX County Auditor's records really didn't need to be questioned- and justifying Worker's Compensation costs was also unwarranted.
County Engineer	8	Either go back to a "safe harbor rate" or come up with a statewide average to use. Let locals use the ODOT fringe rate that they are able to establish as a fair calculation.
County Engineer	7	I understand that the person in Central Office Finance in charge of this has been replaced. I hope that the new person is more helpful and responsive. ODOT should assign enough resources and people to this task to respond in a reasonable amount of time, and that staff should also be reasonable in evaluating the requests from the LPAs.
County Engineer	9	Return to old practice where overhead rate used by locals for local projects can be used for local-let projects with some supporting documentation.
County Engineer	1	Seek reimbursement on large projects, but lately we believe it is not worth the effort.
County Engineer	2	What you pay is what you get.
County Engineer	2	Written guidance would be of benefit.
City/Village/Township	7	Bring back Safe Harbor rates
City/Village/Township	7	Eliminate it and go w/ safe harbor
City/Village/Township	4	No to above because we do not include those fringe items that would be more difficult to obtain related to self-insurance limit for City health insurance.
City/Village/Township	10	The Auditor's Office does not want to apply for the CAP rate, perhaps it would be helpful if ODOT offered a tutorial on submitting the documents needed to establish the CAP rate?

APPENDIX D: STATE DOT LPA PROGRAM REVIEW

Introduction

In Task 6 of the research project, the ORITE research team conducted a comprehensive review of local public agency (LPA) programs outside of Ohio. The purpose of the Task 6 review was to 1) identify high-performing State DOT LPA programs; 2) identify State DOT LPA programs with innovative practices that could be applicable to Ohio; and 3) develop a list of State DOTs from which more detailed feedback will be solicited during Task 8 of the project. The approach used by the research team for Task 6 primarily focused on obtaining details of State DOT LPA programs from manuals and other source documentation available from the State DOT website. This information was supplemented by externally-available information about certain LPA programs as well as feedback from program stakeholders' views on high-performing State DOT LPA programs outside of Ohio. The scope of the Task 6 review included all relevant aspects of real estate/right-of-way, construction contract administration, and finance processes within the other State DOT LPA programs. However, given the feedback received by the ORITE research team during other project tasks, the research team elected to focus the Task 6 review on the key issues that are facing Ohio's LPAs and how other State DOTs addressed them. To this end, the following specific questions were examined in the State DOT review:

- General Issues: Processes used to verify the LPA's qualifications for Federal-aid project administration, including training requirements.
- General Issues: Processes used by the State DOT to assess the risk posed by an LPA on a locally-administered project, including formal tools and methods used to determine the level of State DOT oversight of locally-administered projects.
- General Issues: Does the State DOT have a "fund exchange" program in place?
- Real Estate/Right-of-Way: Process used by the State DOT to apply the low-value acquisition option to locally-administered projects, including the level of assistance provided by the State DOT to LPAs throughout the process and if there are specific training requirements in place to allow LPAs to perform certain right-of-way functions.
- Real Estate/Right-of-Way: Does the State DOT have an LPA-specific real estate manual?
- Construction: What is the level of documentation required for construction?
- Construction: Processes used by LPAs for materials management on locally-administered projects, including the requirement to utilize State DOT processes and the availability of a statewide materials management process for non-NHS projects.
- Construction: Does the State DOT use locally-administered projects to meet DBE goals?
- Construction: Does the State DOT have e-construction options for LPA projects?
- Finance: Documented processes used by the State DOT to approve and pay local-let project invoices, including proof of local payment requirements.
- Finance: Does the State DOT permit LPAs to be reimbursed for direct labor costs associated with local-let projects, and if so, what processes are in place for time tracking system approval and level of detail required?
- Finance: Does the State DOT permit LPAs to be reimbursed for fringe benefits and indirect expense costs in addition to direct labor costs?

State DOT LPA Program Review Summary

Initial review of State DOT LPA programs found that LPA programs are active in at least 41 State DOTs. Five State DOTs (Alaska, Arkansas, Delaware, Oklahoma, and West Virginia) did not have any locally-administered programs or were very limited in scope. Four additional State DOTs (Massachusetts, New Jersey, Rhode Island, and Wyoming) did not have sufficient information on their websites to make a conclusion about their respective programs. The remainder of this discussion will focus on an analysis of the 41 State DOTs that were identified as having locally-administered programs. Results from the State DOT LPA program review are summarized in Table 48 for general issues and right-of-way and Table 49 for construction contract administration and finance issues. For convenience to the reader, the data for Ohio are provided in the top row of each table and repeated across pages.

With respect to general LPA program issues, 23 out of 41 State DOTs (56.1%) utilize a project-specific certification process (i.e., the LPA's qualifications are reviewed for each project) while 17 out of 41 states (41.4%, including Ohio) have a process to certify or qualify the LPA for Federal-aid administration (1 state did not have the information available). LPAs are required to obtain training in 25 out of 41 states (including Ohio); training is optional in 7 states (17.1%) and not required in 9 states (22.0%). Four states – Colorado, Florida, Texas, and Virginia – have a formal process in place to assess the level of risk posed by an LPA or a specific LPA project, as well as a process for determining the level of State DOT oversight on the project based on the assessment. A state fund exchange or similar program is present in 6 out of 41 states (14.6%).

With respect to the real estate/right-of-way process, 7 out of 41 states (17.1%) have an LPA-specific right-of-way acquisition manual (a chapter in a general LPA manual, like Ohio, is not considered in this group). Almost all states provided some level of assistance to LPAs in the right-of-way process and the streamlined low-value acquisition process was also in place in nearly all states (data not shown in Table 48). One state, Kansas, reported having a program for LPAs to self-certify that they are qualified to participate in acquisition activities.

With respect to the construction contract administration process, all the State DOT LPA programs reviewed had information about the documentation expectations for LPAs performing local-let project administration and all State DOTs incorporated DBE goal requirements into local-let projects (information not shown in Table 49). Regarding the materials management process, 8 out of 41 State DOTs (19.5%) provided LPAs with alternative pathways to materials certification for local-let projects that are off the National Highway System (NHS). E-construction tools are available for LPA projects in 8 out of 41 states (19.5%), with functions ranging from all management aspects to specific functions such as materials or invoicing.

With respect to the finance process, almost every State DOT LPA program provided guidance on the development of invoices for project payments (information not shown in Table 49). Specific requirements for proof of local share payment are noted in 18 out of 41 states (43.9%). LPAs can be reimbursed for direct labor expenses for project oversight in 28 out of 41 states (68.3%); however, almost no states provided information on the details required for employee time tracking or the process required to be approved for this reimbursement (data not shown in Table 49). LPAs can be reimbursed for fringe benefits and indirect cost expenses in 23 out of 41 states (56.1%).

Table 48: State DOT LPA Program Review – General Issues and Real Estate/Right-of-Way

State	How does State DOT determine LPA eligibility to administer Federal-aid projects?	Does the State DOT require LPAs to receive training as part of approval process?	Does the State DOT utilize a systematic and documented process for identifying LPA project risk?	Does the State DOT have a "State Fund Exchange Program or similar type of program?	Does the State DOT have an LPA-specific ROW manual?	Does the State DOT provide LPA with "Waiver Valuation" Option for ROW Acquisition?
Ohio	**Certification**	**Required**	**No**	**Yes**	**No**	**Yes**
Alabama	Certification	Not Required	No	No	No	Yes
Arizona	Certification	Required	No	No	No	Yes
California	Project-Specific	Optional	No	No	No	Yes
Colorado	Project-Specific	Required	Yes - Project-Specific	No	Yes	Yes
Connecticut	Project-Specific	Not Required	No	No	No	Not Specified
Florida	Certification	Optional	Yes - LPA-Specific	No	No	Yes
Georgia	Certification	Required	No	Yes	Yes	Yes
Hawaii	Project-Specific	Optional	No	No	No	Yes
Idaho	Project-Specific	Required	No	No	No	Yes
Illinois	Project-Specific	Required	No	No	No	Yes
Indiana	Certification	Required	No	No	No	Yes
Iowa	Project-Specific	Required	No	Yes	Yes	Yes
Kansas	Certification	Not Required	No	Yes	No	Yes
Kentucky	Project-Specific	Not Required	No	No	No	Yes
Louisiana	Certification	Required	No	No	No	Yes
Maine	Certification	Required	No	No	No	Yes
Maryland	Project-Specific	Required	No	No	No	Yes
Michigan	Not Specified	Not Specified	No	No	No	Not Specified
Minnesota	Project-Specific	Optional	No	Yes	No	Yes
Mississippi	Project-Specific	Optional	No	No	No	Yes
Missouri	Certification	Required	No	No	No	Yes

State	How does State DOT determine LPA eligibility to administer Federal-aid projects?	Does the State DOT require LPAs to receive training as part of approval process?	Does the State DOT utilize a systematic and documented process for identifying LPA project risk?	Does the State DOT have a "State Fund Exchange Program or similar type of program?	Does the State DOT have an LPA-specific ROW manual?	Does the State DOT provide LPA with "Waiver Valuation" Option for ROW Acquisition?
Ohio	**Certification**	**Required**	**No**	**Yes**	**No**	**Yes**
Montana	Certification	Required	No	No	No	Yes
Nebraska	Project-Specific	Required	No	Yes	Yes	Yes
Nevada	Project-Specific	Required	No	No	No	Yes
New Hampshire	Certification	Required	No	No	No	Yes
New Mexico	Certification	Required	No	No	No	Yes
New York	Project-Specific	Not Required	No	No	No	Yes
North Carolina	Project-Specific	Not Required	No	No	No	Yes
North Dakota	Project-Specific	Required	No	No	Yes	Yes
Oregon	Certification	Required	No	No	No	Yes
Pennsylvania	Project-Specific	Required	No	No	No	Yes
South Carolina	Project-Specific	Required	No	No	No	Yes
South Dakota	Project-Specific	Not Required	No	No	No	Yes
Tennessee	Project-Specific	Required	No	No	No	Yes
Texas	Certification	Required	Yes - LPA-Specific	No	No	Yes
Utah	Project-Specific	Not Required	No	No	No	Yes
Vermont	Project-Specific	Optional	No	No	Yes	Yes
Virginia	Project-Specific	Optional	Yes - Project-Specific	No	No	Yes
Washington	Certification	Required	No	No	No	Yes
Wisconsin	Certification	Required	No	No	Yes	Yes

Table 49: State DOT LPA Program Review – Construction Administration and Finance

State	Does the State DOT offer an alternative materials management system for LPA projects off the NHS?	Does the State DOT utilize-or incorporate e-construction features on LPA projects?	Does the State DOT have specific requirements for proof of local share payment?	Does the State DOT permit LPAs to be reimbursed for direct labor costs?	Does the State DOT permit LPAs to be reimbursed for fringe/indirect costs?
Ohio	**No**	**No**	**Yes**	**Yes**	**Yes**
Alabama	Yes – State standards can be used off of the NHS	No	Yes	Yes	Yes
Arizona	No	Yes - Optional	Yes	Yes	Yes
California	Yes – QA procedures approved by registered Public Works Director or County/City Engineer off the NHS	No	No	Yes	Yes
Colorado	Yes – LPA can use own independent assurance off-NHS	No	No	Not Specified	Not Specified
Connecticut	Not specified	No	Yes	Yes	Yes
Florida	Yes – Different requirements based on project classification	No	No	Yes	Yes
Georgia	Not specified	Yes – Materials	Yes	Yes	No
Hawaii	Not specified	No	Yes	Not Specified	Yes
Idaho	Not specified	No	Yes	Yes	Not Specified
Illinois	Not specified	No	Yes	Yes	Yes
Indiana	Not specified	No	No	Not Specified	Not Specified
Iowa	No	Yes	No	Not Specified	Not Specified
Kansas	No	No	No	Not Specified	Not Specified
Kentucky	Not specified	No	Yes	Yes	Yes
Louisiana	Not specified	Yes – Invoices	Yes	Yes	Yes
Maine	Not specified	No	Yes	Yes	No
Maryland	Not specified	No	Yes	Yes	No
Michigan	Not specified	Yes	Not Specified	Not Specified	Not Specified
Minnesota	Not specified	No	No	Yes	Yes
Mississippi	Not specified	Yes	Yes	Yes	Not Specified

State	Does the State DOT offer an alternative materials management system for LPA projects off the NHS?	Does the State DOT utilize-or incorporate e-construction features on LPA projects?	Does the State DOT have specific requirements for proof of local share payment?	Does the State DOT permit LPAs to be reimbursed for direct labor costs?	Does the State DOT permit LPAs to be reimbursed for fringe/indirect costs?
Ohio	**No**	**No**	**Yes**	**Yes**	**Yes**
Missouri	Yes - Off-Systems Guide Schedule for Federal-Aid Acceptance Sampling and Testing (FAST)	Yes - Optional	No	Not Specified	Not Specified
Montana	Not specified	No	No	Yes	Yes
Nebraska	Not specified	No	Yes	Yes	Yes
Nevada	Not specified	No	No	Not Specified	Not Specified
New Hampshire	Not specified	No	Yes	Yes	Yes
New Mexico	Not specified	No	No	Not Specified	Not Specified
New York	No	No	Yes	Yes	Yes
North Carolina	Not specified	No	Yes	Yes	Not Specified
North Dakota	No	No	No	Yes	Yes
Oregon	Yes - Different requirements on and off NHS	No	No	Yes	Yes
Pennsylvania	No	Yes	No	Yes	Yes
South Carolina	Not specified	No	No	Not Specified	Not Specified
South Dakota	Not specified	No	No	Not Specified	Not Specified
Tennessee	Yes – independent assurance not required off the NHS	No	Yes	Yes	Yes
Texas	No	No	No	Yes	Yes
Utah	Not specified	No	No	Not Specified	Not Specified
Vermont	Not specified	No	No	Yes	Yes
Virginia	No	No	No	Yes	Yes
Washington	Yes - State standards can be used off of the NHS	No	No	Yes	Yes
Wisconsin	Not specified	No	No	Not Specified	No

Discussion of High-Performing State DOT LPA Programs

The Task 6 review of State DOT LPA programs provided the ORITE research team with significant insight on how other State DOTs implement locally-administered Federal-aid projects. The final element of Task 6 was to determine which states have high-performing LPA programs or program features that would be most informative for ODOT's efforts to streamline or improve the efficiency of local-let program delivery in the real estate/right-of-way, construction contract administration, and finance areas. The ORITE team used the following criteria to identify high-performing or innovative states: 1) the existence of a formal process, tool, or method to assess risk on LPA projects and to guide the level of DOT oversight on the project and/or 2) the existence of an innovative or unique program feature(s) that could be applicable to Ohio's LPA local-let program. Based on the Task 6 review, the ORITE research team identified the following State DOTs as having high-performing LPA programs or have LPA program features that could be helpful to ODOT's program:

- **Colorado:** CDOT has a very detailed project-specific risk assessment tool that it uses to determine the level of oversight it is going to have on a specific LPA project. CDOT also provides some flexibility to LPAs on materials management.
- **Florida:** FDOT has a multi-tiered project classification system that provides alternative materials certification procedures for lower-risk projects as well as a detailed system to evaluate the performance of LPAs after each project. FDOT is similar to ODOT in that it has an LPA certification process and allows for LPA cost recovery.
- **Iowa:** Iowa DOT has LPA-specific construction administration guidance and has an LPA-specific right-of-way manual. Iowa DOT is also implementing a State fund exchange program and e-construction elements for local-let projects.
- **Kansas:** KDOT has a State fund exchange program and also has a program that allows LPAs to self-certify for right-of-way acquisition activities using an online training program developed at the University of Kansas Transportation Center.
- **Texas:** TxDOT has an evaluation form it uses to assess LPA performance and risk to determine if the LPA is able to administer a local-let project. TxDOT is similar to ODOT in that it has an LPA certification process and allows for LPA cost recovery.
- **Virginia:** VDOT has a comprehensive risk assessment tool that it uses to determine the level of oversight it is going to have on a specific LPA project. VDOT is similar to ODOT in that it allows for LPA cost recovery.
- **Wisconsin:** WisDOT has a detailed right-of-way process for LPAs and is also developing a risk assessment matrix for oversight determination. The ORITE research team believes that WisDOT could offer insight specifically on development of and the factors they are incorporating into their risk assessment matrix.

