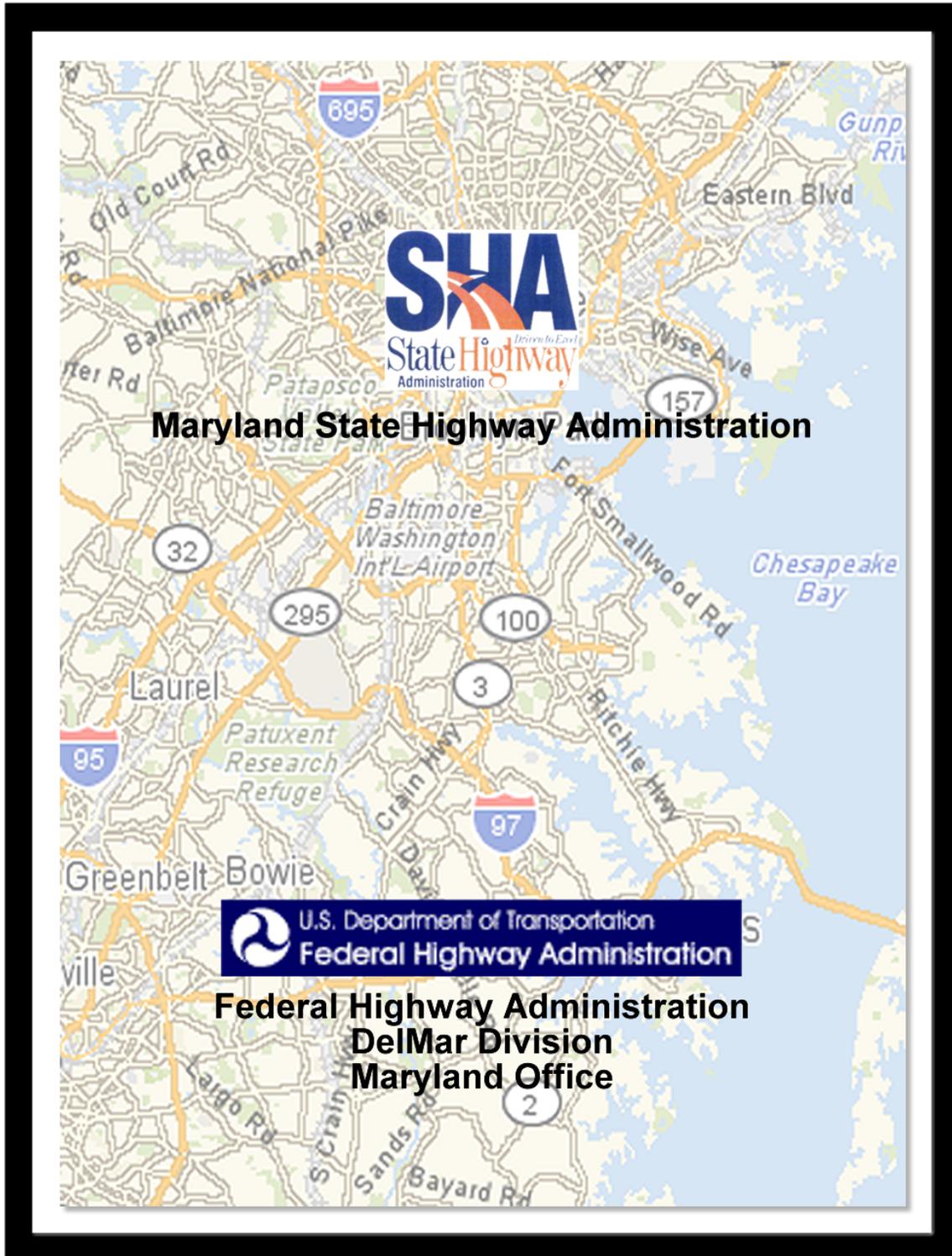


Stewardship/Oversight Agreement



April 2, 2007

STEWARDSHIP AND
OVERSIGHT AGREEMENT

The Maryland State Highway
Administration

AND

The Federal Highway Administration DelMar Division,
Maryland Office

April 2, 2007

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ACRONYMS

3R	Resurfacing, Restoration, and Rehabilitation
AASHTO	American Association of State Highway and Transportation Officials
ADA	Americans with Disabilities Act
CEI	Construction Engineering and Inspection
CEQ	Council on Environmental Quality
CFR	Code of Federal Regulations
CMAQ	Congestion Mitigation and Air Quality
CPI	Continuous Process Improvement
DBE	Disadvantaged Business Enterprise
DBE/SS	Disadvantaged Business Enterprise Supportive Services
DDETFP	Dwight David Eisenhower Transportation Fellowship Program
EA	Environmental Assessment
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
FHWA	Federal Highway Administration
FIRE	Financial Integrity Review and Evaluation
FMCSA	Federal Motor Carrier Safety Administration
FONSI	Finding of No Significant Impact
FTA	Federal Transit Administration
HPR	Highway Planning and Research
HPMS	Highway Performance Monitoring System
HSIP	Highway Safety Improvement Program
HSP	Highway Safety Program
ISTEA	Intermodal Surface Transportation Efficiency Act
ITS	Intelligent Transportation Systems
LEP	Limited English Proficiency
MIHE	Minority Institutions of Higher Education
MPO	Metropolitan Planning Organization
NBIS	National Bridge Inspection Standards
NEPA	National Environmental Policy Act
NHS	National Highway System
NHSD	National Highway System Designation Act of 1995
NHTSA	National Highway Traffic Safety Administration
NSTI	National Summer Transportation Institute
OJT	On the Job Training
OJT/SS	On the Job Training Supportive Services
PE	Preliminary Engineering
PR/PE	Process Review/Program Evaluation
PS&E	Plans, Specifications, and Estimate
ROD	Record of Decision
ROW	Right-of-Way
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SHSP	Strategic Highway Safety Plan
SOP	Standard Operating Procedure
SRTS	Safe Route to School
STIP	State Transportation Improvement Program

STP	Surface Transportation Program
SHA	Maryland State Highway Administration
TEA-21	Transportation Equity Act for the 21st Century
TIP	Transportation Improvement Program
TRAC	AASHTO/Transportation and Civil Engineering
USC	United States Code
UYC	Urban Youth Corps

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**STEWARDSHIP AND OVERSIGHT AGREEMENT BETWEEN
THE MARYLAND STATE HIGHWAY ADMINISTRATION AND
THE FEDERAL HIGHWAY ADMINISTRATION,
DELMAR DIVISION, MARYLAND OFFICE**

Section 1 - INTRODUCTION

1.1 Purpose, Authority and Scope:

Pursuant to 23 U.S.C. 106 (c), the Maryland State Highway Administration (SHA) and the Federal Highway Administration DelMar Division, Maryland Office (FHWA) agree to follow the procedures set forth in this Stewardship and Oversight Agreement (Agreement) to carry out their respective oversight responsibilities in the delivery of Federal-aid Projects and Programs. This agreement supersedes all past agreements and plans, including the Stewardship Plan signed April 30, 2001, and shall become effective on the date listed below and remain in effect until superseded.

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, the Transportation Equity Act for the 21st Century (TEA-21) of 1998, and the Safe, Accountable, flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005 provided flexibility to the States in how to ensure project actions are carried out in accordance with applicable laws, regulations, and policies. TEA-21, Section 1305 (a) requires that FHWA and the State enter into an agreement showing the extent of the State's assumption of the Transportation Secretary's responsibilities. ISTEA and TEA-21 altered the FHWA role from full project oversight and approval of every project or activity funded with FHWA funds to program oversight and some targeted project level approval. The program and project assumptions made possible under Section 1016 of ISTEA and Section 1305 of TEA-21 require that the SHA accept these assumed responsibilities and provide greater program accountability due to less federal involvement. With the passage of SAFETEA-LU, the overall program has evolved requiring a more comprehensive agreement that covers all aspects of the Federal-aid Highway Program that provides a road map to effectively and efficiently execute the Federal-aid program relating to programs/project delivery to include financial integrity.

By signing this Agreement, the SHA and the FHWA agree to adhere to the provisions and responsibilities included herein. The SHA and the FHWA further agree to carry out their responsibilities in a true spirit of cooperation. Prior to the beginning of each Federal Fiscal Year, the FHWA will collaborate with SHA in the development of its annual work plan. FHWA will accomplish its stewardship and oversight responsibilities by implementation of the annual work plan in conjunction with this plan. The FHWA and the SHA will also commit the resources needed to effectively implement the work plan action items.

The SHA agrees that where it assumes FHWA's Title 23 oversight role and approval responsibilities, it is responsible for ensuring that projects are developed and constructed in full compliance with Federal requirements, and that necessary corrective action is taken when actions and approvals are found to be in non-compliance with applicable Federal requirements. The FHWA is available for consultation in such matters or may unilaterally become involved in determining corrective action.

The SHA further understands that nothing contained herein shall relieve it from ultimate accountability for compliance with Federal laws and regulations with respect to the expenditure of Federal-aid highway funds in the State of Maryland, including those funds passed through to local governments. This agreement does not preclude the FHWA access to and review of Federal-aid projects at any time, and does not replace the provisions of Title 23 United States Code (U.S.C.).

This Stewardship and Oversight Plan serves as a continuing plan of project and program oversight responsibilities for FHWA and SHA covering the following functional areas:

- Planning Program
- Environment Program
- Design Monitoring Program
- Construction Monitoring Program
- Financial Management Program
- Bridge Program
- Safety and Traffic Program
- Civil Rights Program
- Right-of-Way Program
- Intelligent Transportation System Program
- Materials Quality Assurance Program
- Pavement Design and Management Program
- Maintenance Monitoring Program
- Research, Development and Technology Transfer (RD & T) Program
- Planning

In general, FHWA will use Process Review/Product Evaluation (PR/PE) techniques to assess the capability and capacity of the SHA in those areas where the SHA has assumed FHWA's responsibilities. FHWA will also use these techniques to monitor and evaluate SHA's fulfillment of the responsibilities outlined in this Agreement. In cases where project level activity is still an integral part of FHWA's stewardship and oversight efforts, early involvement in project decisions combined with an assessment of the quality of the products produced during the project development process will be the primary focus.

