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Department of Transportation

FEDERAL PROJECT AUTHORIZATIONS

PURPOSE:

This procedure provides an overview of the process for obtaining an approved authorization from Federal Highway Administration (FHWA) to provide funding for specific transportation projects. The approved project authorization represents FHWA's agreement to reimburse Florida Department of Transportation (FDOT) a proportionate share of eligible project costs incurred subsequent to the date of approval.

NOTE: Costs will not be reimbursed by FHWA on any transportation project unless the federal authorization approval is obtained prior to work beginning on the project.

Also, this procedure provides an overview of the process for modifying initial project authorizations for contract awards, supplemental agreements, non-participating costs, and other adjustments as required throughout the life of the project, and for closing the project in FHWA's (and FDOT's) fiscal records upon completion.

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes

REFERENCES:

Title 23 and 49 United States Code
Title 23 and 49, Code of Federal Regulations

Federal Aid Technical Bulletins: These bulletins, issued periodically throughout the year by the Federal Aid Management Office, may be found on the Office of Work Program's website at:

<https://fdot.sharepoint.com/sites/FDOT-OWP/FAM/SitePages/FedTechBulletin.aspx>

Work Program Instructions: These instructions may be found on the Office of Work Program's website at:

http://www.dot.state.fl.us/OWPB/Development/WP_instructions.shtm

A Guide to Federal-Aid Programs and Projects: This guide may be found on the Federal Highway Administration website at:

<http://www.fhwa.dot.gov/federalaid/projects.cfm>

FHWA-FDOT Stewardship and Oversight Agreement, Procedure No. 700-000-005:

This procedure may be found at:

<http://fdotewp2.dot.state.fl.us/ProceduresInformationManagementSystemIntranet/Procedures/ViewStaticDocument?topicNum=700-000-005>

SCOPE:

This procedure is designed for individuals interested in the basic steps involved in obtaining federal participation in the cost of transportation projects administered by FHWA. It does not address detailed instructions for each of these basic steps. Detailed instructions for each of the steps described in this procedure, including system screens for each function and examples of all required supporting materials, may be found in the *Work Program Instructions*.

DEFINITIONS and ACRONYMS:

Federal funds: Funds apportioned or allocated to the state of Florida either by formula or on a discretionary basis according to the provisions of *Title 23, USC*, or other federal law, and administered by FHWA through state departments of transportation.

Federal oversight: FHWA is responsible for reviews and approvals associated with the design, construction, award, and final inspection of federal projects. This includes, but is not limited to, plans, specifications, cost estimates, environmental documents, contracts, contract supplements, and other documentation related to Federal-aid projects. For projects that are state administered (exempt from federal oversight), the state highway agency is responsible for reviews and approvals instead of FHWA. The criteria for determining if a project is subject to FHWA oversight may be found in the *Work Program Instructions*.

Federal project: Any transportation phase, or combination of related phases, of work that is fully or partially funded with federal funds. A "goes with" or strung project using state funds that accompanies a federal project also becomes federalized, if they are to be let in a single contract.

Financial Project: The item-segment-phase-sequence number combination used to uniquely identify each project in the Department's Financial Management system.

Phase: That portion of a project describing the major group of tasks being performed.

CEI: Construction Engineering Inspection

FAMS: FDOT's Federal Authorization Management System

FAP No.: Federal Aid Project Number

FAR: Federal Authorization Request

FDOT: Florida Department of Transportation

FHWA: Federal Highway Administration

FMIS: FHWA's Fiscal Management Information System

MPO: Metropolitan Planning Organization

PD&E: Project development and environmental work. Usually included by FHWA in the Preliminary Engineering phase of work.

PE: Preliminary Engineering phase of work.

ROW: Right of Way phase of work. For federally funded jobs, includes land purchases and all supporting costs such as appraisal and relocation fees.