Interviews of High-Performing State DOT LPA Programs

As part of Task 8 of this project, the ORITE research team proposed to contact seven State DOTs to obtain more information about their respective LPA programs. At the Task 7 progress meeting, the ORIL TAC recommended that the Missouri DOT be added to the list. As a result, a total of eight State DOTs were contacted as part of Task 8. Following the Task 7 progress meeting, the ORITE research team contacted representatives from each of the eight State DOTs via e-mail to obtain feedback. A two-page questionnaire was provided at the time of the initial contact that allowed the State DOTs to provide responses to targeted inquiries about

their respective programs on the following topics: General LPA Program, Right-of-Way Process, Construction Contract Administration Process, and Finance Process. Six out of the eight State DOTs contacted provided a response to the research team's inquiry and supplied detailed answers to the questions provided. The responding DOTs included: Florida, Iowa, Kansas, Missouri, Virginia, and Wisconsin. Two State DOTs, Colorado and Texas, did not respond to multiple inquiries by the research team. The research team conducted a one-hour follow-up phone call with representatives from each of the six State DOTs to clarify responses to the questionnaire and have a more in-depth discussion of the relevant topics. More details on the information and feedback obtained from the six State DOT LPA program interviews are provided in the following sections. Examples of documents, checklists, or innovative processes in use in the State DOTs contacted as part of this study are presented in a separate section following the interviews discussion.

Although the Colorado DOT (CDOT) did not respond to the research team's inquiries to provide feedback as part of this research project, one noteworthy feature of CDOT's LPA program that was identified in the State DOT review is worth additional discussion. In November 2014, CDOT issued new procedures for risk assessment to determine oversight of local agency projects. The primary element of the risk assessment procedure was the "Risk Assessment Worksheet" which produces a risk rating score for each locally-administered project based a multi-factor assessment. The risk rating score is based on a detailed assessment of project risk including factors such as the type of project, location of the project, funding, local agency administration experience, and risk level of certain project features. Details of the CDOT "Risk Assessment Worksheet" are presented in Figure 1 (Page 1) and Figure 2 (Page 2). Based on the multi-factor rating score for a specific project obtained from the Risk Assessment Worksheet, the level of oversight that will be exercised by CDOT on the project is determined. The level of oversight is classified as High, Moderate, or Low and incorporates frequency of project review as well as frequency of documentation review. Details of the relationship between the project risk rating score and the corresponding CDOT level of oversight are presented in Figure 3. Because CDOT personnel did not respond to the research team's request for feedback, no additional information on the application of this procedure is available.

Florida Department of Transportation

The ORITE research team conducted a telephone interview with representatives of the Florida Department of Transportation (FDOT) on July 10, 2018. FDOT federal-aid LPA program includes planning, design, PS&E, right of way, construction, and construction administration aspects. There are on average 130 certified agencies and 300 to 400 active projects. LPAs must attend mandatory training and be certified to participate. FDOT Central Office (HQ) staff handle oversight (policies, procedures, training, statewide technology), and the seven District offices handle project management and delivery. Qualification (or re-qualification) is assessed via a Certification Tool and a Performance Evaluation Form, which are used by the Districts to perform project management assessments. The performance evaluation form is completed for each project and assesses the LPA's performance (Unsatisfactory, Satisfactory, or Above Satisfactory) on 41 different items related to four different phases of Federal-aid project delivery (professional services procurement, design, construction advertisement/award, and construction phase. An example page from the "construction phase" portion of the FDOT LAP Performance Evaluation questionnaire is presented in Figure 4. The output is used as a risk indicator, which then determines the level of risk for an LPA and to

determine if the LPA should be dropped from the program. Another tier of qualification is through the Central Office, who perform Title VI and Financial Risk assessments of each LPA. FDOT oversight is based on the classification, complexity, and experience of the LPA. The LAP manual contains the minimum level of oversight required. Florida's Auditor General is now requiring a monitoring plan for each project; FDOT will develop guidance for the Districts on this in FY 2019. LPA projects are measured on the state performance plan, which is reported monthly to the "executive team". Specific measures are actual dollars spent and number of project agreements executed versus planned amounts, both for professional services and construction. The compliance indicator is at least 95% of the plan value.

Regarding the right-of-way process, the FDOT Right-of-Way division establishes and maintains dialogue with the LPA through the completion of the project in conjunction with guidance from FDPT's LPA Section. FDOT provides oversight (e.g. Reviews, QA) and guidance when needed. FDOT executes the RoW certification for each LAP project. Most commonly, FDOT is doing RoW work for the LPA, and FDOT District RoW administrators can delegate the work to the LPA. LPA personnel my handle RoW if they can adhere to FDOT standards pending FDOT approval of personnel; if not, they should utilize consultants. Qualifications for RoW are specified by state law. FDOT's $50,000 waiver valuation threshold was terminated by FHWA in December 2017. However, the qualification of LPA personnel is the same regardless of whether only low-value properties are involved or not.

With respect to the construction contract administration process, top challenges for LPAs as seen from the FDOT Construction division are experience level and time commitment of Administration staff assigned to a LAP project and the experience level of inspection staff. From the FDOT LAP office, the major challenges are contract compliance with FHWA Form 1273 and other guidance on civil rights compliance matters. The FDOT Construction division ensures consistent application of federal requirements by requiring LPAs follow FDOT procedures for administration, sampling, and testing, and FDOT standard specifications for delivery if appropriate. District offices provide oversight through their LAP Administrators. Bi-annual training is provided on design criteria, specifications, and construction contract administration. As for "streamlining", the delivery requirements of LAP projects are very similar to those of FDOT construction projects, since the same procedures and specifications apply. However, projects are classified by the FDOT LAP Office into Classes A, B, C, or D with requirements on design criteria and standards, specifications, and materials spelled out in a matrix (shown in Figure 5). These minimum requirements are based on projects being on or off the NHS/state system and risk indicators. The classification scheme was developed around 2012, and revised in 2014. It was motivated by a statewide partnership (formed 2009) that questioned the need to apply full FDOT design specifications and standards for low-risk off-system projects (FDOT noted that 85% of LAP projects are "off-system"). Working with FDOT and FHWA, the scheme was developed on how constituent groups viewed risk. For example, the FHWA views any project over $10,000,000 as higher risk, therefore Class B. Class C projects have significant structural components requiring FDOT standards but local agency standards can be used for non-structural elements. If a local agency does not have locally-approved specifications, FDOT provides an alternative known as the LAP "Big 4" specifications, which cover 1) earthwork and related operations, 2) Superpave asphalt, 3) concrete, and 4) landscape installation. The "LAP Big 4" specifications were developed through another statewide partnership. FDOT plan reviewers are trained to consider different things depending on classification. FDOT does not use "e-construction" tools. LPAs can use their own specifications and materials requirements on

LAP projects provided they have been approved by FDOT during LAP certification. The aforementioned matrix gives the amount of flexibility for LPAs in project delivery.

With respect to the finance process, FDOT's payment process works by having the LPA submit an invoice for payment, with supporting documentation (payrolls, time sheets, contractor pay applications, etc.) and several status report forms. The District Project Manager reviews the invoice for participating eligible costs and progress. Then, the invoice is processed through FDOT financial services and finally State Financial Services, which issues the reimbursement. FDOT does not pay the contractor directly. Regarding proof of payment of LPA share of costs, FDOT does not have LPAs participate in costs, unless an item is determined to be "non-participating", in which case the item is either deducted from the current "pay app" or programmed as a Locally Funded Amount and not billed to FDOT. Toll credits are used as a "soft match" on LPA projects. However FDOT District 4 does require an LPA to participate financially on non-construction contracts using FHWA funds. LPAs must have 100% of the project amount budgeted, and are reimbursed quarterly. LPAs can be reimbursed for their labor expenses on construction engineering and inspection, per the invoicing forms/template mentioned earlier. Labor amounts are supported by timesheets, which means LPAs must have a payroll system set up to allocate time by the hour to a project. What can be reimbursed is determined by the Florida Department of Financial Services (DFS). Eligible costs are per DFS reference guide and 2 CFR 200. These are documented on the invoicing template and supported by employee timesheets. There is no formal guidance on timesheets; 2 CFR 200 is the minimum standard, and state audits provide insight on whether an LPA has a good tracking system. FDOT does not pay indirect costs unless the LPA has an indirect cost rate approved by an independent auditor or another agency.

Iowa Department of Transportation

The ORITE research team conducted a telephone interview with representatives of the Iowa Department of Transportation (IowaDOT) on July 17, 2018. Historically, all Iowa counties receive a portion of Federal bridge funds. Cities receive funds via a grant program based on "priority points". Non-bridge STBG and Transportation Alternatives funds are allocated via Regional Planning Affiliations and Metropolitan Planning Organizations; Transportation Alternatives funds also go through a separate grant program. Starting with the October 2018 letting, all bridge and STBG funds will be "Federal-aid Swap" funds, per policy approved by Iowa Transportation Commission on February 13, 2018. Iowa DOT central office personnel handle administrative and instructional roles in the LPA program, while Districts do the project specific work such as plan review and project management. LPAs are not explicitly "qualified" for projects. All counties are required to have a licensed county engineer, and most of the larger cities have one on staff. Smaller cities will hire a consultant to design projects. Counties and larger cities generally know what they are doing in regards to federal aid, and the DOT tends to walk the smaller cities through the process. There is federal-aid training (and now Swap training) provided by the DOT, who recommend everyone in the program take periodically. The level of DOT oversight on LPA federal aid projects is based on their Stewardship and Oversight Agreement with FHWA. Oversight is handled by districts; two of the six districts use a "systems approach". District oversight is risk-based, and includes at least one project site visit, attendance a preconstruction meetings, and a presence at all bridge deck pours. Staff from the Local Systems Office conduct random reviews for FHWA (12 per year), looking at what an auditor would examine. There are also instructional memorandums ("I.M.s") which discuss processes

based on topic or subject area. The specific performance measure tracked is the time to close out a project after the field completion date.

As noted previously, Iowa DOT is in the process of implementing an extensive Federal-Aid Swap program starting with project lettings during calendar year 2018. Highlights of the Iowa DOT Federal-aid Swap program include a $1 to $1 "swap" ratio, requirements that funds must be used on road and bridge construction, and projects must be in a DOT Bid Letting. The new Swap process is streamlined from the earlier Federal-aid process, with about 6 months savings in project development time. Differences between the Swap and LPA programs:

- TAP and recreational trails are not Swap eligible;
- ROW is the same (follows Uniform Act), but the audits are different;
- One construction audit per LPA per 3 years;
- Materials requirements are less in-depth;
- Plan reviews are the same;
- An LPA can opt out of Swap, which one MPO chose to do;
- Swap saves DOT personnel time from LPA projects, which can go to DOT projects, though some did say Swap actually created more work since some federal aid will not be in Swap; and
- No Swap funds go to direct labor.

Regarding the right-of-way process, Iowa DOT reported that there has not been any streamlining recently. There is an I.M. for ROW Acquisition (# 3.605), and there was a training about 5 years ago. Iowa law requires following the Uniform Act. There is also an LPA manual that covers this area. Additional help can be obtained from dedicated LPA Coordinators in the state ROW office. The supervisor of that office also gives a presentation to all districts at the annual District Spring Meetings for LPAs. Regarding the ROW work, some LPAs purchase themselves, and others hire consultants. Waiver valuation is allowed for "minor, uncomplicated acquisitions", valued below $25,000. There are no specific training qualifications for low-value acquisitions. LPAs can contact the DOT ROW office at any time for assistance. There is an audit at the end of the project. There is no loss of funding unless there is a big mistake. There is a checklist available to LPAs on how to determine if a particular parcel may be "complex" for appraisal purposes. This checklist is reproduced in Figure 6. Iowa DOT staff noted that this form is offered for guidance only and is not required to be retained in the project file.

With respect to the construction contract administration process, the big challenge for LPAs is keeping detailed documentation, which most LPAs do. However, if even minor things are missing, money can be taken away. Consistent statewide application of federal requirements is ensured by having all federal aid projects let by the DOT, so they follow state specifications. Contractors like the DOT review process since it represents a "one-stop shop". There is an annual training class held at multiple sites. The training has helped streamline contract administration, as did I.M. 3.805. One interesting aspect of I.M. 3.805 is that it includes several attachments with flowcharts describing the specific steps for certain construction contract administration processes (pre-construction, construction inspection, and subcontract review). The flowchart for the construction inspection process is shown in Figure 7. Each step of the inspection process, including the specific forms that are being reviewed, is spelled out in detail in the flowchart. For e-construction, Iowa has been using Doc Express, and recently obtained Appia software (handles contract signing). The DOT and some LPAs have been using

FieldBook and FieldManager since the 1990s. Materials reports are now all electronic. An "E-Ticket" GPS system is in pilot stage, and will hopefully include LPAs in the future.

With respect to the finance process, Iowa DOT local-let invoices are handled through a Claim Reimbursement Form with a cancelled check or check register to verify LPA paid contractor. The form also has a certification statement. A pay estimate worksheet or invoice is also required. Payment to contractors is handled through each county's "Farm to Market" (FM) account at the DOT, out of which the DOT pays the contractor. For Federal-aid projects, FHWA reimbursements go into the FM account. Counties can borrow from each other's FM accounts. Cities don't have an FM fund, so everything for them goes through a reimbursement process. Reimbursement of LPA staff time, benefits, and indirect costs is allowed, but infrequent as it is "a big pain to LPAs" according to the Iowa DOT staff. Those LPAs that wish to be reimbursed for direct and indirect expenses associated with in-house construction inspection activities for Federal-aid projects are required to complete a form showing the scope of work and budget for all in-house activities (see Figure 8, Figure 9, and Figure 10 for more details).

Kansas Department of Transportation

The ORITE research team conducted a telephone interview with representatives of the Kansas Department of Transportation (KDOT) on August 7, 2018. The extent of the KS DOT LPA program is in the LPA Project Development Manual. Headquarters houses the centralized functions in the Bureau of Local Projects (BLP) and provides oversight for LPA-Administered projects. The Districts provide construction oversight on KDOT-administered projects only. LPAs are qualified using an LPA-Administered Certification Application. Eight LPAs are currently certified. The LPA Project Development Manual and associated checklists provide a level of oversight that is consistent for all certified LPAs. Performance measures were recently implemented via a project performance review (PPR) form (see Figure 11), which provides an assessment of the LPA's performance on 25 different aspects of Federal-aid project delivery. Since the form was only recently developed, it hasn't been used in any meaningful way as of the date of the interview. The scoring is arbitrary, and may be changed in the future. The intent is to better communicate with LPAs on problems encountered. Prior to the PPR, there was certification review, last conducted in 2015. Any "no" answers in the review had to come with reasoning for the answer. KDOT has a Federal-State Fund Exchange program that was created in 2011 and is different than the LPA program. The Exchange program focuses on transportation work, which follows state requirements and there is no ROW requirement. The rate of exchange is $0.90/$1.00, as determined by the state's enabling legislation.

Regarding the right-of-way process, LPAs self-certify ROW using a form and KDOT and FHWA review the process annually. For the past 3 years, there is an FHWA-approved Right of Way Certification Program (ROWCP) required for all LPAs and ROW contractors/consultants involved in acquiring ROW for state or federal funded projects, whether let by LPA or KDOT. The ROWCP is administrated by the University of Kansas Transportation Center and consists of six video modules and a certification test. LPA projects have always used self-certification, which was created to expedite the process and reduces KDOT work load. The BLP is available as a resource to the LPAs. LPAs may handle all ROW acquisition except for relocations. LPAs may hire consultants as they choose for this work. Any individual performing right-of-way activities for an LPA project must supply evidence that they have completed the ROWCP Certification Test. Waiver valuation is used, and is covered in the ROWCP. Certified LPA personnel can perform waiver valuations if they have completed the ROWCP. There is a

checklist for ROW work kept in LPA records. There is also a checklist available providing guidance on determining the complexity of a parcel (see Figure 12).