As specified above, the Agreement includes stewardship responsibilities for various programs/functional areas with identified actions by each agency. FHWA will use Program Activities as defined later in this Plan to monitor and evaluate program performance and effectiveness. This Plan incorporates the concept of mutual service standards (Attachment 1) that include agreed upon formats, procedures and targeted timeframes for SHA and FHWA actions, including submissions, comments and approvals. The Agreement also takes into account the FHWA and SHA resources and capabilities, and the federal requirements where FHWA has a mandated role in the oversight process. This plan forms the principal basis for monitoring and evaluating the quality of the SHA's Federal-aid program, and the continued disbursement of federal funds based upon SHA policies, practices, and staffing resources.

While SHA can assume the responsibility for FHWA in many Title 23 U.S.C. actions, some Title 23 U.S.C. requirements remain FHWA responsibilities. These program elements include, but are not limited to:

- All Federal responsibilities for planning and programming oversight specified in 23 USC 134 and 135.
- Waivers to Buy America requirements.
- Environmental approvals.
- Civil Rights program approvals.
- Special Experimental Project (SEP) methods (FHWA HQ approval required for experimental contracting/project delivery methods)
- Federal air quality conformity determinations required by the Clean Air Act.
- Obligation of funds.
- Addition/modification of access points on the Interstate System.
- Use of Interstate airspace for non-highway-related purposes.
- Hardship acquisition and protective buying.
- Modifications to project agreements.
- Final vouchers.

FHWA will annually perform risk assessments of various program areas for the purpose of prioritizing its program level oversight activities for the coming year. The objective of these risk assessments is to focus the limited resources of the FHWA Division Office on those activities that represent the greatest risk to FHWA in fulfilling its stewardship responsibilities. A portion of the risk assessments will involve an evaluation of SHA's internal controls, operating procedures, and staffing. By this process, it is expected that the greatest possible confidence level will be achieved for the resources committed. SHA will be invited to participate in these risk assessments; however, FHWA will make all final determinations of risk categories and mitigation plan for identified risk statements.

1.2 Definitions:

For the purposes of this agreement, the following definitions apply:

Control Document – Applicable standards, policies, and standard specifications that are acceptable to FHWA for application in the geometric and structural design of highways.

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

Exempt Projects (Delegated Projects) – Projects that do not require FHWA to review and approve actions pertaining to design, plans, specifications, estimates, right-of-way certification statements, contract awards, inspections, and final acceptance of Federal-aid projects on a project by project basis.

Full Oversight Projects – Projects that require FHWA to review and approve actions pertaining to design, plans, specifications, estimates, right-of-way certification statements, contract awards, inspections, and final acceptance of Federal-aid projects on a project by project basis.

Major Projects – Projects with an estimated total cost greater than \$500 million, or projects approaching \$500 million with a high level of interest by the public, Congress, or the Administration.

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

Performance/Compliance Indicators – These indicators track performance trends, health of the Federal-aid Highway Program, and compliance with Federal requirements.

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

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

3R Project - A project intended to extend the service life of existing highways, bridges, and related appurtenances; and/or restore safe, efficient travel on an existing facility. 3R (resurfacing, rehabilitation, and restoration) work includes the placement of additional surface material and other work necessary to return an existing roadway to a condition of structural or functional adequacy. This may include improving geometric features such as flattening curves, improving sight distance and minor roadway and/or shoulder widening. 3R projects are typically constructed within existing right-of-way, or require only minor acquisitions necessary to enhance safety.

Construction Cost - The cost of a specific project based on the engineer's estimate amount. The construction cost does not include: construction engineering and inspection, preliminary engineering, right-of-way, utility adjustments.

Force Account - The direct performance of highway construction work by a State transportation department, a county, a railroad, a public utility company by use of labor, equipment, materials, and supplies furnished by them and used under their direct control. 23 CFR 635.203(c)

Preventive Maintenance - The lowest level of 3R work. In general, any work that 1) prevents the intrusion of water into the pavement or pavement base (crack or joint sealing, under drains, restoration of drainage systems); 2) prevents deterioration of bridges including painting, scour protection, deck repair, deck drain cleaning, and seismic retrofit; 3) restores pavement rideability by profiling, milling, overlaying, or replacing a portion of the pavement structure.

1.3 Delegation of Authority to Local Agencies

The SHA may, pursuant to 23CFR 1.11 and 635.105, delegate certain Federal-aid project authorities to a well-qualified and suitably equipped local public agency. The SHA is responsible for ensuring that appropriate procedures and guidelines are in place to facilitate the compliance of local public agency administered Federal-aid projects. FHWA will review and approve these practices and procedures for Federal-aid projects.

The SHA will determine if the local agency is well qualified and adequately staffed to administer projects before delegation of any activities. The SHA will review the local agency's ability to administer Federal-aid projects or specific activities on a case-by-case basis, and the extent of delegation will be dependent on their current staffing level and experience, and past performance. An

Agency Agreement will be executed between SHA and the local agency to outline the responsibilities of both SHA and the local agency. The agreement will require FHWA concurrence.

The SHA retains responsibility under Federal law and regulations for all delegated activities. The SHA will have written procedures established for the local agency that provide the necessary processes, approvals, oversight and review that ensures the delegated projects receive adequate supervision and inspection, and are completed in conformance with approved plans and specifications and applicable federal requirements. While SHA will offer any training, advice, or other assistance as may be needed by a local agency to aid it in successfully completing its Federal-aid project, it is understood that the project is controlled by the local agency. As such, if the local agency is not following prescribed requirements, SHA’s recourse would be to remove Federal-aid funds from the project.

The following program elements will not be delegated to local agencies:

- NEPA approval
- Sole Source Approval
- Approval of Force Accounts
- Design Exception approval
- Approval of Right of Way certification
- Approval of Engineering Plans
- Approval of DBE Goals
- Approval and Audit of Labor compliance
- Final Inspection
- Project Acceptance

Section 2 – STEWARDSHIP AND OVERSIGHT OF FEDERAL-AID PROJECTS

This section describes SHA and FHWA agreement on the stewardship and oversight responsibilities including those that are delegated to the SHA, along with those that are retained by FHWA. Next section, describes stewardship roles and responsibilities for specific functional program areas for SHA and FHWA. As a condition to accepting Federal-aid highway funds, SHA agrees to follow all applicable project and program requirements.

2.1 FHWA Responsibilities:

The FHWA is ultimately accountable for all Federal-aid highway projects. The FHWA will fulfill its stewardship role at a project level as follows:

- Full Oversight Projects – Projects meeting the following criteria are subject to full FHWA oversight:

Route	Type or Work	Minimum Estimated Cost (Million)
Interstate	New Construction Reconstruction	\$5
NHS (Non-Interstate)	New Construction Reconstruction	\$10

Projects funded through the Appalachian Development Highway Program	All	All
The FHWA reserves the right to make any Federal-aid highway project subject to full oversight. In making this determination, FHWA will consider factors such as, but not limited to, location of the project, congressional interest, unique contract procedures such as Design/Build projects, innovative financing, construction of unusual bridges or structures, or projects of national significance.		

- Involvement on Other Projects – The FHWA may become involved with any Federal-aid project, including those for which SHA has assumed oversight responsibility. FHWA oversight of non full-oversight projects (exempt projects) will be through program level activities, such as Process Review/Program Evaluation (PR/PE), attendance at Task Force meetings, etc. Additionally SHA may request FHWA involvement. The extent of FHWA involvement will be defined by SHA’s request. The FHWA will provide engineering support for project development activities and technical assistance on major unique and/or unusual structures and on non-federally funded Interstate reconstruction projects. FHWA will also provide engineering support for project development and/or construction activities on other projects when requested by SHA.
- Technical Assistance – The FHWA Division Office is prepared to provide technical assistance to SHA or local agencies on any aspect of an eligible Title 23 project including intermodal transportation projects. Technical assistance activities will be decided on a case-by-case basis in consultation with SHA, other partners and the division office. The FHWA Division Office will continue to focus their time and effort on improving processes and procedures, in cooperation with the SHA.
- Non-Title 23 Responsibility – FHWA will continue to be responsible for the oversight of applicable non-Title 23 requirements. Such oversight will be conducted through a combination of both project and program level activities. Applicable non-Title 23 requirements include, but are not limited to:
 - National Environmental Policy Act (NEPA) of 1969
 - Section 4 (f) of the DOT Act of 1966
 - Civil Rights Act of 1964
 - Uniform Relocation Assistance and Real Properties
 - Acquisition Policies Act of 1970
 - Disadvantaged Business Enterprise Program (DBE)
 - Clean Air Act Amendments of 1990

The FHWA will manage and provide oversight of SHA’s Federal-Aid programs in various ways. The methods used will be:

- Routine day-to-day program actions and other interaction.
- Division participation on SHA task forces, teams, implementation committees, reviews, attendance at SHA meetings, etc.

- PR/PE reviews activities on program areas as needed and determined in accordance with the Division's risk assessment process and/or other high importance program areas. PR/PE reviews activities will be utilized as one of the primary methods of program oversight. PR/PE reviews comprise the process of comprehensively reviewing and evaluating State and or local agency policies, procedures, practices and controls for the development and implementation of Federal-aid projects and programs. Annual PR/PE's program will be jointly developed in accordance with "FHWA Maryland Division & Maryland State Highway Administration Joint Process Review Procedures, January 4, 2005" and are included in Division's annual work plan.
- The Division Office Financial Integrity Review and Evaluation (FIRE) Program to assess the financial aspects of programs and projects.