STIP: FDOT's federally mandated State Transportation Improvement Program

TIP: MPO's Transportation Improvement Program

1. DEFINING THE FEDERAL PROJECT

1.1 RELATIONSHIP OF FINANCIAL PROJECTS TO FEDERAL PROJECTS

Each federal project will consist of one or more financial projects and/or financial project phases. Generally, a federal project will consist of only one set of related phases, such as PE, ROW or Construction. These are known as "phase groups" in FDOT's Work Program (1st digit of phase). The Work Program "phase types" (2nd digit of phase) are more specific subsets of the Phase Groups. These Phase Groups and Types, as listed in ***Work Program Instructions***, are as follows:

PHASE GROUP	PHASE TYPE
1 – Planning	1 – In-house
2 – P.D. & E.	2 – Consultant/Contractor
3 – Preliminary Engineering	3 – Purchase

4 – Right of Way	4 – Grant
5 – Construction	5 – Relocatee (Relocation Assistance)
6 – Construction Support	6 – Utility
7 – Maintenance	7 – Railroad
8 – Operations	8 – Other Agency
9 – Capital	9 – Indirect Support
A – Administration	A – Contract Incentive (Bonus)
B – Research	B – Service Contract
C - Environmental	C - Project Cost Redistribution
D - Debris Removal	D - Repayment
E - Sign Repair/Replacement	
F - Signal Repair/Replace	
G - Emergency Road Repair	
H - Emergency Bridge Repair	
J - Emergency Contract Mgmt	
K - Emergency Facility Rpr/Rpl	
L - Maintenance of Traffic	

Work Program financial project(s) can be associated to a federal project in several different ways:

Most often a single financial project phase group (e.g. Construction) will be associated to a single federal project (**Example 1**).

Sometimes a single design consultant contract will cover several financial project phase groups (e.g. PE) and will be associated to a single federal project (**Example 2**).

Other times a single financial project phase group (e.g. ROW) will be associated to a single federal project but the funding for the financial project will be spread over two fiscal years, and phases in both years will be associated to the Federal Project. The funding for the first year will be requested with the initial federal authorization and the funding for the second fiscal year will be requested as a later modification to the initial federal authorization (**Example 3**).

These examples are not meant to be all-inclusive. Please refer to **Work Program Instructions** for additional details.

Examples follow:

- (1) A single federal project may consist of (be associated to) multiple types of construction (5x,6x) phases from a single financial project in a single year, such as:

- (a) Phase 52, construction contractor
- (b) Phase 56, construction utilities
- (c) Phase 61, construction engineering support, in-house
- (d) Phase 62, construction engineering support, consultant

The same concept applies to combining PE in-house (31) and consultant (32) phases on the same federal project.

- (2) A single federal project may consist of a single type of design consultant phase for multiple financial projects in a single year, such as:
 - (a) Phase 32, PE consultant, for Financial Project No. 123456-7-32-01
 - (b) Phase 32, PE consultant, for Financial Project No. 234567-8-32-01
 - (c) Phase 32, PE consultant, for Financial Project No. 345678-9-32-01
- (3) A single federal project may consist of multiple right of way phases of a single financial project programmed over several years, such as:
 - (a) Phase 42, ROW consultant in Yr1
 - (b) Phase 42, ROW consultant in Yr2
 - (c) Phase 43, ROW purchase in Yr1
 - (d) Phase 43, ROW purchase in Yr2

1.2 ASSIGNING THE FEDERAL AID PROJECT NUMBER

A seven-digit FAP No. (e.g. D117-001) must be assigned to the associated financial project(s) phase(s) in the work program prior to requesting the initial federal authorization. Additional related phases may be added later during the life of the project by modifying the federal authorization, if appropriate to do so.

A Federal Aid Project Number has three sections:

- Route Number – 4 digits - Alpha / Numeric representing the District and Federal fiscal year of the FAP No. assignment.
- Improvement Number – 3 digit – Numeric
- Type Code Letter – 1 digit – Alpha

The **Federal Route Number** representing the District and Federal fiscal year of the FAP No. assignment. The Improvement Number is assigned sequentially and represents the next available number on that particular Federal Route. The Type Code represents the transportation system (e.g. I = Interstate).

If the project cannot be related to a specific geographic area (e.g. statewide project) then other number assignment conventions are used. Refer to **Work Program Instructions** for additional details.

District Federal Aid Coordinators and statewide Program Coordinators in the Central Office are responsible for requesting the Federal Aid Management Office to assign federal aid number(s) to financial project(s) in the work program.

The list of District Federal Aid Coordinators may be found at:

<http://www.dot.state.fl.us/OWPB/Federal/directory-dist-fa.shtm>

Federal aid project numbers should not be assigned any earlier than one year in advance of the year in which the project is to be authorized. This is to prevent the assignment of an FAP No. to projects that may have their funding changed from federal to state during development of subsequent Tentative Work Program(s).