With respect to the construction contract administration process, the biggest challenge with LPAs is construction oversight. Some also struggle with providing accurate and complete documentation (e.g., ensuring work diaries and pay books match invoices). This has improved over the past few years. DBE and civil rights compliance are not a problem. The Kansas DOT LPA Project Development Manual provides a matrix showing the various EEO and DBE documentation requirements, including which forms to use, the frequency of completion, and where completed forms should be sent (see Figure 13). Consistent statewide application of federal requirements is ensured by monthly project site reviews, CAP reviews by the FHWA, and the Project Manager Certification Program (PMCP). Each project must have a certified project manager. Federal requirements are also implemented through required processes and forms. The KDOT LPA process was designed to expedite projects while meeting federal minimum requirements. Subsequent modifications has aimed at remedying deficiencies in LPA construction contract administration. KDOT and the FHWA encourage the use of "e-construction" tools. LPAs may provide electronic documentation, with no restrictions on what software to use and no requirement to align with KDOT software. There are no alternative contract administration procedures for off-system projects. LPA-Administered projects include non-NHS projects; NHS projects may be administered by an LPA if approved by KDOT and FHWA for that project. LPAs use KDOT or KDOT BLP approved "local" specifications and follow federal requirements for materials management.

With respect to the finance process, payment of invoices is performed by having the LPA pay the contractor and then KDOT reimburses the LPA. The approval process is discussed in the LPA Project Development Manual, Section 15, which lists supporting documentation required. LPAs understand how the system works and there are no cash flow issues. In the past there were issues with obtaining monthly invoices, but no longer. KDOT does not directly reimburse contractors. There is no "proof" standard for payment of LPA share of contract costs; LPAs submit electronic pay vouchers as a regular practice. LPA direct labor costs may be reimbursed in a manner similar to that applied for inspection by consultants. LPA construction engineering costs are estimated in a proposal submitted to KDOT, then invoices are sent. Construction engineering indirect costs are chargeable. Fringe benefits are reimbursed to only one LPA as the others have not provided the required documentation. The reimbursement is determined based on work load and negotiations, defined in the construction engineering agreement. KDOT does no inspection other than the site visits.

Missouri Department of Transportation

The ORITE research team conducted a telephone interview with representatives of the Missouri Department of Transportation (MoDOT) on July 11, 2018. Information on the MODOT LPA Policy can be found in Section 136 of the MoDOT Engineering Policy Guide (EPG). It is a guide for LPAs using federal aid funds under the current transportation bill. For projects administered by local officials, the state will furnish information concerning the necessary federal requirements and will act as coordinator. The necessary design, acquisition, environmental, historical and archaeological clearances and approvals, construction and maintenance of improvements will be the responsibility of the local agency. The primary contact at MoDOT is the district representative. Headquarters ensures the direction of the program and goals are met, funds disbursement, staying on-time and on-budget, and assist with audits and

challenges. Regional (district) staff provide direct oversight to the LPA, answer technical questions, handle information requests, assist with the process, and ensure policies are followed and compliant with federal requirements. MoDOT operates its LPA program under the assumption that all LPAs are qualified to administer Federal-aid project. Audits are conducted after projects and LPAs must adjust policies or procedures. Too many audit violations and LPA is prohibited from using federal funds. MoDOT also has implemented an extensive system of performance tracking across its entire agency (called the MoDOT "Tracker"); six performance measures include the delivery of the MoDOT LPA program. These measures include:

- Percent of programmed project cost compared to final project cost;
- Percent of projects completed on time;
- Percent of change for finalized contracts;
- Average number of days from sponsor project selection to project award;
- Percent of local funds committed to projects; and
- Average number of days required to complete final paperwork for local projects.

To collect data for these performance measures, MoDOT requires that LPAs provide reporting on project milestones and costs data in the DOT-LPA contract.

Regarding the right-of-way process, acquisition of right-of-way for LPA projects is guided by the EPG. The only assistance from MoDOT for LPA ROW acquisition is oversight, though level of oversight can vary depending on LPA's experience. LPA personnel may conduct specific ROW acquisition activities or consultants may be used depending on the LPA staffing level. Regarding waiver valuation, many smaller locals have small projects where ROW is not purchased or it is donated.

With respect to the construction contract administration process, the greatest contract administration challenges to LPAs are bidding, field documentation, prevailing wage compliance, and labor records. The consistent application of federal requirements statewide is spelled out in the construction chapter of the MoDOT LPA Policy (EPG Section 136). MoDOT allows electronic diaries ("e-construction") but they have not been widely used. However, there are increasing requests to use electronic documentation. There is a small section in the EPG regarding which software programs can be used for electronic diaries and this section will be expanded in the future. LPAs do not utilize electronic plans or bids; there is a MoDOT website for LPAs to post projects for bid. LPAs are required to follow MoDOT construction and materials specifications unless they have obtained preapproved specifications or materials. For off-system Federal-aid project, MoDOT has established alternative procedures for materials sampling and testing known as the "Off-Systems Guide Schedule for Federal-Aid Acceptance Sampling and Testing (FAST)" (see Figure 14 for portion of FAST guidelines).

With respect to the finance process, MoDOT pays the LPA, who pays the contractor. LPA labor is handled as Work by Local Forces (WBLF). Project-specific LPA costs, other than administration, are allowable if supported by original source documentation. Daily time records with project number must be kept for audit and must include breakdown of employee time, match hourly rate actually received, and actual benefit costs. Vehicle and other equipment usage may be claimed based on hours or miles of usage, again with supporting documentation. WBLF costs must be estimated by LPAs and approved by MoDOT before the start of the project. Indirect costs on LPAs are permitted if a specific process for review and approval is followed, although this situation is rare. Federal funds may apply if there is an independently reviewed

and approved cost allocation plan that meets requirements of 2 CFR 200. Indirect cost rate review includes a review to ensure LPAs properly segregate direct and indirect costs.

Virginia Department of Transportation

The ORITE research team conducted a telephone interview with representatives of the Virginia Department of Transportation (VDOT) on July 12, 2018. Locally administered projects (LAPs) in Virginia can be funded with state, federal, or local funds, or a mix. There are typically 150-200 projects per year valued at $250 to $300 million, which about 30% of the total number of projects statewide and just under 20% of construction value, trending to 30%. VDOT Central Office has a Local Assistance Division (LAD) to develop policies, procedures, outreach, and training for locally administered projects program. LAD collaborates with other Central Office Project Delivery Divisions (COPDD). LAD develops its guidelines and requirements so that their requirements are coordinated and consistent with the various other COPDD processes. LAD publishes a Locally Administered Projects Manual used by LADs and VDOT staff. Each of the 9 district offices oversees LAPs. Some districts have dedicated staff for LAP oversight, and others have LAP overseers who have other duties. Every LAP is assigned a VDOT Project Coordinator who is the primary contact for the local agency, and who shepherds the project, ensures requirements are met, and coordinates with other technical sections that have review roles. In most districts, once the project enters the construction phase, oversight transitions to personnel more familiar with construction processes. In general, the Central Office oversees policies, procedures, and programs, while the Districts oversee delivery of individual LAPs. When LPAs wish to administer Federal-aid projects, they complete a "Request to Administer" form to verify the LPA can fulfill federal requirements and have adequate project delivery systems and financial controls. VDOT has hired someone to develop a programmatic approach to qualifying local personnel for this, and they are reviewing what is done in other states.

VDOT oversight of locally-administered projects utilizes a risk-based approach as described in Section 9.4 of the VDOT LAP Manual. A project risk assessment matrix is used to estimate a factor score for each project (see Figure 15). The matrix considers factors such as Federal oversight, project on the NHS, design-build, funding source, project maintenance responsibility, VDOT-defined project category, and LPA experience in project administration. Based on the factor score for each project, a level of project risk is defined as High, Moderate, or Low (see Figure 16). It should be noted that there is some overlap in the range of scores that correspond to each oversight level. For example, a project that is scored as a 30 can either be Low oversight (score less than 35) or Moderate oversight (score 25 to 55). This overlap allows for the professional judgement of VDOT personnel to be considered in the final oversight determination. The minimum oversight activities for each level are also defined (see Figure 17).

VDOT performance measures and reports are tracked via a "Dashboard" interface that covers single-activity construction advertisements and budgets and was recently enhanced to include other aspects such as preliminary engineering. There is also a process to track start/finish dates, budgets, and expenditures. The dashboard is also used for LPA project management. A number of reports and statewide meetings use this info to check status and updates for projects. LAD also generates local project performance reports covering Construction Commitments (bi-weekly dollar amounts spent on advertised construction contracts), Consultant Services Commitments (bi-weekly estimated amounts paid to localities for professional services contracts), Advertisement Trend (reports dashboard data indicating percentage of projects advertising "on-time" and compares to three-year running figures),

Scoping Date (Planned versus actual scoping dates per project administration agreement), End of Quarter measures (total vs. local project counts and dollars), and other reports created on request.

Regarding the right-of-way process, there is no streamlining specific to federal-aid local projects; they must follow all VDOT processes. Some oversight is streamlined (fewer forms and interim appraisals), particularly for those LPAs in the UCI program (currently only the city of Virginia Beach). LPA submits ROW certification letter prior to advertising project, and must request federal authorization through VDOT before starting ROW phase. VDOT ROW Division has staff in each District available to assist LPAs in meeting all federal ROW requirements. VDOT ROW staff typically visit LPA during ROW phase to ensure paperwork is being kept and requirements followed. LPAs are expected to reach out to VDOT for ROW assistance when ROW phase begins (some LPAs are better than others at doing this). Prior to getting VDOT ROW authorization, the LPA must submit for approval items including set of plans, cost estimate, and ROW checklist. LPAs can perform ROW if they have qualified personnel on staff. Most do not, so they use consultants, which may come from a VDOT list of qualified consultants (VDOT itself does not qualify the consultants for local work, merely ensures they meet Federal requirements). Low-value properties can go through a waiver valuation process on LAPs. A VDOT special projects person will review the process and procedures with LPA personnel. LPA also completes an administrative report. Appraisals must be conducted by licensed appraisers following the Uniform Standards of Professional Appraisal Practices. In most cases waiver valuations are not appraisals, however, and no special certification is needed for LPA personnel to complete waiver valuations for Federal-aid projects.

With respect to the construction contract administration process, the biggest challenge for LPAs is knowing/understanding the federal requirements. LPAs are given the required federal provisions by VDOT to put in the contract, but ensuring implementation can be an issue. VDOT outreach and training focuses on areas that can cause major trouble or risk losing funding (e.g. Buy America and DBE compliance). One of the biggest struggles is maintaining complete and accurate records, including project diaries and materials documentation. LPAs not used to working with FHWA are often not aware of the level of scrutiny given to the project and the complications if rules and regulations are not followed. Most rely on consultants to guide them. Another major challenge is making sure the bid document clearly and accurately matches the proposed work. Unnecessary language held over from another project or web site may lead to bidder confusion or high bids (most often seen with Transportation Alternatives projects). LPAs also must clearly define role and requirements for CEI services, which is often not present in the RFP. LPAs must invite VDOT to pre-construction meeting to inform the contractor of specific project requirements. Lack of off-site materials source testing and/or QA inspection of structural materials fabrication is another challenge, as is lack of project documentation.

Construction documentation is often challenging, including civil rights (e.g., DBE goals) documentation, materials testing and documentation, and how contract assigns responsibilities for QC, QA, and IA (If the wrong team is assigned, documentation can really suffer, and federal agencies are particular on documentation). The most successful LPAs are those who maintain consistent contact with VDOT project managers. Challenges include: Making sure RFPs for design or construction are reviewed by VDOT project managers and procurement division before publication, ensuring LPA/consultant/contractor have a licensed PE on staff who will serve as Responsible Charge Engineer; maintaining ownership of project post-award to ensure progress stays on schedule and as designed (not leaving decisions to contractor or VDOT); having a plan

for construction administration responsibility (including QA and materials testing) before work begins, maintaining appropriate on-site construction monitoring during activities, deliveries, and testing; and providing sufficient justification and cost analysis before seeking VDOT approval for change orders.

As the primary resource in the program, the LAP Manual emphasizes VDOT roles and responsibilities throughout. Chapter 12 details the advertisement and award review and approval process, including federal aid mandates, bid opening and analysis, and VDOT concurrence with award. Chapter 13 covers administration of the construction contract, including need for qualified materials inspectors and proper project documentation. Chapter 17 is devoted to civil rights regulations, and includes a table showing the division between VDOT and local oversight for each requirement. Having a separate chapter on civil rights has been helpful to reinforce compliance with these requirements. VDOT has not implemented any particular streamlining process. Anything VDOT would not do for federal contracts would then need to be done by LPA. UC-certified LPAs (Virginia Beach) already have minimal VDOT oversight. VDOT supports e-construction tools. Several LPAs use software, either self-developed or off the shelf. VDOT does not provide any software or e-construction tools, but is discussing it. VDOT has no alternative process for non-NHS projects, whether VDOT or LPA administered. VDOT will provide guidance for "local force construction" and on sole source and proprietary procurement.

With respect to the finance process, the reimbursement process is outlined in Chapter 19 of the LAP manual. Project level reimbursements are paid at the District level; billing frequency is monthly to quarterly, which helps avoid FHWA "FIRE" review issues. Some LPAs do not send bills. LPA must submit supporting documentation, or a one-page summary signed by LPA's Director of Finance/Accounting Manager if there is an agreement on this with VDOT. Also required with each reimbursement request: a statement that voucher is accurate, and that all Civil Rights documentation has been submitted, all environmental controls are in place and maintained by contractor, and all materials meet FHWA/VDOT requirements. Reimbursement requests during the construction phase are reviewed by VDOT project coordinators or construction engineers to ensure eligibility. VDOT does not pay contractors on LAPs directly, but reimburses LPAs who submit copies of paid invoices from contractors. VDOT allows LPAs to be reimbursed for staff time allocated to a project, documented with time sheets. If they have an approved indirect cost allocation plan, an LPA also receives indirect cost reimbursement; most LPAs don't have such a plan. VDOT staff time is not charged directly to project, but may be deducted from LPA reimbursement if a local match is required.

Wisconsin Department of Transportation

The ORITE research team conducted a telephone interview with representatives of the Wisconsin Department of Transportation (WisDOT) on August 17, 2018. WisDOT's LPA program is managed through the Project Stewardship and Oversight Agreement with FHWA covering STP Urban and Rural, Local Bridge, Transportation Alternatives Program, Congestion Mitigation & Air Quality Improvement, and Highway Safety Improvement. The program funding is managed by the central office and monitored in the five DOT regions with project management staff, who handle traditional projects. Non-traditional projects (e.g. bike paths) are administered via locally-let contracts. The qualifications of LPAs to administer federal-aid highway projects is determined by the program; WisDOT writes a guide giving the LPA authority and trains the LPA. The training lasts a full day and provides a certification that must be renewed every three years. WisDOT oversight is maintained via a delegation document that

identifies the level of authority for all types of projects and specifies "approvals of certain project documents". WisDOT is identifying specific measures to assess the delivery of LPA projects, but this performance measurement framework is still under development.