2.2 SHA Responsibilities:

SHA hereby advises FHWA that it wishes to assume project oversight responsibilities in accordance with the following:

- Interstate Projects – SHA assumes oversight responsibility for the right-of-way approval, utility approval, railroad approval and related activities, design approval, plans, specifications, estimates, contract award, and inspection of the following projects on the Interstate System designated as exempt projects by the FHWA: (1) all resurfacing, restoration, and rehabilitation (3R) projects and (2) all reconstruction/new construction projects with an estimated construction cost of less than \$5 million. All Interstate projects must comply with all Title 23 U.S.C. and non-Title 23 U.S.C. requirements.
- Other NHS Projects (not on the Interstate System) – SHA assumes oversight responsibility for the right-of-way approval, utility approval, railroad approval and related activities, design approval, design exceptions, plans, specifications, estimates, contract award, and inspection for the following non-Interstate NHS projects designated as exempt projects by the FHWA:
 1. All resurfacing, restoration, and rehabilitation (3R) projects and
 2. All new construction/reconstruction projects with an estimated cost of less than \$10 million.
- Non-NHS Projects – SHA assumes oversight responsibility for the right-of-way approval, utility approval, railroad approval and related activities, design approval, design exceptions, plans, specifications, estimates, contract award, and inspection of projects not on the NHS. Non-NHS projects are required to be designed, constructed, operated, and maintained in accordance with State law, regulations, directives, safety standards, design standards, and construction standards, in lieu of many Title 23 U.S.C. requirements. Title 23 U.S.C. requirements that are applicable to all Federal-aid projects include, but are not limited to, transportation planning, procurement of professional services, Davis-Bacon wage rates, advertising for bids, award of contracts, use of convict produced materials, Buy America Act provisions and other requirements. All non-NHS projects must also comply with all non-Title 23 U.S.C. requirements.
- Local Agency Projects – SHA is responsible for assuring that all Federal-aid projects administered by local agencies comply with all applicable Federal and State requirements. SHA is not relieved of this responsibility even though the project may be delegated to the local agency. In accordance with 23 CFR 1.11 and 635.105, SHA is responsible for ensuring that the

local agency is qualified and equipped to administer the project and has processes in place to ensure compliance with Federal requirements.

For those projects that SHA has agreed to assume oversight responsibility, SHA will follow all applicable FHWA policies, regulations, Title 23, and non-Title 23 requirements as if FHWA were involved.

Section 3 – STEWARDSHIP ROLES AND RESPONSIBILITIES FOR SPECIFIC FUNCTIONAL PROGRAM AREAS

3.1 Planning Program

BACKGROUND

States are required to conduct continuing, comprehensive and collaborative planning process that facilitates the effective and efficient movement of goods and people in all areas of the States including the metropolitan and local areas. FHWA role includes policy and program guidance as well as information and advice on FHWA, state, regional, and local transportation planning and program matters in Maryland.

The planning program is divided into five main categories: statewide; urban; highway information; air quality, and miscellaneous. The statewide and urban planning activities are performed jointly with the Federal Transit Administration (FTA). The statutory and regulatory references for the statewide and metropolitan functions are 23 U.S.C. 134, 23 U.S.C. 135, 49 U.S.C. 5303-5305, 23 CFR Part 450 (Subparts B and C), and 49 CFR Part 613 (Subparts B and C)

OPERATING PROCEDURES

FHWA provides technical expertise and assistance through participation in committees and teams set up by the SHA, MDOT, and the MPOs that address planning topic areas including: (1) Long Range Transportation Plans; (2) Statewide and Metropolitan areas Transportation Improvement Programs; (3) Unified Planning Work Programs; (4) Congestion Management, (5) Air Quality Conformity Determination, and (6) Data Collection and Reporting.

PROJECT OVERSIGHT

In all program areas FHWA and FTA work with the State, MPOs, and Local agencies to review, approve, and comment on planning programs to ensure consistency with Federal laws and regulations. In addition, FHWA provide the State and the MPOs with example of best practices to enhance their planning products such as the Long Range Transportation Plans, Transportation Improvement Programs, and Unified Planning Work Programs.

The following Table provides background information on the authority, action, and frequency for a variety of recurring planning-related activities in the five core areas.

Action

A= Approve, C= Compliance, I= Information, P= Prepare

**Planning Program
Summary Table**

	Activity	SHA/MDOT/MPO Action	FHWA Action	Product
A	Statewide Planning			
1	20 yr Statewide Transportation Plan, (23 CFR 450.214)* (As updated)**	Prepare	R for C	Statewide Transportation Plan
2	4 yr State Transportation Improvement Program (STIP) & amendments, (23 CFR 450.216, 220)* (State submit it annually, amendment as requested)**	Prepare	R & A w/FTA	State Transportation Improvement Program
3	Statewide Planning & Research Part I, ((23 CFR 420)* (Annually August 15)**	Prepare	R & A	Statewide Annual Work Program
4	State Certification of their Planning Process, (23 CFR 450.220 (a))* (In conjunction with STIP approval)**	Prepare	R for C	Planning Process
5	Public Involvement for the State Planning Process, (23 CFR 450.212)* (As needed or revised by State)**	Prepare	R for C	Public Involvement Plan
6	Functional Classification of Highways, (23 CFR 105(b))* (As needed or revised by State)**	Prepare	R & A	Functional Classification Highways System and Maps
7	Urban Area Boundaries, (23 CFR 470.105(a))* (As needed or revised by State)**	Prepare	R & A	Urban Area Boundaries
8	National Highway System, (23 CFR 470.111, 115(a))* (As needed or revised by State)**	Prepare	Review and Recommend action to HQ	National Highway System
B	Metropolitan Planning			
1	Unified Planning Work Program, 23 CFR 450.314 (a))* (Annually by June 30)**	Prepare	R & A	Unified Planning Work Program
2	Transportation Plan for non-attainment Metropolitan Areas, (23 CFR 450.322)* (Every 4 yrs)**	Prepare	R & A	Transportation Plan
3	Transportation Plan n for Attainment Areas, (23 CFR 450.322)* (Every 5 yrs)	Prepare	R for C	Transportation Plan
4	Transportation Improvements Program (TIP) amendments for Non-attainments areas, (23 CFR 450.324-330 (b))* (As requested by MPO at least every four years)**	Prepare	R & A	Transportation Improvements Program
5	TIP amendments for attainments areas, (23 CFR 450.334 -330 (a))* (As requested by MPO at least every four years)**	Prepare	R & A	TIP amendments
6	FHWA/FTA TMA Planning Certification, (23 CFR 450.334)* (Every 4 yrs)**	Prepare	Conduct w/FTA	Certification of TMA Planning Process
7	Metropolitan Planning area Boundary Changes, (23 CFR 450.308)* (As needed/revised by MPO/State)**	Prepare	R for C	Boundary Changes
8	MPO/Sate certification of MPO Planning Process, (23 CFR 450.334)* (In conjunction with TIP approval)**	Prepare	R for C	Certification of State/MPO Planning Process

	Activity	SHA/MDOT/MPO Action	FHWA Action	Product
C	Highway Information			
1	HPMS data submission, FHWA HPMS Field Manual (Annually by June 15)**	Prepare	R for C	Annual HPMS Data Report
2	HPMS data review, FHWA HPMS Field Manual (Annually by Nov 1)**	Prepare	R & submit report to HQ	HPMS Review Report
3	Public road mileage certification, (23 CFR 460.3)* (Annually June 1)**	Prepare	R for C	Public Road Miles Data
4	Traffic Monitoring System, (23 CFR 500.203)* (As needed)*	Prepare	R for C	Part of HPMS Review Report
5	Heavy Vehicle Use Tax Payment Proof of Payment, (23 CFR 669.7)* (Annually by July 1)**	Prepare	R for C	Certification of HVUT
6	Heavy Vehicle Use Tax Payment review, (23 CFR 669.21)* (Every 3 years)**	Prepare	R	Process Review
7	Vehicle Size & Weight enforcement certification, (23 CFR 657.13)* (Annually by January 1)**	Prepare	R & A w/evaluation Report	Certification of VS&WE Program
8	Vehicle Size & Weight enforcement plan, (23 CFR 657.11)* (Annually by July 1)**	Prepare	R & A w. Evaluation	Vehicle Size & Weight enforcement plan
9	FHWA Form 500 Series, Guidance on Highway Statistics Report (See Guidance for specific due date)*	Prepare	R & I	FHWA Form 500
D	Air Quality			
1	Transportation Plan Conformity Determination for non-attainment Area, (23 CFR 450.322(d))* (After receipt of MPO Determination)**	Prepare	R & A	Conformity Report
2	TIP Conformity Determination for non-attainment Area, (23 CFR 450.322(b)) (After receipt of MPO Determination)**	Prepare	R & A	Conformity Report
3	CMAQ funds Report ,(23 USC 149, 104(b) (2), 126(c), 04/28/HQ CMAQ guidance memo)* (Annually February 1)	Prepare	R for C	CMAQ Report
4	CMAQ fund Eligibility , 04/28/HQ CMAQ guidance memo (As requested by state)	Prepare	R & A	Eligibility Determination Report/Letter
5	MPO/State air quality agency agreements, (23 CFR 450.310 (h))* (As needed or revised by MPO/State)**	Prepare	R for C	MOU/Agreements
E	Miscellaneous			
1	Transportation & Community & System Preservation Pilot Program (TCSP), (SAFETEA-LU:1117)* (Annually)**	Prepare	R	Grant Report
2	Value Pilot Pricing Program (VPPP), (SAFETEA-LU:1604)* (As needed)**	Prepare	R	Process Review

* Denotes Authority/Regulation

** Denotes Submission Date/Frequency

Planning Program Performance/Compliance Indicators:

Objective: To deliver planning program in accordance with applicable laws, regulations and policies and enhance the delivery of the process.

Indicators:

- 1) Percent of STIP of projects implemented for the fiscal year
- 2) Number of STIP amendments during the current year (based on amendment definition developed jointly by SHA/FHWA)
- 3) Number of areas in conformity lapse

Reporting: Reporting: Annually by August 31 for the current FY year.