Phasing of Federal Projects

Generally, each phase group represents a separate federal project phase. A typical road or bridge job will consist of three separate federal project phases, each having a separate FAP No.:

- (1) Preliminary Engineering (includes PD&E)
- (2) Right of Way
- (3) Construction

With few exceptions, each phase of work must be substantially complete before the next phase of work can begin. See ***Work Program Instructions*** for details.

Other types of phases are treated differently in terms of phasing and closing procedures. See ***Work Program Instructions*** for details.

2. INITIAL FEDERAL AUTHORIZATION

2.1 COMMON CRITERIA FOR ALL FEDERAL PROJECTS

Certain criteria must be met for all projects that are partially or fully funded with federal funds before work can commence on the project. These criteria are listed below:

- (1) The project phase(s) must be included in FDOT's Adopted Five Year Work Program.
- (2) The project phase(s) must be listed in FDOT's federally mandated STIP (with the exception of planning and emergency repair phases).
- (3) If the project phase(s) is/are located in an area represented by an MPO, the project phase(s) must also be included in the MPO's TIP.
- (4) State budget authority must be available for the project so it can be encumbered prior to contract execution.
- (5) A FAP No. must be assigned to the project phase(s) included in each ***Federal Authorization Request (FAR)***.

- (6) A **FAR** must be prepared by the District Federal Aid Coordinator (or selected statewide program managers) in FAMS and submitted electronically to the Federal Aid Management Office in Tallahassee, along with all required supporting materials. After reviewing the FAR for accuracy, the Federal Aid Management Office will electronically transmit the FAR to FHWA for their approval.
- (7) **The initial federal authorization must be approved by FHWA before any work can begin or any costs can be incurred on the project** (with the exception of emergency repairs performed immediately after a declared disaster to keep roads and bridges open to traffic. See **Work Program Instructions** for further details on FHWA's Emergency Relief Program).

2.2 FEDERAL AUTHORIZATION REQUESTS

FARs are prepared in FAMS and submitted electronically to the Federal Aid Management Office in Tallahassee by the Federal Aid Coordinators in each district, turnpike and central offices where statewide programs are managed.

NOTE: It is the responsibility of Project Managers to ensure that Federal Aid Coordinators are notified in a timely manner of the need to request federal authorizations for federally funded projects. This responsibility includes ensuring all the required prerequisite criteria are met (and supporting materials are available) BEFORE requesting the Federal Aid Coordinator to prepare the FAR.

NOTE: The federal authorization must be approved by FHWA before construction contracts can be advertised. For PE or CEI consultant phases the federal authorization must be approved by FHWA before contract execution.

FARs submitted to the Federal Aid Management Office must be reviewed for accuracy before they are transmitted electronically to FHWA. **FARs** are sometimes returned to the originator for corrections. FHWA's Financial Administrator reviews all project transmittals and electronically approves projects exempt from federal oversight. If the project is subject to FHWA oversight, an FHWA engineer reviews and approves it electronically. An engineer may occasionally be on travel status, which may also delay the approval. Therefore, to avoid unnecessary delays, **FARs should be submitted to the Federal Aid Management Office at least 30 days prior to the date the approval is needed.**

The Federal Aid Coordinators will notify appropriate staff when federal project authorizations are approved. Approved authorizations are posted daily to the Federal Aid Management Office's Infonet site. FDOT employees may view approved federal authorizations for the most recent three months at:
<http://webapp02.dot.state.fl.us/fmsupportapps/federalaid/ElectronicSignatures.aspx>

Please refer to ***Work Program Instructions*** for complete instructions on the specific steps and timeframes necessary to obtain initial federal authorizations for all types of transportation projects.

3. MODIFYING THE FEDERAL AUTHORIZATION

Occasionally, a project's conditions may change and may affect the estimated cost, complexity, duration and/or scope of the project. These conditions may require a change to the dollar amount and/or type of work described in the initial federal authorization. These conditions may also affect FHWA's decision to participate in the reimbursement of specific pay items in the contract. Examples include, but are not limited to, supplemental agreements, bonuses, liquidated damages, contractor claims, court awards, revisions to joint participation agreements and/or local agency program agreements.

In other cases, additional work program phases will be added to the federal project. For example, a federal construction project may initially be authorized for utility relocation work, and later the actual construction contract phase is added via modification to the original authorization. FHWA considers both the utility and construction contract phase as part of the federal construction job with the same FAP No.