Regarding the right-of-way process, WisDOT is looking at how to streamline its right-of-way acquisition process on LPA projects. The goal is to give the LPA more responsibility for the project and reduce oversight. WisDOT has prepared a LPA Manual for use by local agencies. It includes contact information for LPA Coordinators from whom the LPAs are encouraged to seek answers and assistance, which can be by telephone or email. Most projects begin after a startup meeting to go over the process and requirements. For large projects the meeting is face-to-face, while smaller ones may be handled by teleconference. For LPA personnel to do their own acquisitions, they are required to read the manual and take an online course from NHI. They submit a completion form provided by the online course and sign a form verifying they have read the manual. WisDOT also maintains a list of approved consultant negotiators if the LPA prefers to use them. WisDOT used management consultants to help with oversight although this model is changing in the future. WisDOT's real estate group is also provides webinars for training. LPAs are either approved or not – no other options. There are training requirements for re-approval. WisDOT also provides written policies and certifies consultants. However, WisDOT does not acquire right-of-way on behalf of LPAs. Regarding acquisition activities, LPAs are allowed to use low-value property acquisition activities and they must prepare a stales study showing how the value of the property was arrived at. They need to follow the Uniform Act and there is a process to follow if an appraisal is requested or required. Regarding training of LPAs in low-value property acquisition, since most LPAs have projects only occasionally, they are encouraged to hire a consultant from the list, so training is not necessary. However, there is a plan for annual WisDOT training sessions on specific topics or issues, aimed at approved consultants and LPAs.

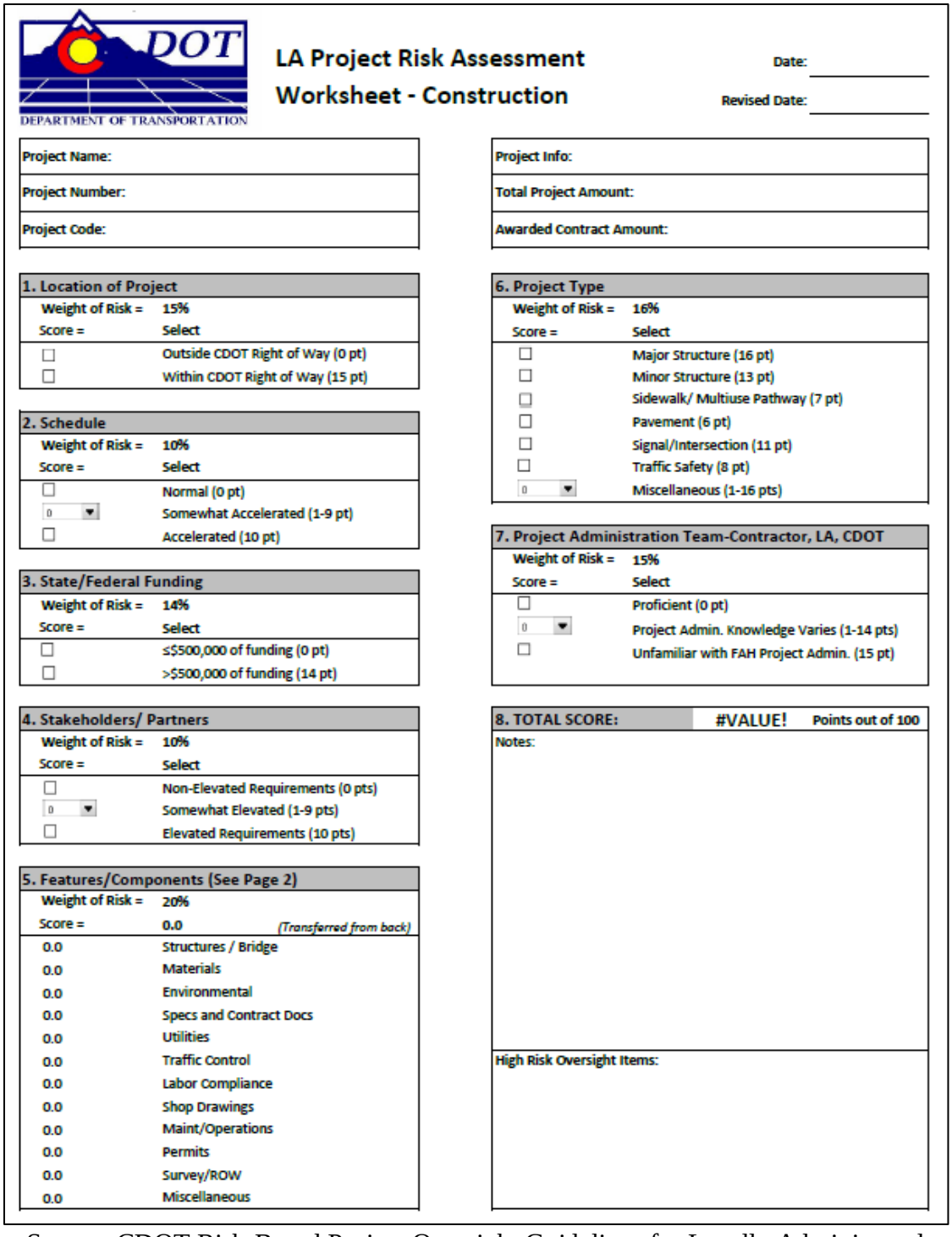
With respect to the construction contract administration process, WisDOT uses the administration software Fieldmaster, and tools are provided to the LPAs via a Sponsor Guide. The guide is updated every couple years. To ensure all Federal requirements are met statewide, WisDOT conducts site visits and there is a formal final record checking process upon completion. To streamline the LPA contract administration process, WisDOT is implementing e-construction via Masterworks software. Proposed alternative contract administration procedure and other LPA exceptions are formally reviewed by WisDOT.

With respect to the finance process, LPA project invoices are paid by WisDOT via electronic software. The supporting documentation required is the invoice and a progress schedule. The LPA pays the contractor if the project is locally-let. A completion certificate is required at the end of the project. Proof of payment is not required. In some cases, municipalities will use their engineering staff on inspections and other engineering tasks, and these expenses are paid by the municipality sending invoices directly to WisDOT for payment. WisDOT enters into a contract with the LPA for DOT-let projects, and the contract specifies how direct labor, benefits, and indirect costs are paid via purchase orders. WisDOT does not reimburse these costs on local-let projects.

Examples of Documents or Checklists from High-Performing States

This section presents examples of documents, checklists, or other content from high-performing State DOT LPA programs studied in this research.

- Figure 1: LPA Project Risk Assessment Worksheet, Colorado DOT (Page 1 of 2)
- Figure 2: LPA Project Risk Assessment Worksheet, Colorado DOT (Page 2 of 2)
- Figure 3: LPA Project Oversight Guidance from Risk Matrix Score, Colorado DOT
- Figure 4: Sample Page from LAP Performance Evaluation Form, Florida DOT
- Figure 5: LPA Project Classification Matrix, Florida DOT
- Figure 6: Checklist for Determining Parcel Complexity, Iowa DOT
- Figure 7: Construction Inspection Flowchart, Iowa DOT
- Figure 8: In-House Construction Inspection Budget, Iowa DOT (Page 1 of 3)
- Figure 9: In-House Construction Inspection Budget, Iowa DOT (Page 2 of 3)
- Figure 10: In-House Construction Inspection Budget, Iowa DOT (Page 3 of 3)
- Figure 11: LPA-Administered Project Performance Review, Kansas DOT
- Figure 12: Checklist for Determining Parcel Complexity, Kansas DOT
- Figure 13: Guidance on EEO Documentation Requirements, Kansas DOT
- Figure 14: Partial Screen Capture of FAST Testing Schedule, Missouri DOT
- Figure 15: Project Risk Assessment Matrix, Virginia DOT
- Figure 16: Project Oversight Assessment, Virginia DOT
- Figure 17: Minimum Oversight Activities, Virginia DOT



DEPARTMENT OF TRANSPORTATION

LA Project Risk Assessment Worksheet - Construction

Date: _____

Revised Date: _____

Project Name:	
Project Number:	
Project Code:	

Project Info:	
Total Project Amount:	
Awarded Contract Amount:	

1. Location of Project

Weight of Risk = 15%

Score = Select

- ☐ Outside CDOT Right of Way (0 pt)
- ☐ Within CDOT Right of Way (15 pt)

2. Schedule

Weight of Risk = 10%

Score = Select

- ☐ Normal (0 pt)
- 0 Somewhat Accelerated (1-9 pt)
- ☐ Accelerated (10 pt)

3. State/Federal Funding

Weight of Risk = 14%

Score = Select

- ☐ ≤$500,000 of funding (0 pt)
- ☐ >$500,000 of funding (14 pt)

4. Stakeholders/ Partners

Weight of Risk = 10%

Score = Select

- ☐ Non-Elevated Requirements (0 pts)
- 0 Somewhat Elevated (1-9 pts)
- ☐ Elevated Requirements (10 pts)

5. Features/Components (See Page 2)

Weight of Risk = 20%

Score = 0.0 *(Transferred from back)*

0.0	Structures / Bridge
0.0	Materials
0.0	Environmental
0.0	Specs and Contract Docs
0.0	Utilities
0.0	Traffic Control
0.0	Labor Compliance
0.0	Shop Drawings
0.0	Maint/Operations
0.0	Permits
0.0	Survey/ROW
0.0	Miscellaneous

6. Project Type

Weight of Risk = 16%

Score = Select

- ☐ Major Structure (16 pt)
- ☐ Minor Structure (13 pt)
- ☐ Sidewalk/ Multiuse Pathway (7 pt)
- ☐ Pavement (6 pt)
- ☐ Signal/Intersection (11 pt)
- ☐ Traffic Safety (8 pt)
- 0 Miscellaneous (1-16 pts)

7. Project Administration Team-Contractor, LA, CDOT

Weight of Risk = 15%

Score = Select

- ☐ Proficient (0 pt)
- 0 Project Admin. Knowledge Varies (1-14 pts)
- ☐ Unfamiliar with FAH Project Admin. (15 pt)

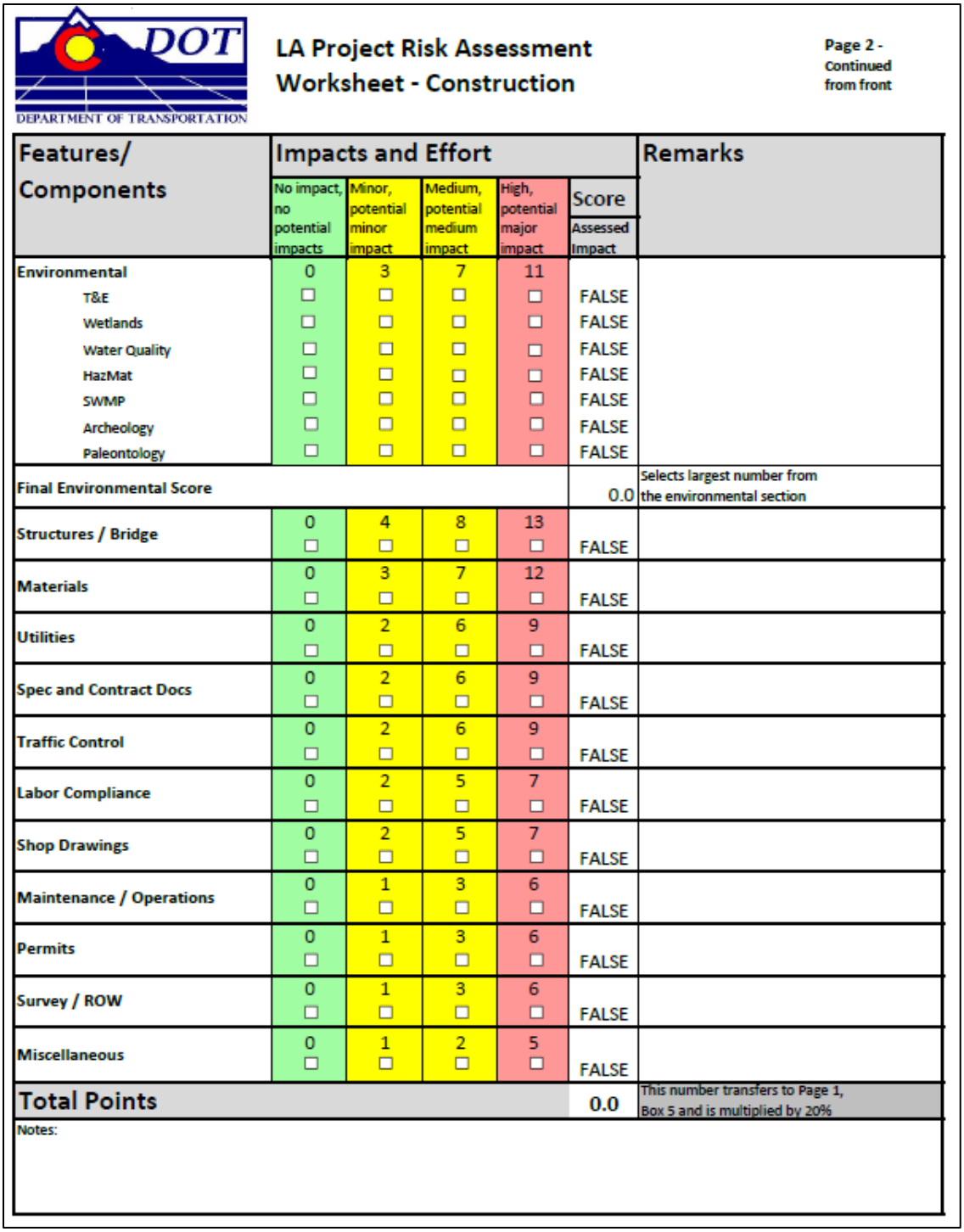
8. TOTAL SCORE: #VALUE! Points out of 100

Notes:

High Risk Oversight Items:

Source: CDOT Risk-Based Project Oversight Guidelines for Locally Administered Construction Projects, November 2013

Figure 1: LPA Project Risk Assessment Worksheet, Colorado DOT (Page 1)



DEPARTMENT OF TRANSPORTATION

LA Project Risk Assessment Worksheet - Construction

Page 2 - Continued from front

Features/ Components	Impacts and Effort					Remarks
	No impact, no potential impacts	Minor, potential minor impact	Medium, potential medium impact	High, potential major impact	Score: Assessed Impact	
Environmental	0	3	7	11		
T&E	☐	☐	☐	☐	FALSE	
Wetlands	☐	☐	☐	☐	FALSE	
Water Quality	☐	☐	☐	☐	FALSE	
HazMat	☐	☐	☐	☐	FALSE	
SWMP	☐	☐	☐	☐	FALSE	
Archeology	☐	☐	☐	☐	FALSE	
Paleontology	☐	☐	☐	☐	FALSE	
Final Environmental Score					0.0	Selects largest number from the environmental section
Structures / Bridge	0 ☐	4 ☐	8 ☐	13 ☐	FALSE	
Materials	0 ☐	3 ☐	7 ☐	12 ☐	FALSE	
Utilities	0 ☐	2 ☐	6 ☐	9 ☐	FALSE	
Spec and Contract Docs	0 ☐	2 ☐	6 ☐	9 ☐	FALSE	
Traffic Control	0 ☐	2 ☐	6 ☐	9 ☐	FALSE	
Labor Compliance	0 ☐	2 ☐	5 ☐	7 ☐	FALSE	
Shop Drawings	0 ☐	2 ☐	5 ☐	7 ☐	FALSE	
Maintenance / Operations	0 ☐	1 ☐	3 ☐	6 ☐	FALSE	
Permits	0 ☐	1 ☐	3 ☐	6 ☐	FALSE	
Survey / ROW	0 ☐	1 ☐	3 ☐	6 ☐	FALSE	
Miscellaneous	0 ☐	1 ☐	2 ☐	5 ☐	FALSE	
Total Points					0.0	This number transfers to Page 1, Box 5 and is multiplied by 20%

Notes:

Source: CDOT Risk-Based Project Oversight Guidelines for Locally Administered Construction Projects, November 2013

Figure 2: LPA Project Risk Assessment Worksheet, Colorado DOT (Page 2)

Table 1 - Level of Project Oversight

CDOT Oversight Level	Impact/Probability	Multi-factor Rating Score
High	Significant impact on infrastructure due to noncompliance; Significant effects to quality of construction, cost and schedule; High probability of noncompliance	>60
Moderate	Moderate impact on infrastructure due to noncompliance; Moderate effects to quality of construction, cost and schedule; Moderate probability of noncompliance	30-70
Low	Minimal impact on infrastructure due to noncompliance; Minimal effects to quality of construction, cost and schedule; Low probability of noncompliance	40