3.2 ENVIRONMENT PROGRAM

BACKGROUND

The FHWA is the lead federal agency in integrating the full range of environmental requirements under a single, unified process that results in efficient and timely transportation decisions in accordance with Section 6002 of SAFETEA-LU. These laws and regulations include the National Environmental Policy Act (NEPA) and implementing regulations CEQ 40CFR1500-1508 and FHWA 23CFR771 (proposed 23CFR1420); Section 4(f) of the Department of Transportation Act and implementing regulations 23CFR771 (proposed 23CFR1430); Section 106 of the National Historic Preservation Act and implementing regulations 36CFR800; Section 404 of the Clean Water Act; and Section 7 of the Endangered Species Act, as well as others. Furthermore, FHWA has a commitment to the “protection and enhancement of communities and the natural environment” as outlined in the USDOT Strategic Goals.

OPERATING PROCEDURES

FHWA participates in task forces and teams set up by the SHA that address both broad policy or program environmental issues as well as individual topics of interest. Teams have been developed for the following: (1) Training, (2) Environmental Justice, and (3) Historic Bridges. Although the Secondary/Cumulative Effects Analysis and Environmental Streamlining teams have completed their tasks, follow up activities may be required. In addition, FHWA is a member of two Interagency Oversight teams: the Steering Committee and the Interagency Managers. SHA is in the process of integrating Community Impact Assessment/Environmental Justice. SHA has fully integrated Context Sensitive Solutions into the projects and is developing a work plan. FHWA and SHA partner in completing process reviews in the Environment Program Area.

PROJECT OVERSIGHT

For all projects, FHWA and SHA work together in the project planning phase to ensure compliance with NEPA and other applicable laws before FHWA selects an alternative (location approval). The level of involvement is commensurate with the level of the environmental impacts or project complexity and follows a set procedure depending on environmental documentation class.

For Programmatic Categorical Exclusions, the SHA prepares a checklist documenting eligibility in accordance with the criteria outlined in previous FHWA/SHA agreements. SHA files the form. FHWA conducts a process review every 5 years to ensure that the projects are appropriately classified. Categorical Exclusions, Programmatic Section 4(f) Evaluations and Section 4(f) Evaluations are prepared by SHA and submitted to the FHWA for review. FHWA’s goal is to respond to all submissions within timeframes shown in the table below. Coordination on Environmental Assessments/Findings of No Significant Impacts and Environmental Impact Statements are conducted following the “Maryland’s Streamlined Environmental and Regulatory Process” guidelines and include interagency field meetings, concurrence points, reviews and approval procedures. SHA will update the streamlined procedures by September 2008 in accordance with SAFETEA-LU. The Maryland Action Plan which contains the Public Involvement Procedures will also be updated.

The Programmatic Memorandum of Agreement for Minor Projects between FHWA, SHA, Maryland Historic Trust, and the Advisory Council of Historic Preservation for carrying out the responsibilities of Section 106 of the National Historic Preservation Act is in the process of being updated.

FHWA is also an active member of individual project teams and help guide the project planning study. All documents requiring legal sufficiency review (the final EIS and Section 4(f) Evaluation) will be sent to the Assistant Chief Counsel for Eastern Legal Services, Offices of Chief Counsel (OCC) by the Division Office with summary comments prior to issuing these documents. Pre-Draft Section 4(F) documents will be submitted to OCC for comment regarding potential for legal sufficiency. The OCC's goal is to provide legal sufficiency review comments to the Division within 30 days after receipt of the document. Environmental Re-evaluations are conducted through informal consultation and formal written documentation. All project coordination is facilitated by monthly SHA/FHWA coordination meetings.

**Environment Program
Summary Table (Exempt and full oversight Projects)**

Activity	SHA Action	FHWA Action	Product
Programmatic Categorical Exclusions	Prepare, Approve, and File	A Process Review will be done every 5 years.	Final Report
Categorical Exclusions	Prepare, request classification, request Location Approval	Comments or Concur with CE classification within 30 days of receipt. Comments or grant location approval within 30 days of receipt.	Approved CE
Preliminary Environmental Assessment	Prepare, request classification	Provide comments, concur with classification (within 30 days of receipt)	Comments
Environmental Assessment	Prepare	Comments or Approve (within 20 days of receipt)	Signed EA
Preliminary Finding of No Significant Impacts	Prepare, may identify preferred alternative	Provide comments (within 30 days of receipt)	Comments
Finding of No Significant Impacts	Prepare	Comments or Concur with Finding determination, grant location approval (within 20 days of receipt)	Signed FONSI
Major Project * DEIS Cost Estimate	Prepare Major Project Cost Estimate for DEIS Alternatives.	Review cost estimate	SHA's DEIS Major Project Cost Estimate Report.
Preliminary Draft Environmental Impact Statement	Prepare, request classification	Provide comments, concur with classification (within 30 days of receipt)	Comments
Draft Environmental Impact Statement	Prepare	Comments or Approve (within 30 days of receipt)	Signed DEIS
Preliminary Final Environmental Impact Statement	Prepare, may identify preferred alternative	Provide comments (within 30 days of receipt)	Comments
Major Project * FEIS Cost Estimate	Prepare Major Project Cost Estimate for the preferred alternate.	Review cost estimate	SHA's FEIS Major Project Cost Estimate Report.
FHWA Major Project * Independent Cost Review (For DEIS and/FEIS)	Provide cost estimates and documentation for the project, provide project personnel to answer questions concerning all parts of the estimate	Perform independent cost estimate review prior to releasing DEIS /FEIS.	FHWA independent DESI/FEIS cost estimate review report.

*** A project with a total estimated cost of \$500 million (including PE and ROW) or more that is receiving Federal financial assistance is designated as a Major Project. Refer to FHWA Major Project Guidance for further discussion.**

Activity	SHA Action	FHWA Action	Product
Final Environmental Impact Statement	Prepare	Acquire Legal Sufficiency or comment, determine prior concurrence requirement, approve (within 30 days of receipt)	Signed FEIS
Record of Decision	Prepare	Consult Legal Counsel, select alternative, comment or issue ROD (within 30 days of receipt), grant location approval	ROD
Preliminary Re-evaluations	Prepare	Provide comments within 30 days of receipt	comments
Re-evaluations	Prepare, recommend action	Concur or deny that existing document is still valid (within 20 days of receipt)	Concurrence
Preliminary Programmatic Section 4(f) Evaluations	Prepare, may recommend alternative	Provide comments (within 30 days of receipt)	Comments
Programmatic Section 4(f) Evaluations	Prepare	Comments or Approve (within 20 days of receipt)	Signed Prog. 4(f)
Preliminary Draft Section 4(f) Evaluations	Prepare	Provide comments (within 45 days of receipt)	Comments
Draft Section 4(f) Evaluations	Prepare	Comments or Approve (within 20 days of receipt)	Signed Draft 4(f)
Preliminary Final Section 4(f) Evaluations	Prepare, may recommend alternative	Provide comments (within 30 days of receipt)	Comments
Final Section 4(f) Evaluations	Prepare	Comments or Acquire Legal Sufficiency, approve (within 30 days of receipt)	Signed Final 4(f)
ACHP Invitation Letter	Prepare	Review, Revise and Forward to ACHP within 30 days	Final Letter
Public Hearing Transcripts	Prepare	Review and concur (within 15 days of receipt)	Concurrence letter
Project Initiation Letter	Prepare	Review	Project File Documentation
Notice of Intent	Prepare	Review, revise and sent to Federal Register (within 15 days of receipt)	Federal Register Notice
Draft Coordination Plan	Prepare	Review and comment (within 30 days of receipt)	Coordination Plan for agency review
Draft Federal Cooperating/Participating Agency Letters	Prepare	Review, revise and forward (within 30 days of receipt)	Final Agency Letters

Environment Program Performance/Compliance Indicators:

Objective: To meet timeliness targets for Environmental Impact Statements (EIS) and Environmental Assessments (EA).

Indicators:

- 1) EISs and EAs completion timelines targets established in Environmental Document Tracking System (EDTS)
- 2) Reduction in the processing time for completion of EISs (from Notice of Intent to ROD) from established targets in EDTS (Baseline: As established in EDTS)
- 3) Reduction in the processing time for EAs from project initiation to FONSI (2005 Baseline- 29 months))

Reporting: Annually by August 31 for the current FY year.

3.3 Design Monitoring Program

The purpose of a design monitoring program is to establish procedures for assuring that Federal-aid projects are constructed in accordance with 23 CFR Part 625 Design Standards for Highways, 626 Pavement Policy, 627 Value Engineering, 630 Pre-construction Procedures, 633 Required Contract Provisions, 636 Design-Build Contracting, 645 Utilities, 646 Railroads, 650 Bridges, 652 Pedestrian and Bicycle Accommodations and Projects, 655 Traffic Operations, 771 Environmental Impact and Related Procedure, and 772 Noise. It is FHWA policy that FHWA personnel make sufficient reviews of Federal-aid projects to assure they are designed in accordance with applicable standards and in consideration of appropriate cost-effectiveness strategies.

All projects on the NHS, regardless of funding source, must follow FHWA approved AASHTO design standards except for non-freeway 3R projects where SHA may request FHWA approval to use state developed standards.

For Federal-aid projects on the NHS, including the Interstate System, the primary objectives of the design monitoring program are:

- To promote improved safety through appropriate use of design standards and guidelines.
- To make value added input at appropriate points in the project development process, with emphasis on early involvement in the project decision making process.
- To maintain a close working relationship between FHWA and SHA project development personnel.
- To ensure the integrity of the Interstate system through the review and approval of Interstate access point additions or modifications.
- To promote context sensitive solutions concepts
- To ensure that environmental commitments are incorporated into projects.

The types of design reviews that will be undertaken by FHWA include:

Early Planning Reviews: Early involvement maximizes FHWA's opportunity to participate in design decisions with the goals of promoting safety and preserving human and natural environment. FHWA's participation in developing possible transportation solutions or concept development meetings, prior to any public meetings, should be included on Federal-aid projects of a scope that is likely to require an Environmental Assessment or Environmental Impact Statement, or a FHWA full oversight project.