FARs must be prepared to modify the federal authorization to account for these changes in the total cost of the federal project (and for any adjustments between participating and non-participating costs), based on information provided by the FDOT offices responsible for initiating the changes to the project.

These modifications are input in FAMS by the Federal Aid Coordinators and submitted electronically to the Federal Aid Management Office in Tallahassee, for review and subsequent electronic transmittal to FHWA for approval.

Please refer to ***Work Program Instructions*** for complete instructions on how to determine when it is necessary to modify federal project authorizations, and the specific steps required to do so.

4. CLOSING THE FEDERAL PROJECT

4.1 REASONS FOR CLOSING FEDERAL PROJECTS

The federal project must be balanced and closed in the fiscal systems of both FDOT and FHWA when the job is complete. This is important for several reasons, including but not limited to, the following:

- (1) The amount of authorized federal funds may be **more** than is needed to cover the total cost of the project. In this case, it is important to prepare the final modification (decrease) to the federal authorization as soon as possible to release the excess federal funds so they may be used to fund other projects.

- (2) The amount of authorized federal funds may be **less** than is needed to cover the total cost of the project. In this case, it is important to prepare the final modification (increase) to the federal authorization as soon as possible so the costs in excess of the authorization can be billed to FHWA for reimbursement to FDOT.
- (3) Federal projects for preliminary engineering should be balanced and closed as soon as possible after final costs are incurred. Federal guidelines call for the PE phase to be closed before any construction costs are incurred (if the construction phase is to be financed with federal funds).
- (4) When final costs have been incurred and paid on a project, and it remains open in the fiscal systems, it becomes fiscally “inactive”. FHWA regularly monitors these “projects with no fiscal activity” and will place them on the FHWA FIRE report after 9 months of inactivity. Once on the FIRE Report, FDOT must provide a written explanation for the projects inactivity and a justification for why the unexpended funds should be retained on the project. These justifications consume staff time and resources in central office and the districts, especially since there are hundreds of projects in this status. After 12 months of financial inactivity the project is considered officially inactive and if a reasonable valid justification cannot be provided, the unexpended funds may be unilaterally de-obligated by the FHWA.

4.2 RESPONSIBILITIES FOR CLOSING PROJECTS

The closing of federal projects is a task requiring the joint efforts and cooperation of FHWA and several functional units within FDOT, starting with the Project Manager.

Simply opening a job to traffic, or completing the physical work, does **NOT** mean the project is complete. The fiscal closing process is the final step in closing the loop on the completion of a project.

It is the responsibility of each Project Manager to notify appropriate staff in a timely manner that a project is physically complete and the closing process should commence.

It is important to remember that any project involves several functional areas within FDOT. These offices must perform their respective tasks in a timely manner to ensure an effective team effort in closing these projects.

When a project is physically complete, a number of additional tasks must be completed and will vary depending upon the type of work performed, such as:

- (1) Final cost estimates must be completed
- (2) Final acceptances must take place
- (3) Final billings must take place
- (4) Liquidated damages may need to be assessed
- (5) Post audits may be necessary

- (6) Excess encumbrances must be removed
- (7) Various funding sources (types of federal funds) must be balanced in accordance with established guidelines, depending upon the age and nature of the funding sources
- (8) Costs must be analyzed and occasionally adjusted for non-participating costs
- (9) Other required federal documentation must be provided to FHWA
- (10) Final federal authorization modifications must be prepared, submitted and approved by FHWA

The following list provides an example illustrating the many offices and staff within FDOT and FHWA that are involved in closing federal projects:

- (1) Project Managers
- (2) Statewide Program Coordinators
- (3) District Work Program staff
- (4) District Federal Aid Coordinators
- (5) District Construction Offices
- (6) District Professional Services Units
- (7) District Financial Services staff (Fiscal)
- (8) District Right of Way staff
- (9) Federal Aid Management Office
- (10) Financial Development Office
- (11) Procurement Office
- (12) Office of the Comptroller
- (13) Office of the Inspector General
- (14) FHWA Area Engineers
- (15) FHWA Right of Way staff
- (16) FHWA Financial Management staff

Please refer to ***Work Program Instructions*** for complete instructions and specific steps, documentation requirements and other pertinent data relevant to closing federally funded projects.

5. TRAINING

None required.

6. FORMS

None required.