Table 2 – Frequency of Project Review

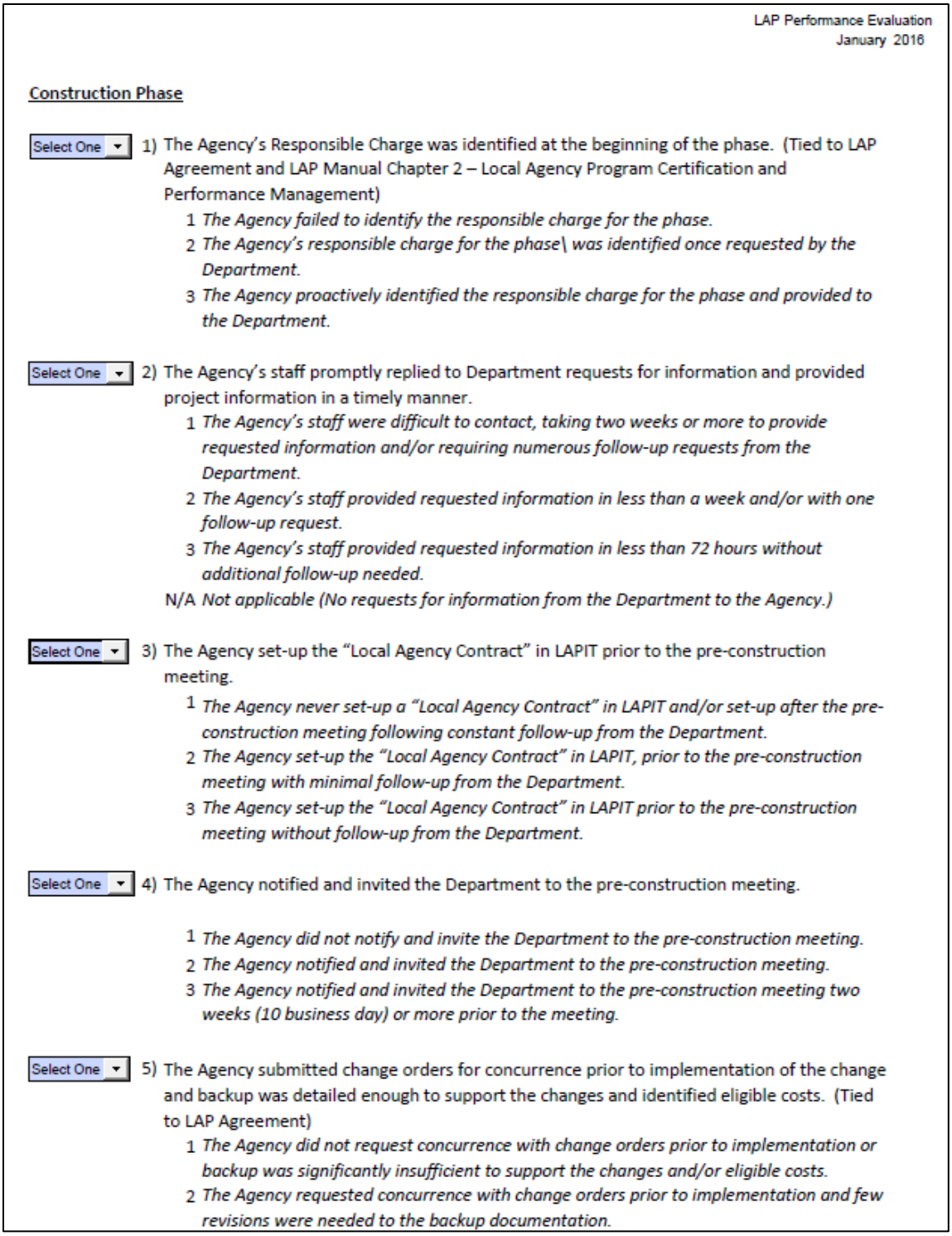
CDOT Oversight Level	Frequency of Project Review
High	Weekly to Monthly
Moderate	Monthly to Quarterly
Low	Randomly to Infrequently

Table 3 – Frequency of Construction Contract Administration and Documentation Review[2]

CDOT Oversight Level	Project Pay Documentation	Daily Diaries	Civil Rights Compliance	Contract Modification Orders (CMO)	Materials Documentation	Monthly Certifications for Reimbursement Requests	Final Acceptance, Estimate, Form 950, Project Closure
High	Continual	Continual	Continual	Continual	Continual	Continual	Continual
Moderate	Continual	Periodic	Periodic	Continual	Periodic	Continual	Continual
Low	Continual	Periodic	Periodic	Continual	Periodic	Periodic	Continual

Source: CDOT Risk-Based Project Oversight Guidelines for Locally Administered Construction Projects, November 2013

Figure 3: LPA Project Oversight Guidance from Risk Matrix Score, Colorado DOT



LAP Performance Evaluation
January 2016

Construction Phase

Select One 1) The Agency's Responsible Charge was identified at the beginning of the phase. (Tied to LAP Agreement and LAP Manual Chapter 2 – Local Agency Program Certification and Performance Management)

1 *The Agency failed to identify the responsible charge for the phase.*
2 *The Agency's responsible charge for the phase\ was identified once requested by the Department.*
3 *The Agency proactively identified the responsible charge for the phase and provided to the Department.*

Select One 2) The Agency's staff promptly replied to Department requests for information and provided project information in a timely manner.

1 *The Agency's staff were difficult to contact, taking two weeks or more to provide requested information and/or requiring numerous follow-up requests from the Department.*
2 *The Agency's staff provided requested information in less than a week and/or with one follow-up request.*
3 *The Agency's staff provided requested information in less than 72 hours without additional follow-up needed.*
N/A *Not applicable (No requests for information from the Department to the Agency.)*

Select One 3) The Agency set-up the "Local Agency Contract" in LAPIT prior to the pre-construction meeting.

1 *The Agency never set-up a "Local Agency Contract" in LAPIT and/or set-up after the pre-construction meeting following constant follow-up from the Department.*
2 *The Agency set-up the "Local Agency Contract" in LAPIT, prior to the pre-construction meeting with minimal follow-up from the Department.*
3 *The Agency set-up the "Local Agency Contract" in LAPIT prior to the pre-construction meeting without follow-up from the Department.*

Select One 4) The Agency notified and invited the Department to the pre-construction meeting.

1 *The Agency did not notify and invite the Department to the pre-construction meeting.*
2 *The Agency notified and invited the Department to the pre-construction meeting.*
3 *The Agency notified and invited the Department to the pre-construction meeting two weeks (10 business day) or more prior to the meeting.*

Select One 5) The Agency submitted change orders for concurrence prior to implementation of the change and backup was detailed enough to support the changes and identified eligible costs. (Tied to LAP Agreement)

1 *The Agency did not request concurrence with change orders prior to implementation or backup was significantly insufficient to support the changes and/or eligible costs.*
2 *The Agency requested concurrence with change orders prior to implementation and few revisions were needed to the backup documentation.*

Source: Florida DOT LAP Performance Evaluation Form, January 2016

Figure 4: Sample Page from LAP Performance Evaluation Form, Florida DOT

TABLE 1: Project Classifications

**Full Manual titles and Topic Numbers are identified in the following paragraphs and Chapter 20*

Project Classifications	Design Criteria and Standards*	Specifications*	Materials*
Class A On the State or National Highway Systems	*FDOT Plans Preparation Manual* and *FDOT Design Standards*	FDOT Standard Specifications for Road & Bridge Construction	Samples Testing and Reporting Guide and ***FDOT Materials Manual***
Class B Off the State and National Highway Systems with an estimated construction value of $10 million or greater.	*FDOT Plans Preparation Manual* and *FDOT Design Standards*	FDOT Standard Specifications for Road & Bridge Construction	Samples Testing and Reporting Guide and ***FDOT Materials Manual***
Class C Off the State and National Highway Systems and includes structural components: • a vehicular bridge • pedestrian bridge over a roadway • box culvert meeting the definition of a bridge as stated in 23 CFR 305	1) For structures components, use the *FDOT Plans Preparation Manual* and *FDOT Design Standards* 2) For all other components, use the *Florida Greenbook*	1) For the structures components, FDOT Standard Specifications 2) For all other components, LAP Big 4 or approved Local Agency Specs	1) For structures components, use the Samples Testing and Reporting Guide and ***FDOT Materials Manual*** 2) For all other components, use Local Agency materials testing process
Class D Off the State and National Highway Systems, may include structural components: • pedestrian bridges not over a roadway • bridges on shared use path not over a roadway • box culverts that do not meet the definition of a bridge as stated in 23 CFR 305	*Florida Greenbook* -Or- Approved Minimum Design Standards chosen by local agency which conform to the minimum criteria provided in *Florida Greenbook*	LAP Big 4 or approved Local Agency Specs	Local Agency materials testing process

Source: Chapter 19, Florida DOT Local Agency Program Manual, March 2016

Figure 5: LPA Project Classification Matrix, Florida DOT

Checklist for Determining Complex Parcel for Appraisal Purposes

County/City _____ Project No. _____

Name of Preparer _____ Title _____

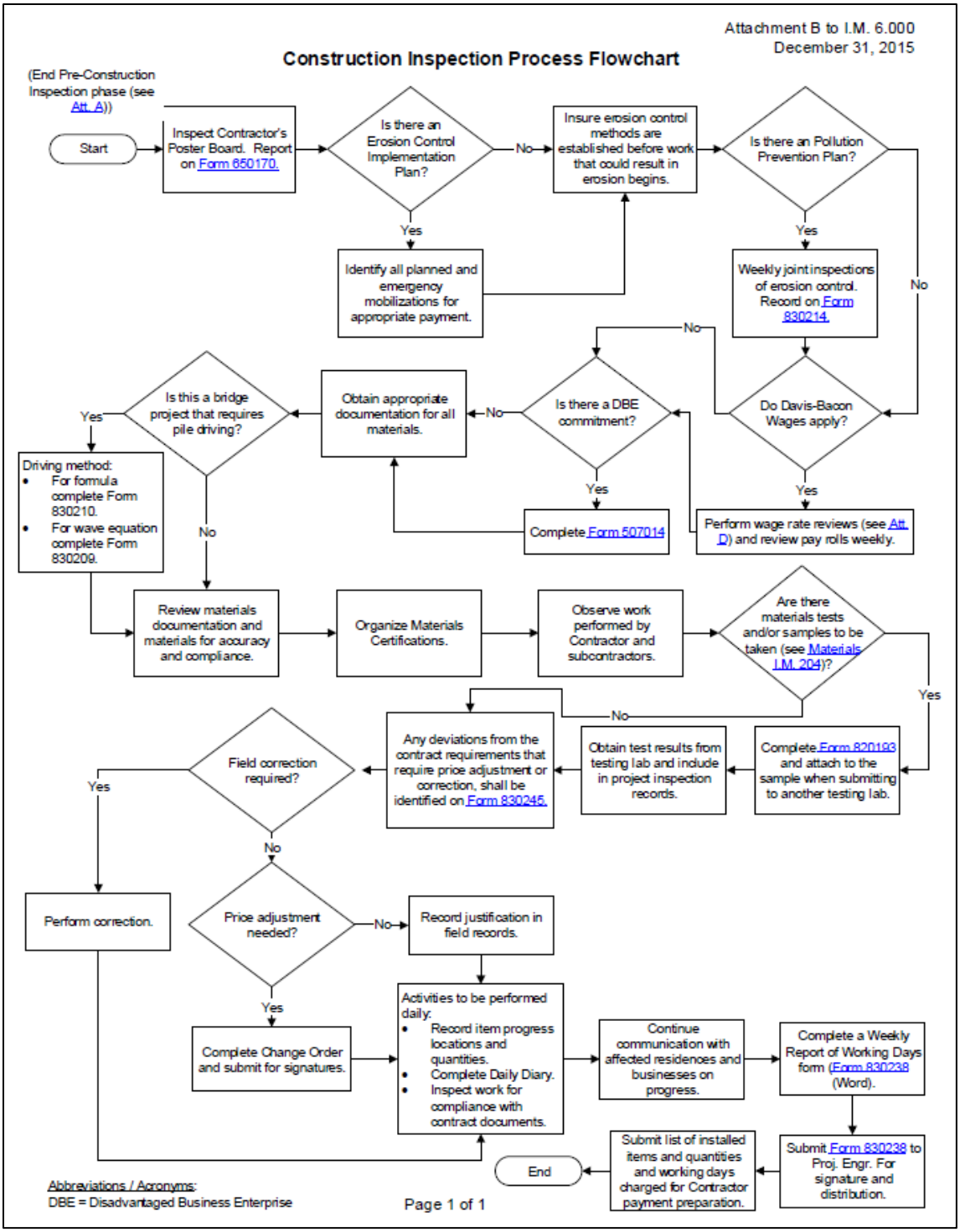
Date _____

It is the responsibility of the county or city to determine the complexity of a parcel. The following yes/no type questions are intended to provide guidance to help in making that determination. If the answer to any of these questions is yes (or even maybe) the parcel may have sufficient complexity to classify it as complex. A "yes" answer should be an alert that more questions need to be asked.

1. Is estimating value difficult due to a lack of sufficient market data (comparable sales)?
2. Is the anticipated value of the proposed acquisition over $10,000?
3. Is the anticipated value of the proposed acquisition anything more than a strip acquisition?
4. Are buildings, wells, signs, etc. affected?
5. Is the anticipated value of the proposed acquisition severing any buildings from the remainder?
6. Are trees, shrubs or any other landscaping involved?
7. Does moving the proposed right of way line require analysis of possible proximity damages?
8. Is access to the property changed or limited?
9. Is the current highest and best use of the property going to be changed as a result of the proposed acquisition?
10. Does a significant amount of the total compensation involve items other than land value?
11. Are there any borrow areas?
12. Is there reason to believe this parcel will proceed to Condemnation?
13. Is more land than actually needed being acquired?
14. Does the proposed acquisition impact the sewage disposal system or property drainage?
15. Are there any other considerations that complicate the valuing of this parcel?

Source: Index 3, Iowa DOT LPA Manual, March 2016

Figure 6: Checklist for Determining Parcel Complexity, Iowa DOT



Source: Attachment B, Instructional Memorandum No. 3.805, February 2018

Figure 7: Construction Inspection Flowchart, Iowa DOT

Attachment A to I.M. 3.310
February 18, 2013

SCOPE OF WORK AND BUDGET
Non-Construction Projects

Project Number: STP-U-7057(689)--70-97 **Date Submitted:** 4/7/2015

Project Sponsor: CITY OF SIOUX CITY, IOWA **Est. Start Date:** 6/1/2015

Contact Person: BRITTANY ANDERSON **Phone Number:** 712-279-6401

Title: CIVIL ENGINEER **Fax Number:** 712-279-6249

Address: 405 6TH STREET, PO BOX 447, SIOUX CITY, IA 51102 **Email:** branderson@sioux-city.org

ESTIMATED PROJECT BUDGET:

The project budget should be prepared using the most current information available to give an accurate accounting of the estimated project costs on this date. The costs provided at this time will not necessarily be identical to the budget provided at the time of application as this should be a more refined estimate that may include more detail than the planning level estimate provided with the application. Actual reimbursements will be based on documented costs up to the amount reflected in the project agreement. The project tasks should be clearly defined, easily understood, and correspond to the deliverables listed further below. An approved Indirect Cost Proposal is required for any indirect costs included in the project budget. Please attach a project budget similar to the example below that adheres to the principles below. The Budget Template has been provided in a separate tab within this Excel file for your use.

1. The overall project budget is broken down into reasonable project tasks and includes separate columns for estimated staff hours, estimated hourly salary, estimated fringe, other direct costs, other indirect costs, and line item totals.
2. Each employee billing direct salary expenses is identified by classification and estimated hours per work task.
3. Staff hourly rates are broken down into component costs of direct salary, direct fringe, and indirect costs.
4. All other direct costs are identified and assumptions (Example: 200 miles @ $0.55/mile) used to come up with the estimate are included.