Intermediate Reviews (Preliminary Plans, ROW Plans and Construction Plans): These reviews are appropriate during the time the design concepts and major design features are being developed and finalized. The purposes of intermediate reviews are to assure that appropriate design considerations are used during layout development, to assure that environmental commitments are observed, to assure cost-effective design alternates are considered, to maintain communication with the highway agency, and to evaluate the quality of the product. On complex projects an onsite plan-in-hand review should be conducted and a review team approach considered. FHWA will participate in intermediate reviews on full-oversight projects.

Plans, Specifications and Estimate (PS&E) Reviews: These are the last reviews in the preparation of project documents, allowing project authorization to take place. The reviews may utilize a checklist approach and should generally not involve a design review if there was adequate FHWA involvement during the intermediate reviews leading up to the final plans. These reviews are required on all FHWA oversight projects to assure that the project complies with all federal requirements before federal funding authorization is approved.

Design Process Reviews/Program Evaluations (PR/PE): These reviews evaluate the processes and procedures used by SHA on design activities. Process reviews can be broad in scope, covering a major design activity such as conceptual studies, preliminary plan development, or PS&E preparation, or they can be more specific, covering such elements as geometrics, pavement design, safety, structures, etc. All process reviews should include a sufficient sampling of actual products and/or projects to assure that the process is producing the intended results. As appropriate, non-full federal oversight projects will be included in the sample of projects inspected as a part of process reviews.

Design and Operation Reviews: These reviews are undertaken for recently completed projects to evaluate the effectiveness of current design policy and detect design features that can be improved. The reviews should be conducted using a team approach with representatives from various functional areas. Projects should be open to traffic before being considered as candidates for a design and operation review.

On Federal-aid projects where SHA has the delegated authority to act for FHWA in design monitoring, a similar type of program of independent reviews will be conducted. SHA administered projects are subject to joint FHWA-SHA process reviews and inspections and must comply with applicable Federal requirements.

Along with the general items listed above for FHWA project review, the following are specific requirements for bridge projects:

- For new or reconstruction bridge projects on the Interstate system (bridges that carry interstate traffic and interchange bridges), preliminary bridge plans as well as final plans, specifications and estimates (PS&E) will be submitted to FHWA for review.
- For new or reconstruction bridge projects that carry traffic over the Interstate Highway regardless of funding source, preliminary bridge plans will be submitted to FHWA for the purpose of evaluating horizontal and vertical clearances on the Interstate system.
- FHWA may elect to retain oversight on Federal-aid projects involving unusual structures. Unusual structures may include tunnels, structures featuring new or complex wall systems, structures that involve complex stream stability countermeasures, or designs that are atypical or unique. Unusual bridges may include unique foundation problems, complex designs with unique features, bridges with exceptionally long spans, or bridges being designed with procedures that depart from currently recognized acceptable practices.
- FHWA will be available for technical assistance on all Federal-aid and non-Federal-aid bridge projects.

3.4 Construction Monitoring Process

In general SHA has responsibility for the construction of all Federal-aid projects and for ensuring that such projects receive adequate supervision and inspection to ensure that Projects are completed in conformance with approved plans & specifications. The primary objectives of the FHWA construction-monitoring program are:

- To evaluate SHA 's control of the projects and the quality and progress of work
- To maintain a close working relationship with SHA construction staff
- To promote quality improvements
- To promote work zone safety
- To assure that projects are completed in reasonably close conformance with the approved plans and specifications and approved changes
- To ensure incorporation of environmental commitments

FHWA will use the following types of inspections to obtain these objectives:

- Process Review/Product Evaluation (PR/PE) – comprehensive review of SHA’s procedures and controls. The purpose of a PR/PE is to provide oversight of SHA construction and materials management activities and to determine compliance with Federal-aid requirements on a statewide or Region wide basis.
- Inspection-In-Depth – a thorough on-site review to evaluate a specific contract item, combination of items, or major phase of a project. Inspections-in-depth may be accomplished on an individual project basis or on several projects with the findings summarized as a Region wide or statewide review.
- Project Inspection – an on-site review to evaluate SHA’s activities, the quality and progress of the work, incorporation of environmental commitments, and if appropriate, to follow up on findings from previous inspections.
- Final Inspection - A review to determine the extent to which SHA has exercised its control to assure that the project has been completed in reasonably close conformance with the plans, specifications, and authorized changes, including implementation of environmental commitments.
- Operational Review – The intent of these inspections is to observe a recently completed project with a multi-disciplinary team to identify opportunities for improvement that may be incorporated in future projects. These reviews also provide the opportunity to identify items that worked very well in addition to noting deficiencies.

Design & Construction Programs Summary Table

WORK ACTIVITY	FULL OVERSIGHT PROJECTS			STATE ADMINISTERED PROJECTS	
	Authority	SHA Action	FHWA Action	SHA Action	FHWA Action
Program Approval (42-25C)	FHWA-SHA Agreement	Prepare	Approve (5 days)	Approve ⁽¹⁾	None
Interstate Access Point Approval (IAPA)	23 USC 111	Prepare	Approve (10 days)	Prepare	Approve (10 days)
Project Management Plan (PMP) for Major Projects*	23 USC 106	Prepare	Approve (30 days)	N/A	N/A
Major Project Finance Plan Cost Estimate review if needed. {This would depend on the time gap between FHWA Major Project FEIS Cost Estimate Review (see Environment program) and finance plan submittal, and changes to the project since the ROD}	23 USC 106, FHWA Guidance	Prepare Major Project Cost Estimate for the selected alternate.	Review cost estimate		
FHWA Major Project* Independent Cost Review (see row above)	23 USC 106, FHWA Guidance	Provide cost estimates and documentation for the project, provide project personnel to answer questions concerning all parts of the estimate.	Perform independent cost estimate review prior to accepting Initial Finance Plan (IFP)	N/A	N/A
Financial Plan for Major Projects (Initial and annual)*	23 USC 106	Prepare	Approve (30 days)	N/A	N/A
Financial Plan for other projects (with estimated cost >\$100M and <\$500M) (Initial and annual)	23 USC 106	Prepare	Information	Prepare	Information
Consultant Settlements (Agreements)	23 CFR 172.9	Prepare	Approve (10 days)	Approve	None
Coordination for Projects Near Airports	23 CFR 620.104	Prepare	Approve (10 days)	Approve	None
Public interest finding with respect to airport-highway clearance	23 CFR 620.104	Prepare	Approve (10 days)	Approve	None
Highway Facility Relinquishment	23 CFR 620.203	Prepare	Approve (10 days)	Approve	None
Design Exception	23 CFR 625.3(f)	Prepare	Approve (10 days)	Approve ⁽²⁾	None
Use of Public Owned Equipment	23 CFR 635.106	Prepare	Approve (10 days)	Approve	None

* These activities apply only to major project. A project with a total estimated cost of \$500 million (including PE and ROW) or more that is receiving Federal financial assistance is designated as a Major Project. Refer to FHWA Major Project Guidance for further discussion.

WORK ACTIVITY	FULL OVERSIGHT PROJECTS			STATE ADMINISTERED PROJECTS	
	Authority	SHA Action	FHWA Action	SHA Action	FHWA Action
Use of mandatory borrow/disposal sites	23 CFR 635.407	Prepare	Approve (10 days)	Approve	None
Use of publicly furnished materials	23 CFR 635.407	Prepare	Approve (10 days)	Approve	None
Buy America waiver (all projects)	23 CFR 635.410	Prepare	Approve (10 days)	Prepare	Approve (10 days)
Use of proprietary products, processes	23 CFR 635.411	Prepare	Approve (10 days)	Approve	None
Warranties	23 CFR 635.413	Prepare	Approve (10 days)	Approve	None
Use of Convict Produced Material (all projects)	23 CFR 635.417	Prepare	Approve (10 days)	Prepare	Approve (10 days)
Use of consultants by utility companies	23 CFR 645.109(b)	Prepare	Approve (10 days)	Approve	None
Exceptions to maximum railroad protective insurance limits	23 CFR 646.111	Prepare	Approve (10 days)	Approve	None
Preliminary Investigation Report	FHWA-SHA Agreement	Prepare	Comment (10 days)	Approve	None
Semi-final review report	FHWA-SHA Agreement	Prepare	Comment (10 days)	Approve	None
TS&L	23 USC 109(a)	Prepare	Approve (10 days)	Approve	None
Technical Reports ⁽³⁾	FHWA-SHA Agreement	Prepare	Comment (10 days)	Approve	None
Final Review Report	FHWA-SHA Agreement	Prepare	Comment (10 days)	Approve	None
Experimental Features	23 CFR635.411	Prepare	Approve (10 days)	Approve	None
Value Engineering Studies ⁽⁴⁾	23 CFR 627	Prepare	Concur	Approve	None
Public Interest Finding	23 CFR 635	Prepare	Approve (10 days)	Approve	None
PS&E	23 CFR 630.205(c)	Prepare	Approve (10 days)	Approve	None
ROW Certification (Include in PS&E Package)	23 CFR 635	Prepare	Approve (10 days)	Approve	None
Utility PS&E	23 CFR 645	Prepare	Approve (10 days)	Approve	None
Utility Certification (Include in PS&E Package ¹)	23 CFR 635	Prepare	Approve (10 days)	Approve	None
Utility Agreement	23 CFR 645.113	Prepare	Approve (10 days)	Approve	None
Railroad Agreement	23 CFR 646.216	Prepare	Approve (10 days)	Approve	None
Exempt bridge from Coast Guard permit requirements	23 CFR 650.805	Prepare	Approve (10 days)	Prepare	Approve (10 days)
Advanced Construction (all projects)	23 CFR 630.705	Prepare	Approve (10 days)	Prepare	Approve (5 days)
Deviation from competitive bidding	23 CFR 635.104 23 CFR 635.204	Prepare	Approve (5 days)	Approve	None

Design-Build Request for Technical Proposal (RFQ or RFP #1) ⁽⁶⁾	23 CFR 635.112 23 CFR 636	Prepare	Approve (10 days)	N/A	N/A
Design-Build Request for Proposal (RFP #2) ⁽⁶⁾	23 CFR 635.112 23 CFR 636	Prepare	Approve (10 days)	N/A	N/A
Authorization to Advertise for bids (all projects)	23 CFR 635.309 23 CFR 635.112	Prepare	Approve (10 days)	Prepare	Approve (5 days)
Project Authorizations (all projects)	23 CFR 630.106	Prepare	Approve (10 days)	Prepare	Approve (5 days)
Advertising period less than three weeks	23 CFR 635.112	Prepare	Approve (5 days)	Approve	None
Addenda	23 CFR 635.112	Prepare	Approve (5 days)	Approve	None
Consultant Selection		Execute	Approve (5 days)	Execute	None
Concurrence in Contract Award	23 CFR 635.114 23 USC 112(d)	Prepare	Concur (2 days)	Approve	None
Rejection of all bids	23 CFR 635.114	Recommend	Concur (3 days)	Approve	None
Supplemental Agreements		Prepare and Approve	Review & Approve (5 days)	Approve	None
Change Orders, Extra Work, and Additional Work Item Requests ⁽⁵⁾	23 CFR 635.120	Approve	Approve (10 days)	Approve	None
Red Line Revision ⁽⁵⁾	23 CFR 635.120	Approve	Approve (10 days)	Approve	None
Claims Settlements	23 CFR 635.124	Prepare	Approve (10 days)	Prepare	None
Time Extensions & Suspension of work ⁽⁵⁾	23 CFR 635.121	Prepare	Approve (10 days)	Approve	None
Termination of contracts	23 CFR 635.125	Prepare	Approve (10 days)	Approve	None
Authorize utility or railroad force account work	23 CFR 645.113 23 CFR 646.216	Prepare	Approve (10 days)	Approve	None
Final inspection/acceptance of completed work	23 USC 114(a) 23 USC 121	None	Conduct	Conduct	None
State Construction Engineer's Certificate of Final Acceptance		Prepare	Accept	Approve	Information
Materials Certification	23 CFR 637.207	Prepare	Approve	Approve	Information
Statement of Materials and Labor (NHS projects of \$1 million or more) (form FHWA-47)	23 CFR 635.126	Send to FHWA HQ	None	Send to FHWA HQ (1)	None

- (1) All 42-25Cs for projects meeting the Full-Oversight criteria are submitted to FHWA for approval and oversight determination.
- (2) FHWA approves all design exception on Interstate projects.
- (3) As requested by FHWA for individual projects.

- (4) Required only for NHS projects with a total cost (construction+ROW+PE) greater than \$25 million and NHS Bridge projects with a total cost greater than \$20 million.
- (5) Refer to FHWA Maryland Division Major Change Policy
- (6) Full oversight/exempt status of Design-Build projects will be decided in the same manner as for the design-bid-build projects. See sections 2.1 and 2.2.

Design and Construction Program Performance/Compliance Indicators:

Objective: To deliver and steward federal-aid highway program with high performance and integrity.

Indicators:

- 1) Annually, bid cost of projects (Funds 70, 71, 72) will not exceed 110% of estimated cost at the time the project is funded for construction in the CTP.
- 2) Percent of construction projects completed on time based on established contract completion date at time of award. (Target 90 %) (Project completion is defined as open to Traffic Date as established in the Notice to Proceed)
- 3) Percent of Federal-aid projects completed within 10 % of the awarded amount (Target 90%).
- 4) Number of joint process reviews conducted and findings implemented
- 5) Major projects completed on time and within budget (baseline: initial financial plan schedule and cost)

Reporting: Annually by January 15 for the previous FY year.

3.5 Financial Management Program

Background

Passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) provided specific guidance regarding financial integrity in the administration of the Federal-aid highway program. One requirement is that FHWA shall establish an oversight program to monitor the effective and efficient use of funds and be responsive to all areas relating to financial integrity and project delivery. Another SAFETEA-LU provision provides that the State shall be responsible for the monitoring of subrecipients of Federal funds and determine that subrecipients have sufficient accounting controls to properly manage Federal funds awarded. Previous legislation such as the Chief Financial Officers Act, Cash Management Improvement Act, Federal Managers' Financial Integrity Act, Improper Payment Information Act, remain in place. Finance core functions are discussed below.

Operating Environment

The accuracy and priority of Federal-aid reimbursement are the primary responsibility of the SHA whether the primary cost documentation originates within SHA or with a third party. SHA fulfills this responsibility by maintaining adequate operating policies and procedures, a sound accounting system with proper internal controls, and suitable audit activities. It is FHWA's responsibility to assure that such processes are in place and providing desired results, as well as, to provide technical assistance and advice in funding and financial areas. FHWA provides assistance and maintenance to SHA for the electronic data sharing and Electronic Signature environment.

Oversight Responsibilities

1. Project Agreements

Initial project authorization and agreement and amended authorizations are the responsibility of the pertinent FHWA program officer. Pursuant to 2 CFR 630, Subpart C, the reviewer will review and approve plans, specifications and estimates, as appropriate. SHA enters pertinent statistical, descriptive, and financial information in the FMIS and the project is signed electronically by both SHA and FHWA. The electronic signature process for FHWA Project Authorizations and Agreements (23 CFR 106) allows SHA and FHWA to electronically create and sign project Authorizations, Agreements, and Modifications. This process allows faster approvals and permits better control of funds on Federal-aid projects.

Amended agreement modifications are the responsibility of the FHWA Finance Team. Costs incurred based on SHA's billing history report or other approved costs such as extra work orders, support additional obligations, or the conversion of advance construction. SHA enters the pertinent financial information and justification in FMIS and the agreement modifications is signed electronically by both SHA and FHWA.

The annual drug free work place certification is required to be updated annually by the State. FHWA will assure that current copy is on file.

Advance construction (23 U.S.C. 115; 23 CFR Subpart G) has been an effective tool in innovative financing to advance a project's construction time line. These projects must meet the same Agreement requirements and proceed in the same manner as a regular Federal-aid project, except for the following: FHWA authorization does not constitute any commitment of Federal funds and SHA will not be reimbursed until the project has been converted. Conversion of advance construction projects requires an amended Agreement which is electronically signed by both SHA and FHWA finance personnel.

The time frames for processing amended project authorizations agreements is 7 to 10 work days for full oversight projects; and 3 to 5 work days for State Administered (Exempt) projects.

2. Federal-aid Reimbursement of Eligible Expenditures

Federal-aid reimbursement to SHA for eligible expenditures incurred is found in 23 U.S.C. 121. In accordance with 23 CFR 1.9(a), Federal-aid funds shall not participate in any costs which is not incurred in conformity with applicable Federal and State Law, the regulations in 23 CFR, and policies and procedures prescribed by FHWA. The FHWA Maryland Division provides oversight of Cost Reimbursable Contracts, pursuant to 23 CFR Part 140, 49 CFR Part 18, and OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." Likewise, FHWA must comply with the requirements of the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

Reimbursement to SHA is made through an electronic signature Federal-aid Rapid Approval and State Payment System (RASPS). The Single Audit Act does not preclude FHWA from performing program reviews and these activities are undertaken by FHWA to facilitate oversight of the Current Billing process. These routine financial management reviews may be conducted on SHA's accounting systems and records to assure conformance with applicable laws, regulations, and government-wide accounting principles and standards. Also, to maintain an adequate system of management control and to promote effective program delivery and efficiency, FHWA promotes the conduct of joint FHWA-SHA Quality Financial Management Initiatives (QFMI). The employment of these mechanisms will provide reasonable assurance that only allowable costs are reimbursed, thus ensuring the integrity of the Federal-aid program. Further these joint cooperative efforts between FHWA and SHA will help to establish opportunities for continuous improvements, specifically in areas with any potential compliance weaknesses.

3. Cash Management

The Cash Management Act of 1990 (31 CFR Part 205), prescribes rules and procedures for the transfer of funds between the federal government and the states for federal grant and other programs. The U.S. Treasury and the State of Maryland have entered into an agreement to describe its funds transfer procedures. FHWA's involvement is to provide assistance and guidance to the Maryland State Highway Administration (SHA) to facilitate compliance and to assist in the implementation of cash management improvements. FHWA and SHA have implemented electronic signature processes for reimbursement of the State's Current Billings and Project Authorizations and Agreements. The RASPS provides SHA with same day reimbursement.

4. Fiscal Management Information System (FMIS)

The Fiscal Management Information System (FMIS) is FHWA's major financial information system. It contains data related to all highway projects financed with Federal-aid highway funds. FHWA uses this information for planning and executing program activities, evaluating program performance, and depicting financial trends and requirements related to current and future funding. Electronic data sharing allows SHA to transmit their FMIS data electronically to the FMIS Warehouse database until FHWA reviews and approves the data. This process provides faster approvals and better control of funds. Both SHA and FHWA have the ability to access FMIS information to obtain current funding and project related reports.

5. Federal-aid Funding

The Federal-aid Highway Program is made up of a series of separately funded program categories, each having its own specific and separate funding as described in 23 U.S.C. Each of the programs has certain activities for which that funding may be used and are described in law. When an Authorization Act establishes a program, it sets certain ground rules under which the program operates. These rules include the amounts of funds available to the program for each fiscal year; period of availability; Federal participation ratio; Fund source; type of authority; and a listing of eligibility activities. In order to be more responsive to Federal budget policy, a limit is placed on total funds that can be obligated during the fiscal year (obligation limitation). The FHWA Maryland Division, in their role of administering and delivering the Federal-aid highway program, has a responsibility to provide information, guidance, and assistance to SHA. Although this oversight is ongoing, when a new Authorization Act modifies existing programs, or adds or eliminates programs, then FHWA has a responsibility to advise SHA that significant changes in the program have been made and that appropriate financing procedures are implemented by SHA.