Project Budget

Project Number: STP-U-7057(689)--70-97

Date Submitted: 4/7/2015

TASK, CLASSIFICATION OF EMPLOYEE, OR DIRECT COST	Estimated Hours	Hourly Rate, Salary	Estimated Fringe, Direct	Other Direct Cost Estimate	Total Estimated Budget
Task 1: Pre-Construction Meeting					
Civil Engineer	4.00	$28.23	$15.51		$174.96
Inspector	2.00	$27.77	$15.21		$85.96
Utilities Superintendent	2.00	$39.16	$17.93		$114.18
Field Services Street Superintendent	2.00	$29.40	$9.88		$78.56
Task 1 Subtotal:					$453.66
Task 2: Project Management					
Civil Engineer	160.00	$28.23	$15.51		$6,998.40
Inspector	40.00	$27.77	$15.21		$1,719.20
Administrative Assistant	10.00	$20.52	$14.00		$345.20
Mileage (100 @ $0.575/mile)				$57.50	$57.50
Task 2 Subtotal:					$9,120.30
Task 3: Project Meetings					
Civil Engineer	30.00	$28.23	$15.51		$1,312.20
Inspector	20.00	$27.77	$15.21		$859.60
Mileage (100 @ $0.575/mile)				$57.50	$57.50
Task 3 Subtotal:					$2,229.30
Task 4: Construction Inspection					
Civil Engineer	100.00	$28.23	$15.51		$4,374.00
Inspector	800.00	$27.77	$15.21		$34,384.00
Utilities Superintendent	40.00	$39.16	$17.93		$2,283.60
Field Services Street Superintendent	40.00	$29.40	$9.88		$1,571.20
Mileage (900 @ $0.575/mile)				$517.50	$517.50
Task 4 Subtotal:					$43,130.30
Task 5: IDOT Audit					
Civil Engineer	40.00	$28.23	$15.51		$1,749.60
Inspector	40.00	$27.77	$15.21		$1,719.20
Task 5 Subtotal:					$3,468.80
Task 6: Final Walk Through					
Civil Engineer	4.00	$28.23	$15.51		$174.96
Inspector	8.00	$27.77	$15.21		$343.84
Utilities Superintendent	2.00	$39.16	$17.93		$114.18
Field Services Street Superintendent	2.00	$29.40	$9.88		$78.56
Mileage (40 @ $0.575/mile)				$23.00	$23.00
Task 6 Subtotal:					$734.54
TOTAL BUDGET					**$59,136.90**

Source: Example Provided by Iowa DOT, August 2018

Figure 8: In-House Construction Inspection Budget, Iowa DOT (Page 1 of 3)

Attachment A to I.M. 3.310
February 18, 2013

DELIVERABLES BY TASK:

Each project task should provide clearly defined deliverables (or objectives) that will act as benchmarks in the completion of the project. The status of each project task will be requested with each claim for reimbursement. Progress made toward the completion of the deliverables listed below will provide a clear understanding of how the project is proceeding.

Task		Deliverables / Objectives
Task 1:	Pre-Construction Meeting	1. Schedule & attend pre-construction meeting with contrator & utilities
		2. Keep & distribute meeting minutes
		3.
		4.
		5.
Task 2:	Project Management	1. Provide daily management of project
		2. Coordination between Civil Engineer & Inspector on project updates
		3. Prepare reports including, but not limited to: progress reports, change orders, contractor pay requests
		4. Shop drawing coordination with designer & contractor
		5. Prepare City Council items to present (award/approve contract, change orders, final acceptance)
Task 3:	Project Meetings	1. Bi-weekly on-site project update meetings
		2. Prepare meeting agenda/minutes
		3.
		4.
		5.
Task 4:	Construction Inspection	1. Maintain project field diaries, files, and records
		2. Review critical path schedule supplied by contractor & have it updated as necessary
		3. Verify that work is completed in conformance with plans & specifications
		4. Review daily traffic control devices
		5. Verify all material certifications
		6. Measure & calculate quantities of pay items
		7. Consult with the public regarding questions during construction
Task 5:	IDOT Audit	1. Compile Civil Engineer & Inspector files to submit to IDOT for audit
		2. Complete material & file audit with IDOT District Office
		3.
		4.
		5.
Task 6:	Final Walk Through	1. Preparation of punchlist items
		2. Verification that punchlist items have been completed
		3.
		4.
		5.

Source: Example Provided by Iowa DOT, August 2018

Figure 9: In-House Construction Inspection Budget, Iowa DOT (Page 2 of 3)

Attachment A to I.M. 3.310
February 18, 2013

FRINGE BENEFITS:

The reimbursement of any fringe benefits requires concurrence by the Iowa DOT that such fringe benefits are reasonable. Please provide below an itemized list of all fringe benefits provided to employees for your organization. A partial list has been provided. Please place an X to the left of each applicable fringe benefit for your agency and/or add other fringe benefits to the list. State whether each benefit is provided according to state or federal requirements or whether the benefit is available to all employees at a rate listed in an employee handbook or similar document.

Mark if Yes	Fringe Benefit		Benefit provided: State/Federal Requirement or Available to all Employees
X	Social Security Liability		Federal requirement
X	Medicare Liability		Federal requirement
X	Worker's Compensation		Federal/State requirement
X	State Unemployment Insurance		State requirement
X	IPERS		State requirement
X	Health Insurance		Available to all employees
X	Long Term Disability		Available to all employees
X	Other	Deferred Compen	Available to all employees
X	Other	Life Insurance	Available to all employees
X	Other	Dental Insurance	Available to all employees
	Other		
	Other		
	Other		

ADDITIONAL INFORMATION:

Please provide any additional information to more fully convey the project scope, budget or deliverables.

IOWA DOT APPROVAL:

The foregoing and attached estimated project budget has been reviewed for compliance with Iowa DOT and Federal Highway Administration (FHWA) policies and procedures governing the reimbursement of non-construction costs for federal-aid projects and as of the date below has been approved for use on the aforementioned project.

Brian Catus

April 27, 2015

Brian Catus - District 3 Local Systems

Iowa DOT Staff

Date

Source: Example Provided by Iowa DOT, August 2018

Figure 10: In-House Construction Inspection Budget, Iowa DOT (Page 3 of 3)

LPA-ADMINISTERED PROJECT PERFORMANCE REVIEW:

LPA: Proj No.:

Location: LPA PM:

BLP PM:

	Description	Satisfactory =1 Needs Improvement = 0
PRE-FIELD CHECK		
1	Include project on applicable MPO TIP	0
2	Submit 1302 Form (Request for Project)	0
3	Notify BLP when Design Consultant is selected	0
FIELD CHECK		
4	Submit FD check plans and Estimate per schedule	0
5	Coordinate / Invite BLP to FD check meeting	0
6	Provide FD check meeting minutes to BLP within 2-weeks following FD check meeting	0
FINAL CHECK /PS&E		
7	Submit plans, estimate, contract proposal and specifications per schedule	0
8	Submit forms 1304 (Status of Utilities), 1306 (R/W Certification) and 1307 (Status of Permits), Copies of Permits.	0
9	Maintenance of TIP based on scope and estimate (if applicable)	0
10	Submit signed Project Agreement to KDOT	0
ADVERTISEMENT		
11	Advertise only after Authority to Administer is provided from BLP	0
12	Advertise in appropriate publication	0
13	Advertise for appropriate time interval (30-days minimum, unless revised per BLP approval)	0
14	Notify Bidders and BLP of all pre-bid meetings	0
POST-LETTING / AUTHORITY TO AWARD		
15	Submit Bid-Tabs in appropriate format	0
16	Submit Authority to Award Contract Document to BLP	0
17	Post-Award: Submit signed contracts, Letting Summary Document, and Paid Item List (organized by work type in Excel format)	0
CONSTRUCTION		
18	Coordinate / Invite BLP to Pre-Construction Meeting	0
19	Provide Pre-Construction meeting minutes to BLP within 2-weeks following Pre-Construction meeting	0
20	Send BLP copy of the Notice to Proceed (NTP) document	0
21	Submit monthly reimbursement requests to BLP	0
22	Submit change orders according to LPA-Administered procedures	0
23	Construction Oversight Visit Worksheet:	0
PROJECT CLOSE-OUT		
24	Schedule final walk-through and invite BLP to attend	0
25	Provide PM with the Construction Summary Documents, including final invoice, Final Paid Items List (FPIL) and the Notice of Acceptance*	0
	Total Score**	**0**

* Project Close-Out documents should be submitted no later than 3-month following "Notice of Acceptance"

** A score below 18 will require a "Certification Review" with LPA - may result in change of Certification Status

COMMENTS

BLP PM Signature Date

LPA PM Signature Date

Source: Provided by Kansas DOT, August 2018

Figure 11: LPA-Administered Project Performance Review, Kansas DOT

Checklist A - Checklist for Determining Complex Parcel for Appraisal Purposes

LPA: _____ Project No.: _____

Name of Person Contacted: _____ Title: _____

Phone No.: _____ Date of Contact: _____ Time: _____

It is the responsibility of the LPA to determine the complexity of a parcel. The following are yes/no questions, to provide guidance and assistance in making that determination. If the answer to any of these questions is yes (or even maybe), the parcel may have sufficient complexity to classify it as "complex". A "yes" answer should be an alert that more questions need to be asked.

1. Why is the acquisition over $10,000?
2. Is the acquisition anything more than a "strip acquisition"?
3. Are there any buildings, wells, signs, etc. being affected?
4. Is the acquisition severing any buildings from the remainder?
5. Are trees, shrubs, or any other landscaping involved?
6. Is the ROW line closer to any building after the acquisition to require analysis of possible proximity damages?
7. Is access to the property changed or limited?
8. Is the current highest and best use of the property going to be changed because of the acquisition?
9. Does a significant amount of the total compensation involve items other than land value?
10. Are there any borrow areas?
11. Is there reason to believe this parcel will proceed to condemnation?
12. Is more land than is needed being acquired?
13. Are there any other considerations that complicate the valuing of this parcel?

Source: Appendix A, Kansas DOT LPA Project Development Manual, January 2018

Figure 12: Checklist for Determining Parcel Complexity, Kansas DOT

EEO and DBE Documentation

Document	Frequency	Who Retains
EEO Policy – prime & subs	Calendar Year	Office of Civil Rights Compliance
DBE Certification	At Contract Award • Only 60% of DBE supplier value can be used	DBEs and Office of Civil Rights Compliance
Wage Rate Interviews	One employee/company/quarter	LPA
Certified Payroll	Weekly (within 7 calendar days of pay)	Contractor and LPA
Bulletin Board	Details posters required for project	Contractor
Bulletin Board Check Sheet	Maintain during project	LPA
Form 239* Field Construction Administrator's Report	When Project is 20-30% complete	LPA and BLP
Form 270 (or similar from LPA) DBE Payment Affidavit	End of Project	LPA, BLP and Office of Civil Rights Compliance
Form 294* Additional Classification Request Form	As needed for job classes not in contract	Contractor, LPA, BLP and BOCM
Form 1003 Federal-Aid Highway Construction Employment Data Summary	Monthly (contracts over $500,000)	Contractor and BLP
Form 1008 Monthly DBE Payment Affidavit	Monthly - One per each DBE subcontractor (by the 5th for preceding month)	BLP
Form 1010LP Certificate of Subcontractor Work and Payment	Monthly (within 15 calendar days after making subcontractor payment)	Contractor, LPA and BLP
Form 1014* Commercially Useful Function	One for Each DBE per project (when DBE's work is 1/3 to 1/2 complete)	LPA and BLP
Form 1391 (FHWA) Federal-Aid Highway Construction Contractors Annual EEO Report	Annually to Civil Rights Compliance (last full pay period of July)	Office of Civil Rights Compliance

*Request from the BLP PM

Source: Kansas DOT LPA Project Development Manual, January 2018

Figure 13: Guidance on EEO Documentation Requirements, Kansas DOT

Off-Systems Guide Schedule for Federal-Aid Acceptance Sampling and Testing (FAST)

From Engineering Policy Guide

The following information establishes procedures for LPA Federal-Aid Acceptance Sampling and Testing (FAST) for all Federal-Aid projects awarded and administered by MoDOT. If a local public agency receives federal funds from MoDOT but does not specify, the guidelines in this Off-Systems Guide Schedule for Federal-Aid Acceptance Sampling and Testing (FAST) table should be followed. The acceptance sampling and testing procedures for other materials and construction processes are to be as shown in other articles in the Engineering Policy Guide.

Type of Construction or Material	Tests to be Made (if specified)	Sampled	Minimum Number of Tests
Grading - Embankment	Density/Moisture	After compaction	A minimum of 4 density tests per day for each active grading spread regardless of road surface
Subgrade Preparation	Density/Moisture	After compaction	A minimum of 4 density tests per day for each active grading spread regardless of road surface
Aggregate Base[1] Type 1, 5, 7 or Stabilized Permeable[2] (roadway and shoulders)	Gradation	Before compaction	One per 2000 tons or fraction thereof per specified gradation per source.
	Density/Moisture	After compaction	A minimum of 4 density and moisture tests per day for Type 1 and 5 aggregate and 4 penetration and moisture tests for Type 7 aggregate.
	Plasticity Index	Before compaction	One per project per specified gradation, per source.
Sand-Soil Base or Soil-Cement Base or Soil-Lime Base	Gradation	Before compaction	One per 2000 tons or fraction thereof per specified gradation per source.
	Density	After compaction	A minimum of 4 density and moisture tests per day
	Liquid Limit	Before compaction	One per project per specified gradation, per source.
	Plasticity Index	Before compaction	One per project per specified gradation, per source.
Crushed Stone or Gravel Surfacing	Gradation	-	One per project per specified gradation, per source. Less than 500 tons accepted on certification.
		Before	One per 500 tons or fraction thereof per mix type. None

Source: Missouri DOT Engineering Policy Guide, July 2018

Figure 14: Partial Screen Capture of FAST Testing Schedule, Missouri DOT

Table 1 – Project Risk Assessment

** See VDOT Construction Oversight Guide, Appendix A, for Category Definitions*

Element	Value (factor)	Check Elements That Apply	Total Factor per Element
Federal Oversight	20		
National Highway System	20		
Design-Build/PPTA	20		
Funding			
Federal Funded (non-Transportation Alternatives)	15		
State Funded	10		
Federal Transportation Alternatives (Impacts R/W)	7		
Federal Transportation Alternatives (Off R/W)	1		
Completed Project Maintenance			
State Maintained Project	10		
LPA Maintained Project	2		
Project Category *			
Category I	2		
Category II	5		
Category III, IV, V	10		
LPA Experience Administering Project			
Low Level	15		
Intermediate Level	10		
High Level	5		
Factor Total			

Source: Chapter 9, Virginia DOT LAP Manual, February 2018

Figure 15: Project Risk Assessment Matrix, Virginia DOT

Table 2 – Oversight Assessment

Level of Oversight	Range of Factor Total
High (H)	> 45
Moderate (M)	25-55
Low (L)	< 35

In general terms, the following table illustrates the characteristics of projects at the three levels of oversight.