6. Discretionary Funding Applications

Legislation provides for a Discretionary funding program to be used for specific Federal-aid projects. Program areas include Interstate Maintenance, Bridge, Public Lands, etc. Instructions are issued on an annual basis by the FHWA Headquarters' Office of Program Administration. Based on the type of call for applications, SHA must submit applications for projects that are either designated in the current legislation, or projects that are ready to be obligated. Instructions are provided to SHA for the discretionary application process and electronic submittal. The Division will review and evaluation the applications submitted to assure that the candidate projects meet the eligibility and submission requirements. The Division will then electronically submit the State's applications to the Headquarters office of Program Administration for a determination.

7. Transfer of Funds

SAFETEA-LU provided greater flexibility for the transfer of funds, specifically to other Federal agencies or to other States. (23 U.S.C. 104(k)(3) and 23 U.S.C. 132) Guidance and submission instructions for the various types of transfers allowable are provided by the Headquarters' office. The SHA must initiate the request for transfers to other agencies, or the transfer among their unobligated program funds. Transfers of High Priority Projects will require an agreement between the receiving agency (i.e. NPS) and the SHA. All requests for transfer are reviewed by the Division office for

adherence to the Federal requirements prior to submission to the Headquarters' Office of the Chief Financial Officer (CFO).

8. Financial Integrity Review and Evaluation Program (FIRE)

The Financial Integrity Review and Evaluation Program (FIRE) (FHWA Order 4560.1A) requires each Federal-aid Division office to establish an effective oversight program to ensure that Federal funds are properly managed and effectively used in accordance with Federal policies. Under this program, each Federal-aid Division office is required to submit annual certifications of internal and financial controls to support the financial statements. To support the certifications, activities outlined in FIRE must be accomplished, annually. A grant financial management review in response to the performance of an annual risk assessment is required. [The purpose of the grant financial management process review is to assess one key State process to determine that (1) the process complies with Federal requirements, (2) the process complies with generally accepted accounting principles and standards and internal controls, and (3) areas of opportunity are identified for process improvement.]

The FIRE also requires a review of randomly selected billing transactions, as well as transactions selected by the CFO for the Improper Payment Review. The review of the transactions is to review documentation in order to verify the eligibility of the costs billed to FHWA by the SHA, local governments, etc.

The FIRE also requires the Division and the State to perform reviews of inactive Federal-aid projects and release any unneeded obligations.

9. Improper Payments Review (IPR)

Improper Payments Review is to determine the extent to which improper payments were made in the Federal-aid Highway program. An improper payment is any payment that should not have been made or was made in an incorrect amount (overpayment and underpayments); payments to an ineligible recipient, payment for ineligible services, duplicate payments, payment or services not received, etc. The randomly sampling process will be carried out by the Headquarters' Office of the Chief Finance Office (CFO) and involves two phases. In the first phase, the CFO will select a sample of payments from the RASPS and provide it to the Division Office. The Division office will obtain the State billing detail (object codes) that will support each payment in the sample. In Phase two, the CFO will identify the specific billing detail to test. Instructions and worksheets are also provided to the Division who will document the testing. Verifications will include the eligibility and accuracy of costs billed to FHWA; costs were incurred after FHWA approval; costs were charged to the correct project; costs were approved by the appropriate State/local official; and that SHA has sufficient supporting documentation to substantiate the billing. The final report and worksheets are reported to the CFO. IPR's are directed by the CFO twice a year.

10. Inactive Federal-aid Project Reviews

The FHWA Division office will work with the SHA to conduct and document the results of quarterly reviews of inactive projects in accordance with 23 CFR 630, Subpart A, Project Authorizations and Agreements. The Division shall work with the State to determine the validity of the amount obligated for each project. Once excess obligations are identified, MDHSA is required to take action to promptly deobligate the funds. This action will require a modification of the project agreement. The FHWA Strategic Plan has established a goal of inactive projects as 5% of the State's annual

apportionments. Results of the inactive projects reviews shall be recorded by the Division Office in FHWA's standard work papers and submitted to the CFO.

SHA is responsible for establishing a funds management program that will ensure that funds are being used effectively and lapsable funds are limited. This would also include a review of older projects that have had no activity for possible release of funds for use on other eligible federal projects. Annually, FHWA will evaluate the effectiveness of SHA's funds management program.

11. Finance Plan for Major Projects

In accordance with SAFETEA-LU Section 1904, part (h) SHA is responsible for assuring that they have a Financial Plan for Major Projects. Finance Plans for Major Projects shall continue to be developed by SHA and submitted to the FHWA Division Office. The Division will approve finance plans prior to authorization of Federal-aid funds for construction. Major Projects are those projects receiving Federal financial assistance with an estimated cost of \$500 million or more or projects that have been identified by the DOT Secretary as being "Major" as a result of special interest.

12. Audits

Office of Management and Budget (OMB) Circular No. A-133 was issued pursuant to the Single Audit Act of 1984 [P.L. 98-502] and Amendments of 1996 [P.L. 104-156] for the purpose of setting forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards. The U.S. DOT Office of Inspector General is the cognizant agency for audit responsibilities for Maryland Department of Transportation. Since FHWA is the Federal awarding agency to SHA, the FHWA Maryland Division is administratively cognizant and has certain responsibilities in this area.

The Maryland State Highway Administration (SHA) is responsible for ensuring that its operations are audited. FHWA is responsible for ensuring that audits are completed and reports are received in a timely manner, assure that findings are resolved, and corrective actions are taken in a timely manner. Further FHWA has a responsibility to provide technical advice and assistance to SHA and auditors as appropriate, and advise SHA of requirements imposed by Federal laws, regulations or provisions of contracts.

13. Record Requirements/Retention

SHA maintains the official records for Federal projects. Supporting documentation will be retained by SHA for three years after the final voucher has been accepted and will include (but not limited to): the final contractor pay estimate, material certification, projects' agreement/modification, statement of overruns and underruns, PR-47 and final Right of Way certificate in accordance with current requirements. Supporting documentation retained by SHA will be available upon request to FHWA.

Reports

FIRE certifications are required to be submitted by the Division Administrator June 8th and September 23rd of each fiscal year.

**Financial Management Program
Summary Table**

Activity	SHA Action	FHWA Action	Product
Project Authorizations and Agreement (include provisions of drug free Workforce)	SHA submits approved request using Electronic Signature. PS&E data for non-exempt projects submitted as required.	Project reviewed & approved by FHWA engineers. Time frame is 3 to 5 work days for State Administered projects and 7 to 10 work days for full oversight projects Obligations/fiscal data processed by FHWA	An Electronic Signed Project Authorization/ Agreement has been executed between SHA and FHWA. Federal funds have been obligated.
Amended Project Authorization and Agreements	SHA submits approved request electronic Signature; non-exempt supporting time submitted as needed	Amended authorization approved by FHWA area engineers. Amended Agreements approved by Financial Manager. Amended authorizations for non-exempt time frame are within 7 to 10 days; all other amendments processed within 3 to 5 days.	Executed Electronic Signed Amended Authorization/ Agreement. Federal funds have been obligated.
Federal-aid Billing Reimbursement	SHA submits Current Billing to FHWA electronically, as often as desired	FHWA Financial Manager approves current billing electronically within one hour of receipt	EFT payment posted to SHA's account on same day requested.
OIG Audit Report Issued and forwarded to SHA for review/action	SHA Comments to audit findings requested within 30 days	FHWA staff reviews/concurs in SHA's response and forwards resolution to OIG;	OIG Audit Report Closed
Discretionary Funding Requests	SHA submits Application(s) within the time frame, and format requested.	FHWA notifies SHA of Discretionary funding call for applications. Once received from SHA, applications reviewed, and concurrence made when forwarded to the HQ office for consideration.	Successful applications are allocated discretionary funds.
Improper Payments Reviews	Assure that adequate controls are in place to detect improper payments	FHWA notifies SHA of the projects to be reviewed; information forwarded to HQ CFO	SHA provides documentation to support costs for projects selected for transaction testing

Activity	SHA Action	FHWA Action	Product
Project Funds Management/Monitoring of Inactive Obligations	Compliance with Final Rule, 23 CFR Part 630. Review inactive Projects for potential Release of funds	FHWA provides listing of projects to SHA for review based on FIRE criteria. Once SHA and FHWA reviews completed, a report is sent to HQ CFO.	SHA reviews project listing to determine if obligations are valid. Invalid obligations are de-obligated with the time frame requested by the FHWA Division Administrator
Major Project Plans	Requirement for the State to submit annual Financial plans for major projects (\$500,000 or more) to FHWA	SHA submits Financial Plans to FHWA for review And approval	FHWA reviews Plans, coordinated with HQ program office, and provides response to SHA.

Financial Management Program Performance/Compliance Indicators:

Objective: To deliver and steward federal-aid highway program with high performance and integrity.

Indicators:

- 1) Reduction in the unexpended balance of projects with no expenditure changes for one year, and unexpended balances of \$500,000 or more as required by FIRE. Baseline defined in the FMISQ40A report.
- 2) Reduction in the number of findings from external reviews such as OIG, single audit, SHA audits.
- 3) Development and implementation of FIRE Plans based on new guidance.

Reporting: Annually by August 31 for the current FY year.

3.6 BRIDGE PROGRAM

Background

23 CFR Part 650, Subpart C establishes National Bridge Inspection Standards (NBIS) that apply to all bridges carrying vehicular traffic that are greater than 20 feet in length and located on a public road.

23 CFR Part 650, Subpart D establishes the procedures for administering the Highway Bridge Program (HBP). The program was established to replace, rehabilitate and preserve deficient bridges.

23 USC 503(b) establishes the Innovative Bridge Research and Deployment Program (IBRD) to demonstrate the application of innovative material technology in the construction of bridges and other structures.

SAFETEA-LU Section 1804 continues the National Historic Covered Bridge Program (NHCBP) by providing funds to assist the States in the rehabilitation, repair, or preservation of the Nation's historic covered bridges.