Oversight Level	Impact/Probability
High (H)	Significant impact on infrastructure due to non-compliance - Significant effects to quality of construction, cost and schedule; High risk of non-compliance resulting in loss of funding or regulatory agency action
Moderate (M)	Moderate impact on infrastructure due to non-compliance - Moderate effects to quality of construction, cost and schedule; Moderate probability of non-compliance
Low (L)	Minimal impact on infrastructure due to non-compliance - Minimal effects to quality of construction, cost and schedule; Low probability of non-compliance

Source: Chapter 9, Virginia DOT LAP Manual, February 2018

Figure 16: Project Oversight Assessment, Virginia DOT

Oversight Level	Minimum Oversight Activities
Low	• Kickoff (scoping) meeting attendance • Plan development coordination meeting • Final plan review • Pre-construction meeting attendance • Random site visits during construction • Final acceptance inspection
Moderate	• Kickoff (scoping) meeting attendance • Plan development coordination meeting • 30 percent plan review • Public hearing attendance • Final plan review • Pre-advertisement contract review • Pre-award bid review • Monthly to quarterly site visits during construction • Final acceptance inspection
High	• Kickoff (scoping) meeting attendance • Monitor consultant procurement process • Environmental coordination meeting • Plan development coordination meeting • Right-of Way coordination meeting • 30 percent plan review • Public hearing attendance • 60 percent plan review • 90 percent plan review • Bid document review • Pre-award bid review • Pre-construction meeting attendance • Weekly to monthly to quarterly site visits during construction • Final acceptance inspection

Source: Chapter 9, Virginia DOT LAP Manual, February 2018

Figure 17: Minimum Oversight Activities, Virginia DOT

APPENDIX E: ANALYSIS OF POTENTIAL STREAMLINING OPTIONS

In Task 9 of the research project, the ORITE research team was charged with developing specific recommendations for streamlining ODOT's LPA local-let processes in the three areas being examined in the research. This Appendix presents additional analysis, discussion, and synthesis of several of the research team's final project recommendations.

Potential Streamlining Options for Overly-Compliant Activities

In Task 2 of the research project, the ORITE research team identified 115 specific activities that LPAs are required to complete or perform as part of administering Federal-aid highway projects through the ODOT local-let process. Of these 115 activities, 4 activities were determined to be requirements that exceeded the minimum thresholds for Federal compliance. Consequently, the research team recommends that ODOT examine its process requirements for these four activities and determine if any additional streamlining could be undertaken (see Recommendation #1). Appendix B presents additional details of how the ORITE research team determined that these four activities were overly-compliant with applicable Federal regulations. Suggestions for how ODOT may wish to streamline these activities are as follows:

- **Requirement for an independent review of relocation activities:** As noted elsewhere in this report, the ODOT Office of Real Estate views independent review requirements as an element of a consistent statewide approach, ensuring fairness to property owners, protecting the acquiring agency against any potential conflicts of interest, and supporting appropriations proceedings if necessary. In accordance with Federal requirements, LPAs must utilize ODOT real estate policies and procedures for right-of-way acquisition activities on Federal-aid projects. Since LPA's are required to comply with the procedures of the ODOT Real Estate Manual during the right-of-way phase of Federal-aid projects, potential streamlining options for this activity are limited unless the ODOT Office of Real Estate revises its relocation review requirements and procedures.
- **Requirement for LPAs to complete a 30% spot check of certified payrolls:** A review of certified payrolls is part of the broader prevailing wage compliance process required for Federal-aid projects. As part of this process, LPAs are required to complete an "LPA Prevailing Wage / EEO Report" form on a monthly basis for each active Federal-aid project in their jurisdiction. This form requires the LPA representative to certify via signature that certified payrolls are being reviewed for accuracy. There is no guidance presented, for example, on how an LPA should achieve a "30% spot check" of the certified payrolls or how an LPA can provide evidence of compliance with this requirement. Feedback from ODOT personnel indicates that LPAs typically review 100% of the payrolls received. Consequently, it is recommended that ODOT revise its prevailing wage compliance reporting requirements for local-let projects to add more clarity on requirements of the random review. In particular, given the ambiguity surrounding the "30% spot check" requirement, ODOT should consider eliminating this specific percentage requirement and rely on the certification provided by the LPA's representative on the monthly report that certified payrolls were in fact reviewed.
- **Requirement for projects to remain under ownership of the LPA for 20 years:** In accordance with 23 U.S. Code §116, all projects funded through the Federal-aid highway program must be maintained to appropriate design standards and any maintenance deficiencies must be corrected if any are identified. The ORITE research team was

unable to locate anything in the applicable Federal laws and regulations that defined a length of time that a Federal-aid project is required to be maintained after it is completed. Feedback provided by ODOT staff indicates that the 20-year time frame was agreed upon by ODOT and FHWA based on the commonly-assumed design period for highway projects. Currently, the requirements of 23 U.S. Code § 116 for local-let projects are verified as described in the ODOT LPA Maintenance Monitoring and Oversight Program. The annual verification process consists of ODOT staff inspecting ten randomly-selected local-let projects that have been complete for five years to determine if the projects are being adequately maintained. Based on the results of the inspection, the LPA may be required to correct any deficiencies that are identified. It should be noted that there were no issues raised by Ohio's LPAs or the ODOT staff that were interviewed for this project regarding this process. However, it is unclear how or if ODOT enforces the requirement for projects to remain under the ownership and authority of the LPA for a full 20-year period. If an LPA is only going to be inspected for compliance via random selection only once in the fifth year after project completion, it is unnecessary to have requirements beyond the five-year time frame. Consequently, it is recommended that ODOT revise its policies related to the maintenance of locally-administered Federal-aid projects to be more consistent with the other published requirements of the local-let program. In this revision, ODOT may wish to also consider how other related requirements, such as the three-year requirement for retaining documents related to Federal awards (2 CFR Part 200.333), may be considered as part of the verification process.

- **Requirement that invoices shall not be processed without a baseline schedule:** This requirement is likely based on "best practices" for construction project management to ensure that the work described in the invoice is contributing to the progress of completing the overall project. This requirement is also derived from C&MS 108.03, which requires a progress schedule be developed at the start of projects and approved by ODOT prior to any payments being made to the contractor. In accordance with the ODOT LPA Federal Local-Let Project Agreement, the LPA must comply with the applicable C&MS manual which would include this particular requirement. Even though the ORITE research team was unable to locate anything in the applicable Federal laws and regulations that require an approved baseline schedule prior to invoice processing, there are limited streamlining opportunities for this activity. Consequently, this particular activity should be retained as an LPA local-let program requirement even though there is not a strict Federal requirement associated with it.

Streamlined Process for Low-Value Right-of-Way Acquisitions

The *Uniform Act* (in particular, 49 CFR Part 24, Section 102(c)(2)) allows for public agencies acquiring right-of-way to develop and use an expedited process if it is determined that an appraisal is unnecessary. This process is intended to streamline the acquisition of properties where the acquisition is uncomplicated and the value of the proposed acquisition is estimated at $10,000 or less. The critical element of this process is the waiver valuation (known as the Value Analysis or VA in Ohio), which allows for the value of parcels to be established without a full appraisal and appraisal review. Feedback collected by the ORITE research team during the Task 3 stakeholder outreach revealed that approximately 75% of acquisitions on ODOT system projects utilize a VA. Additionally, while exact data on LPA project acquisitions are not tracked, it is estimated that the percentage of acquisitions for LPA projects utilizing a VA exceeds the ODOT system percentage. Feedback from LPAs collected in Task 4 of this project indicated that low-value, uncomplicated right-of-way acquisitions are frequently encountered by Ohio's LPAs (in particular, by county engineers) (please see Table 29 for additional information). Other State DOT programs that were examined in this research study (in particular, Iowa and Kansas), included program features that increased the accessibility of the waiver valuation for LPA projects (see Appendix D for additional details). Consequently, the ORITE research team recommends that ODOT pursue a more streamlined process for LPAs to undertake low-value right-of-way acquisitions that are required for local-let projects.

The *Uniform Act* and related provisions of the Ohio Revised Code designate ODOT as the lead agency for ensuring that all right-of-way acquired for Federal-aid highway projects is done so in compliance with all applicable Federal and state regulations. One method for ensuring compliance is to require that all right-of-way acquisition in the State of Ohio be undertaken by individuals that are qualified by ODOT to perform the work. The ODOT Office of Consultant Services maintains a document entitled *Consultant Prequalification Requirements and Procedures* in which the specific qualifications and requirements are described in detail [ODOT Office of Consultant Services, 2018]. In order to acquire right-of-way in Ohio using the expedited process, ODOT requires individuals to be prequalified in the following areas (numbers refer to the applicable section of the ODOT Prequalification Requirements manual):

- Section 2.44-Project Management for Right of Way Acquisition Services;
- Section 2.45-Title Research;
- Section 2.46-Value Analysis;
- Section 2.49-Negotiation; and
- Section 2.50-Closing.

The specific requirements for an individual to undertake these activities are outlined in the ODOT *Consultant Prequalification Requirements and Procedures* manual. The process by which an individual can become prequalified for the above five areas includes satisfactory completion of several training courses, successful completion of the Central Office Title Test and Demonstration Title Report Packet, and submittal of a detailed resume demonstrating relevant experience. At the present time, LPAs that need to acquire right-of-way for local-let projects must utilize the services of a prequalified individual, either from within their own staff or through a consultant. However, as noted elsewhere in this report (see Table 29), there is willingness among Ohio's LPAs to take on additional responsibility for low-value, uncomplicated right-of-way acquisition activities that are frequently encountered on local-let

projects. Consequently, the ORITE research team believes that there is an opportunity to develop a streamlined process by which LPAs can become prequalified to undertake right-of-way acquisitions that meet ODOT's low-value criteria using in-house staff resources.

The ORITE research team recognizes that ODOT's current acquisition policies and prequalification requirements reflect a desire to maintain a consistent statewide approach that treats property owners with respect and fairness throughout the process. The ORITE research team further recognizes that any processes developed to streamline the low-value acquisitions procedure for local-let projects needs to acknowledge these policies to the greatest extent possible. Accordingly, the ORITE research team's recommendations consist of two specific considerations: 1) suggested improvements to the Value Analysis process and 2) development of an alternative prequalification process to allow LPAs to become prequalified to undertake low-value acquisitions on Federal-aid projects.

First, with respect to the Value Analysis process itself, as noted elsewhere in this report, the ODOT Office of Real Estate is currently updating the Value Analysis procedures to create a more simplified process. As of this writing, proposed changes include at least the elimination of the independent review criteria. While it is not known precisely what other specific aspects of the process are going to be revised, the ORITE research team recommends that ODOT develop a checklist to provide guidance on identifying the complexity of a parcel being acquired, similar to the examples used in Iowa (Figure 6) and Kansas (Figure 12). Such a checklist would benefit LPAs in determining if a VA is appropriate for a parcel.

The ORITE research team's second recommendation is for ODOT to develop an alternative prequalification process that would allow LPAs to undertake low-value acquisitions on Federal-aid projects using in-house staff resources. The alternative prequalification process would provide LPAs with the requisite knowledge to undertake all five of the required areas based on: 1) the qualifications of the LPA staff; 2) successful completion of the right-of-way online "eLearning" module required for all prequalified LPAs; and 3) completion of a comprehensive in-person training course specifically offered for LPAs seeking prequalified status. Table 50 presents a "crosswalk" between the current ODOT prequalification requirements for the five areas and how each requirement would be achieved under the proposed streamlined process. The proposal streamlines ODOT's prequalification requirements into a single process that recognizes the skills and expertise of the LPA staff. In particular, the requirements for LPAs to have a registered Professional Engineer on staff (required for local-let program participation) ensures that all requirements for complex project management and highway plan reading are met. Additionally, LPAs that routinely undertake right-of-way acquisition for non-Federal projects are familiar with State of Ohio laws governing acquisition, as well as other related requirements for title research, negotiation, and preparation of closing documents. It is also envisioned that some content presently covered in the various required training courses could be incorporated as revisions to the right-of-way "eLearning" module that is required to be completed by LPAs seeking prequalification for local-let project delivery.

Table 50: Options for Streamlining ODOT Right-of-Way Training Requirements for LPAs

	Demonstrated by Experience and/or Licensure of LPA Staff	Content Included in Updated LPA "eLearning" Right-of-Way Module or New Module	Content to be Included in In-Person Training Course
(2.44) Project Management for Right of Way Acquisition Services			
• B.1 Working Knowledge of Uniform Act	✓	✓	✓
• B.2 Minimum Experience with Uniform Act	✓✓		
• B.3 Complex Project Management	✓✓		
• B.4 Real Estate Project Management	✓	✓	✓
• B.5 Right-of-Way Plan Reading	✓✓		
(2.45) Title Research			
• B.1 Experience with Title Research Reports	✓		✓
• B.2 Experience with Public Records Research	✓✓		
• B.3 Right-of-Way Plan Reading	✓✓		
• B.4 Central Office Title Test			✓✓
• B.5 Prepare Sample Title Report			✓✓
(2.46) Value Analysis (VA)			
• B.1 Knowledge of VA Format and Procedures	✓	✓	✓
• B.2 Right-of-Way Plan Reading	✓✓		
• B.3 Training Course: Highway Plan Reading	✓✓		
• B.3 "Appraisal 101" Training (Laws/Regulations)		✓	✓
• B.3 "Appraisal 102" Training (Simplistic Valuations)		✓	✓
• B.3 "Appraisal 105" Training (Appraisal Review)	N/A (Requirement Expected to be Eliminated)		
(2.49) Negotiation			
• B.1 Minimum Experience in Negotiation	✓✓		
• B.2 Familiarity with State Laws/ODOT Policies	✓	✓	✓
• B.3 Ability to Negotiate/Explain Process	✓	✓	✓
(2.50) Closing			
• B Minimum Experience in Closing/ODOT Policies	✓		✓
Key – (✓✓) Requirement fully satisfied; (✓) Requirement partially satisfied.			
Numbers refer to applicable section of ODOT *Consultant Prequalification Requirements and Procedures* manual.			

The remaining needed content, as noted in the far right column of Table 50, would be delivered as a one- or two-day long in-person training course. The proposed training course would include, at a minimum, the following content:

- Basic requirements of the *Uniform Act*, State laws, and ODOT acquisition policies;
- Nuances of project management, highway plan reading, title research and reporting, negotiations, and other considerations not covered in the "eLearning" module;
- Procedures for preparing the Value Analysis format, including approaches to establish valuation and determining the complexity of a parcel; and
- Applicable ODOT policies for required documentation.

Successful completion of the Central Office Title Test and Demonstration Title Report Packet would be required following the training. Following completion of the in-person training course and other requirements, LPAs seeking prequalification would be required to submit evidence of qualifications and course completion to the ODOT Office of Real Estate or the Office of Local Programs, as applicable. The prequalification would be applicable for a certain period of time before a renewal would be required (or sooner if there are staff changes within the LPA). The proposed process is similar to that required for LPAs to become prequalified through the ODOT Office of Local Programs to administer Federal-aid projects. It is expected that any LPA with a P.E. and a P.S. on staff, including all of Ohio's county engineer offices (for which dual licensure is a requirement), will be able to readily qualify for and maintain the alternative prequalification status if desired. It should be noted that the proposed alternative prequalification would only apply to low-value acquisitions and LPAs that currently have individuals on staff who are prequalified to carry out right-of-way acquisition activities could continue to use their staff resources to acquire right-of-way through traditional means. It should also be noted that these recommendations only pertain to LPAs with a P.E. on staff and not for consultants. The rationale for this is that LPA staff who work for road maintaining authorities are inherently more qualified than other individuals as it pertains to issues regarding highway project development.

The ORITE research team recognizes that it is the responsibility of the ODOT Office of Real Estate to ensure that all right-of-way acquired by LPAs for Federal-aid projects is done so in compliance with the *Uniform Act* and all other Federal and state laws. The ORITE research team further recognizes that the proposed alternative prequalification process for LPAs to undertake low-value acquisitions for Federal-aid projects represents a significant departure from current ODOT practices and would be subject to extensive review and approval by ODOT management as well as FHWA. For example, the "Appraisal 102" training course on the valuation of simplistic acquisitions currently requires individuals to participate in three separate days of in-person training, whereas the proposed alternative procedures described in Table 50 propose to have this same content split between an "eLearning" module and a portion of a one or two-day in-person training course for LPA staff. It should be noted that at least two other states (Iowa and Kansas) have a streamlined guidance for determining if a waiver valuation (VA in Ohio) is applicable for a parcel. As the ODOT Office of Real Estate moves forward with revisions to its Value Analysis procedures and requirements, it may wish to examine its training and training delivery requirements in more detail to identify opportunities to streamline content, move delivery of certain types of content to the Ohio LTAP "eLearning" platform, or other changes that would increase the accessibility of the required training to a broader audience. With respect to the proposed alternative prequalification process proposed in this research study, it is likely that the ODOT Office of Real Estate would need to develop a QA/QC policy or a staged

review process to ensure that prequalified LPAs are carrying out low-value acquisitions in compliance with applicable Federal and state laws.

Risk-Based Project Classification System

In recent years, there has been an increased emphasis on the relationship between the level of risk associated with a specific project and the resources that are expended on oversight and management of that project. This increased emphasis recognizes that, given a limited supply of resources, projects with the greatest risk to the agency should receive the greatest attention – not all projects have an equal level of risk. At the present time, the extent of ODOT's oversight of local-let projects (including the frequency of project site visits and documentation reviews) is based primarily on the professional judgment of the District-level LPA staff. While the current system has been effective at allowing ODOT the maximum amount of flexibility in how it exercises its oversight duties, there is some evidence from this research study that suggests Ohio's LPAs desire a more consistent approach to oversight and inspection requirements. Consequently, the ORITE research team recommends that ODOT consider the development of a more formalized statewide approach to oversight that provides a clear relationship between the extent of ODOT's oversight of a project and the specific project risk.

Analysis of high-performing State DOT LPA programs conducted as part of this research study identified two approaches that could be taken by ODOT to implement a risk-based system. Two State DOTs examined in this project, Colorado and Virginia, utilize a risk-based system for oversight that is based on a project-specific scoring matrix. Examples of these matrices are presented in Appendix D of this report. In both states, the DOT staff provide input to the matrix and a project-specific risk score is generated. Project-specific risk is based on project-related factors (project type, funding source, environmental considerations) as well as the experience of the local agency in administering Federal-aid projects. Based on the project-specific risk score, the level of DOT staff oversight is defined, including specific oversight activities and the frequency of oversight activities. Feedback from the Virginia DOT on the risk-based project assessment process indicated that it was helpful for both local agencies (providing a consistent approach for interactions with VDOT) as well as for VDOT to manage its internal resources for local agency project inspection. It should be noted that, in both Colorado and Virginia, there is some overlap in the range of scores that correspond to each oversight level. For example, in Virginia, a project that is scored as a 30 can either be Low oversight (score less than 35) or Moderate oversight (score 25 to 55) (see Figure 16). This overlap allows for the professional judgement of the State DOT personnel to be included in the final oversight determination.

A second approach to classifying local agency projects by project risk is the Florida DOT project classification matrix (see Figure 5). FDOT utilizes four levels of project classification:

- Class A: Projects on the NHS or State highway systems;
- Class B: Projects off the NHS or State highway systems with value over $10 million;
- Class C: Projects that are not Class A or B but have structural components; and
- Class D: All other projects.

As noted in Figure 5, FDOT has clearly-defined requirements for design standards, specifications, and materials testing for LPA projects in each classification. It is also noted that there is a relationship between the project classification and the requirements of the local agency for design and construction. For example, on the most important projects (Class A or B), LPAs must utilize FDOT standards and specifications whereas the lower-risk projects allow for

alternative standards for non-structural items. Additionally. FDOT has developed the "LAP Big 4" materials specifications for use on Class C and Class D projects. These specifications cover the following materials types: 1) earthwork and related operations; 2) Superpave asphalt; 3) concrete; and 4) landscape installation. These "LAP Big 4" specifications can be used on low-risk projects (i.e., non-structures components of Class C projects and all Class D projects). The Missouri DOT also has alternative procedures available for acceptance sampling and testing on LPA projects (see Figure 14). Guidance similar to what is used in Florida or Missouri could easily be developed for use in Ohio. Washington DOT also has alternative specifications for use on locally-administered projects [Konrath, et al., 2016].

Development of a risk-based project classification system for ODOT's local-let program could draw from the different aspects of both the project scoring approach used by CDOT and VDOT as well as the project classification approach used by FDOT. A risk-based project-specific scoring matrix could be developed by ODOT to guide the level of oversight exercised by District-level staff on local-let projects. The Colorado DOT project risk matrix is more complex than the Virginia DOT project risk matrix and would necessarily involve greater availability of information and data for operations. A more simplistic risk matrix, such as the one used by VDOT, may be more appropriate for application in Ohio. At a minimum, an ODOT local-let project risk matrix should consider the type of project, the funding source(s), whether the project is on the NHS, and the level of LPA experience in project administration. The risk matrix should also clearly relate the project-specific risk score with minimum oversight activities and expected frequency of oversight activities (see Figure 17 for example), as well as provide adequate opportunity for the professional judgment of the District-level staff to be incorporated in the final determination of oversight level. Development and application of a project classification structure, similar to the one used by FDOT, would formally allow for different design standards, specifications, and materials acceptance processes to be used on ODOT's lower-risk local-let projects. By formally providing LPAs with alternative processes for lower-risk projects, ODOT may be able to streamline some of its processes for both LPAs and its District-level staff in areas such as plan review and materials specifications/acceptance for local-let projects. In doing so, ODOT may be able to address some of the concerns expressed by LPAs that ODOT is asking for "too much" in various aspects of the project development process relative to the complexity or importance of the specific project. Based on the five-year program data analyzed earlier in this report (see Table 2), the ORITE research team estimates that a vast majority (more than 90%) of ODOT's local-let projects would be classified as Class C or Class D using the FDOT project classification matrix. The exact percentage of Class C or Class D projects could not be estimated because information about specific structural elements of ODOT's local-let projects was not available. Nevertheless, with the vast majority of ODOT's local-let projects falling into the lower-risk category, development of alternative standards or options for design, specifications, and materials testing could result in significant program streamlining.

Increased Use of E-Construction Tools and Capabilities

The FHWA defines "e-construction" as the application of paperless construction administration, management, and collaboration software and electronic devices for construction project administration [U.S. FHWA, 2017]. E-construction features, tools, and capabilities are commercially-available for all aspects of construction project management; many of these features have been adopted by both State DOTs and LPAs to aid in project administration. As noted throughout this report, Ohio's LPAs are utilizing construction management software and

there is a desire to increase the application of these features on Federal-aid projects; this includes the use of electronic means for construction documentation as well as processing of contractor invoices for payment by ODOT. One State DOT LPA program that was interviewed as part of this project, the Iowa DOT, is now mandating the use of e-construction features for construction documentation submittal and approvals on all locally-administered projects. It was noted from the interview that this requirement was being driven primarily by contractors that desired to have locally-administered projects be as similar as possible to Iowa DOT-administered projects. Given the popularity and likely increase in e-construction deployment among Ohio's LPAs in the coming years, the ORITE research team recommends that ODOT pursue greater acceptance and integration of e-construction features into its local-let program.

Construction Documentation

One notable aspect of locally-administered Federal-aid projects is an increased amount of construction documentation required for LPAs to comply with applicable Federal laws and regulations pertaining to the Federal-aid highway program. The increased volume of paperwork was consistently noted as a challenge among Ohio LPAs that administer Federal-aid projects. Recognizing these concerns, ODOT has supported two separate endeavors (involving a total of 12 unique LPAs) in recent years to provide LPAs with greater e-construction capabilities. The ORITE research team reached out to the LPAs involved with each of the initiatives to obtain feedback. The initiatives and feedback are as follows:

- **SiteManager Pilot Study:** This pilot study permitted three Ohio LPAs (Delaware, Huron, and Pickaway Counties) to access ODOT's construction management software system to directly input relevant data. The pilot study was viewed as a success in that the LPAs felt that the software was beneficial compared to paper-based administration. However, the pilot study encountered technical issues related to linking the computer systems of the LPAs with ODOT's computer systems. Ultimately it was determined that ODOT did not have the resources necessary to accommodate LPAs within ODOT's computer system and network resources.
- **STIC Grants for E-Construction:** This initiative was based on two grants provided by the FHWA Every Day Counts (EDC) initiative to deploy e-construction tools for local agencies. The first grant included six LPAs (Allen, Gallia, Hancock, Lawrence, and Summit Counties as well as the City of Cuyahoga Falls) to purchase licenses for the "Appia" construction management software program. Feedback on this grant was presented by representatives of the six participating LPAs at the 2018 OTEC meeting. The LPAs stated that they had utilized the software to varying degrees for locally-funded projects and had realized some benefits as a result. However, none of the six participating LPAs had yet to fully-integrate the software into their Federal-aid project management. The second grant included seven Appia licenses distributed among three LPAs (Athens and Hamilton Counties as well as the City of Athens). Feedback collected from one participating LPA noted that, as of October 2018, the software license had just recently been acquired at the agency and thus the software had not been fully-integrated with the management needs of the LPA.

In addition to these initiatives, feedback collected by the ORITE research team during this research suggests that some of Ohio's LPAs that are utilizing construction management software have difficulty with ODOT accepting "remote" or "read-only" access to software output as acceptable construction documentation for local-let projects.

Based on the feedback collected throughout the course of this research and the current initiatives related to e-construction deployment among Ohio's LPAs, two specific recommendations related to electronic construction documentation are presented. First, deployment of a statewide mandate or requirement for LPAs to utilize a specific type of construction management software program for Federal-aid projects (similar to what is being done in Iowa), including linkage to ODOT's management systems, is not recommended at this time. This recommendation is based on the report of issues encountered with the SiteManager pilot study, the differing rate of adaptation of e-construction features among Ohio's LPAs, and the general sense that LPAs should retain as much autonomy as practical throughout the construction administration process. Second, given that some of Ohio's LPAs have embraced e-construction features throughout their agencies, it is recommended that ODOT take steps to formally permit these agencies to utilize these features on Federal-aid projects. These steps include: 1) creation of a list of requirements for software packages that can be used by LPAs on Federal-aid projects; 2) creation of a list of software packages that meet these requirements and have been "approved" for use by LPAs on Federal-aid projects (see Missouri DOT for example); 3) publication of the approved software list in the LATP Manual of Procedures, Construction Contract Administration chapter including additional discussion on the application of the software for different documentation requirements; and 4) formalizing the ability of LPAs to offer electronic means of providing construction documentation by placing language in the ODOT LPA Federal Local-Let Project Agreement specifically permitting electronic documentation if an LPA desires to use it.

Electronic Invoice Processing

Another issue related to e-construction raised by LPAs during this research was the perceived length of time needed to process contractor invoices for Federal-aid projects. The current procedure requires LPAs to approve the invoice and initiate the payment of the local agency portion of the invoice, then submit the signed invoice to the ODOT District construction monitor for review and approval. Due to computer storage limitations, the current process requires ODOT District personnel to print hard copies of approved invoices and submit them to the ODOT Division of Finance via once-weekly courier service. This process is perceived by LPAs as being inefficient and causes delays in payment to the contractor. As noted elsewhere in this report, the ODOT Division of Finance is implementing a system modernization that will, when completed, allow for electronic submittal and processing of LPA local-let invoices.

During the course of this research project, the ORITE research team was presented with an opportunity to provide additional clarity on the issues surrounding ODOT's current local-let invoice approval process. The ODOT Division of Finance graciously permitted the ORITE research team to examine paper copies of local-let invoices to evaluate potential issues with the invoice processing requirements. In particular, by analyzing the number of days required for each step of the process, potential options for streamlining or targeted improvements could be identified. The ODOT Division of Finance provided the ORITE research team with a database of project invoices that had been paid for all local-let projects awarded during SFY 2015, 2016 and 2017. This database (total of 5,732 entries) was filtered to include only invoices paid for construction activities and to eliminate duplicate entries or accounting corrections. The ORITE research team also removed invoices which were thought to be final invoices for a particular project; given that some LPAs had reported unusual delays in finalizing local-let projects, it was felt that including these invoices could potentially skew the analysis results. The database was

reduced in size to 2,360 invoice records. From these records, a random sample of 50 invoices were selected for detailed analysis. The ORITE research team visited the ODOT Division of Finance to obtain electronic copies of each of the 50 randomly-selected invoice packets.

To analyze the invoice approval flow, the ORITE research team identified five unique dates that were supplied on each invoice packet: 1) date of contractor submittal to the LPA, 2) date of LPA approval of invoice, 3) date of ODOT District approval of invoice, 4) date invoice was received by ODOT Division of Finance, and 5) date invoice payment was sent. Out of 50 randomly-selected invoices, 43 invoices had valid and readable dates for each of the five milestones. Using these dates, the duration, in calendar days, of the four distinct phases of the approval flow process could be established and analyzed. The ODOT-supplied database also included two dates: the "Date of Service" for the invoice as established by the Division of Finance and the date of invoice payment. The results of the ORITE research team's analysis of local-let invoice processing times are presented in Table 51.

Table 51: Analysis of Local-Let Invoice Processing Times

	Average (Days)	Standard Deviation (Days)	Median (Days)
Contractor Submittal to LPA Approval	18.1	20.6	10
LPA Approval to ODOT District Approval	12.1	11.7	8
ODOT District Approval to ODOT Finance Received	2.7	2.7	2
ODOT Finance Received to Payment	3.2	3.6	1
Total Days of Processing (ORITE Analysis)	**36.2**	**26.4**	**28**
Date of Service to Date of Payment (ODOT Data)	**14.9**	**11.2**	**13**
Note: ORITE research team analysis of data from 43 recent local-let project invoices randomly-selected by the ORITE research team from data provided by ODOT Division of Finance.			

Based on the results presented in Table 51, there is an average of 36 days between when the contractor submits the invoice to the LPA and when the invoice is paid. Approximately half of this time is attributed to the invoice receiving approval from the LPA person in responsible charge while one-third of the time is attributed to ODOT District approval following approval by the LPA. These two processing times also have the greatest variation as expressed by the standard deviation in processing time. Given the results of this limited analysis, it appears that any perceived delays in payment from ODOT to the contractor could be reasonably attributed to delays on the part of the LPA in review and approval of the contractor's invoices. This would suggest that ODOT should place greater emphasis on prompt review and approval of invoices by the LPA's project team in training materials and LATP manual guidance. As noted elsewhere in this report, additional streamlining is already being implemented at the District level to provide greater consistency in invoice processing; these improvements are not reflected in this analysis but would likely be evident if this same analysis were conducted in future program years.

Also presented in Table 51 is the average length of time between the Date of Service and Date of Payment according to ODOT's financial systems. This duration is approximately 15 days, or approximately three weeks shorter than the ORITE research team's analysis. While the Date of Service determination is made according to strict rules for this type of accounting, it is evident from this limited analysis that what ODOT believes to be a prompt payment (i.e., within 30 days of the date of service) may not be perceived as prompt by the contractor.

Improved Processes for LPA Construction Engineering Cost Recovery

ODOT permits LPAs to recover direct and indirect costs incurred by the LPA associated with construction engineering and inspection activities on Federal-aid projects. LPAs wishing to recover these costs must work with the ODOT Division of Finance to ensure that the LPA's internal accounting systems are compliant with all applicable Federal requirements. As noted elsewhere in this report, LPAs have repeatedly expressed concern that the process to receive approval to recover these costs is one of the more difficult aspects of local-let program participation. Review of other State DOT LPA programs provides some insight as to potential options for how this process could be streamlined.

For example, several states noted that they require a formal agreement between the DOT and the LPA to utilize the LPA's in-house resources for construction engineering and inspection activities on Federal-aid projects. These agreements include a description of the scope of work to be completed by the in-house personnel as well as the expected fee for these services. An example of this type of agreement from the Iowa DOT is provided in Figure 8, Figure 9, and Figure 10; a similar format is also used by Kansas and Missouri. In practice, ODOT encumbers a certain percentage of the construction contract value for all construction engineering expenses whether they are incurred by the LPA itself or used by the LPA to pay a third-party consulting firm to perform the work. If a third-party consulting firm is hired for this work, a scope and fee agreement is reached with the LPA on the specific services to be provided using a qualifications-based selection process. However, it is unclear what requirements are in place at the present time, if any, for LPAs to provide ODOT with an estimate of the costs that are expected for local-let project inspection with in-house resources. Having a formalized process in place for the LPA to estimate its anticipated costs for using in-house resources for construction inspection will allow ODOT to have a more detailed understanding of the expected costs for construction engineering and could potentially adjust the encumbrances, freeing up funds for other uses.