Oversight Activities for the NBIS

Each year FHWA will conduct a NBIS compliance review of MSHA. The reviews will look at the following major NBIS elements: inspection procedures, frequency of inspection, qualifications of personnel, quality of reports, quality of inventory data, load ratings and postings, scour program, quality assurance and procedures established to review, prioritize and track recommendations for repairs. The review includes discussion with MSHA staff, a random sampling of bridge inspection reports and records, field reviews of selected bridges and quality assurance checks of inventory data.

FHWA will also review the State's management of the bridge inspection program for the Counties, Cities and other bridge owners (local public agencies) including their oversight of inspection procedures, maintaining the inventory data and providing technical assistance. The MSHA will conduct a formal review of each local public agency at least every four years. Each year FHWA will participate in at least four reviews of selected local public agencies.

FHWA prepares an annual report on the MSHA NBIS review. The report will establish if MSHA is compliant with the NBIS and include recommendations for improvement. The MSHA will prepare a report on the NBIS review of each local public agency. FHWA will furnish comments to be included in the MSHA report.

Oversight Activities for the HBP

Eligibility for this program is based on bridge condition and inventory data that MSHA submits annually to FHWA. FHWA reviews the data and furnishes MSHA with a selection list of eligible structures. The MSHA also annually submits bridge construction unit cost data which is reviewed by FHWA. The HBP funds apportioned to each State are based on the relative area of deficient bridges and the relative bridge construction unit costs. Not less than 15 percent of the apportioned funds shall be expended for projects located off the Federal-aid system. MSHA and the local governments may select any bridge on the selection list for replacement or rehabilitation under this program. A waiver request must be approved by FHWA for all projects that do not meet the eligibility requirements for

rehabilitation versus replacement based on bridge sufficiency rating. As well a waiver request must be made for all rehabilitation and replacement projects that do not address all conditions that classify a bridge as structurally deficient or functionally obsolete. In addition, subject to the approval of FHWA, preventive maintenance activities and installation of scour countermeasures may be performed on bridges regardless if on the selection list. Refer to Maintenance Program section of this Stewardship Agreement for preventive maintenance requirements.

Oversight Activities for the Innovative Bridge Research & Deployment Program (IBRD)

Grants are distributed annually based on competitive application. MSHA in coordination with FHWA identifies potential projects, prepares application and submits to FHWA Division Office. Division reviews application and submits to Headquarters with endorsement. If grant is awarded, the Division handles as a non-exempt project. MSHA prepares and submits report to FHWA on evaluation of the innovative technology.

Oversight Activities for the National Historic Covered Bridge Preservation Program (NHCBP)

Grants are distributed annually based on competitive application. MSHA in coordination with FHWA identifies potential projects, prepares application and submits to FHWA Division Office. Division reviews application and submits to Headquarters with endorsement. If grant is awarded, the Division handles as a non-exempt project.

Leads: FHWA - Division Bridge Engineer

MSHA – Office of Bridge Inspection & Remedial Engineering, Office of Bridge Development

**Bridge Program
Summary Table**

Activity	SHA Action	FHWA Action	Product
Bridge Inspection Program (State)	Update inventory data and submit to FHWA HQ by April 1.	Process data, furnish error listing, resolve errors with SHA.	An accurate and current inventory is maintained to support decision making and funding.
Bridge Inspection Program (State)	Manage inspection program.	Conduct review and prepare report by February 1.	Annual report.
Bridge Inspection Program (local public agencies)	Conduct review of six local public agencies annually and prepare report.	Participate in at least four reviews and furnish comments to SHA.	Report for each local public agency.
Highway Bridge Program (State)	Submit unit cost data to Division 10 business days prior to April 1.	Review unit cost data and submit to FHWA HQ by April 1, provide list of eligible projects, resolve questions concerning eligibility.	SHA receives their share of HBP funds and bridges are selected for rehabilitation, replacement or preventive maintenance.
Highway Bridge Program (State)	Design and construct projects.	Review and approve full oversight projects.	Rehabilitation, replacement or preventive maintenance projects constructed.
Highway Bridge Program (local public agencies)	Distribute funds to locals, provide list of eligible projects.	Resolve questions concerning eligibility.	Locals receive their share of HBP funds and bridges are selected for rehabilitation, replacement or preventive maintenance.
Highway Bridge Program (local public agencies)	Review and approve State administered projects.	Provide assistance.	Rehabilitation, replacement or preventive maintenance projects constructed.
Highway Bridge Program (State and local public agencies)	Request project specific waivers if scope of work (rehab versus replace) does not satisfy bridge sufficiency rating eligibility requirement	Approve within 10 days	Project funded
Highway Bridge Program (State and local public agencies)	Request project specific waivers for replacement and rehabilitation projects that do not address conditions that classify bridge as structurally deficient or functionally obsolete	Approve within 10 days	Project funded
Innovative Bridge Research & Deployment Program	Submit annual application to Division 10 business days prior to due date (date varies), prepare evaluation report.	Assist with application, review, endorse & submit application to FHWA HQ, review project design, construction and evaluation report.	Innovative technology is evaluated and implemented
National Historic Covered Bridge Program	Submit annual application to Division 10 business days prior to due date	Assist with application, review, endorse & submit application to FHWA HQ,	Historic covered bridge is repaired, rehabilitated or preserved.

Activity	SHA Action	FHWA Action	Product
	(date varies).	review project design and construction.	
Revisions to bridge design policies and standards	Prepare non-NHS policies, standards and specifications. Prepare NHS standards and specifications.	Approve NHS policies, standards and specifications within 10 days.	Policies, standards and specifications comply with federal requirements and are state-of-the-technology.

List of key approved standards, specifications and manuals:

- Title 23 Code of Federal Regulations - Highways
- Title 23 United States Code - Highways
- FHWA Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges
- AASHTO Specifications
- MSHA Guide for Completing Structure Inventory and Appraisal Input Forms
- MSHA PONTIS Element Data Collection Manual
- MSHA Policy and Procedure Manual
- MSHA Structural Standards Manual
- MSHA Manual for Hydrologic and Hydraulic Design
- MSHA Standard Specification for Construction and Materials

Bridge Program Performance/Compliance Indicators:

Objective 1: Effectively use the Bridge Management Program to manage and allocate resources to improve performance of SHA's bridges.

Indicators:

- 1) Replacement, rehabilitation, preventive maintenance and routine maintenance needs systematically classified and prioritized according to need and benefit and activities selected.
- 2) All Highway Bridge Program funds distributed and expended among replacement, rehabilitation and preventive maintenance activities.
- 3) Reduction in deficient bridge deck area on Maryland NHS compared to annual and long-range strategic performance goals (2006 baseline: 29.6%)
- 4) Reduction in deficient bridge deck area on Maryland non-NHS compared to annual and long-range strategic performance goals (2006 baseline: 34.8%)

Objective 2: Provide longer lasting highway infrastructure through improved research, design, and quality of construction, system preservation, and size and weight enforcement.

Indicators:

- 1) Existence of documented and-state-of-the-technology policies, procedures, standards and specifications to assure compliance with federal requirements and standards for design, construction, safety inspection, maintenance, load rating, quality assurance, etc.
- 2) Number of market ready technologies implemented during the year

3) Reduction in deficient bridge deck area on Maryland NHS compared to annual and long-range strategic performance goals. (2006 baseline: 29.6%)

4) Reduction in deficient bridge deck area on Maryland non-NHS compared to annual and long-range strategic performance goals. (2006 baseline: 34.8%)

Reporting: Annually by August 31 for the current FY year.

3.7 Safety and Traffic Program

Section 1401 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) includes the program and policy language for implementing the new “core” Highway Safety Improvement Program (HSIP), which is codified as the new Section 148 of Title 23 of the United States Code (23USC148).

SHA has the responsibility for carrying out the State’s Highway Safety Improvement Program in accordance with Section 148 of Title 23 of the United States Code (23USC148). The FHWA Maryland Division exercises its oversight responsibilities through review of the annual programs, review of program processes, and review of annual reports. The FHWA and the SHA will work together on safety issues related to geometric design, roadside safety, safety appurtenances, the highway safety improvement program, work zone safety and traffic control, pedestrian safety and bicycle safety, Safe Routes to School program (SRTS), and the Strategic Highway Safety Plan. In each instance, sharing of knowledge occurs through discussions, meeting/committee/task force participation, and by performing periodic reviews. The Maryland Division’s Safety Engineer currently participates with the State on the following task forces and teams:

SHA Mobility and Safety Council
Maryland Traffic Records Coordinating Committee
Strategic Highway Safety Plan Steering Committee
Smooth Operator Program Task Force
Section 402 Grant Review team (SRTS)

The following is a general description of the new “core” Highway Safety Improvement Program (HSIP) codified in 23 USC 148 that identifies program requirements.

Highway Safety Improvement Program (HSIP): The purpose of the HSIP shall be to achieve a significant reduction in traffic fatalities and serious injuries on public roads. To obligate “core” safety funds SHA must have in effect an HSIP under which the State: 1) develops and implements a Strategic Highway Safety Plan (SHSP) that identifies and analyzes highway safety problems and opportunities to reduce fatalities and serious injuries, 2) produces a program of projects or strategies to reduce identified safety problems, 3) evaluates the plan on a regular basis to ensure the accuracy of the data and priority of proposed improvements, 4) submits an annual report to the FHWA Division.

In accordance with 23 USC 148, the SHSP means a plan developed by SHA that:

- analyzes and make effective use of state, regional or local crash data
- addresses engineering, management, operation, education, enforcement, and emergency medical services in evaluating highway projects
- considers safety needs, and high fatality segments of all public roads in the State
- considers results of State, regional or local transportation and highway safety planning processes
- describes a program of projects or strategies to reduce or eliminate hazards
- is approved by the Governor or responsible State agency
- is consistent with the requirements of the Statewide planning process, sec. 135(g)

As part of the SHSP, the State shall:

- have in place a crash data system with the ability to perform safety problem identification and countermeasure analysis
- identify hazardous locations sections or elements that constitute a danger to motorists, bicyclists, and pedestrians
- establish the relative severity of these locations
- adopt strategic and performance-based goals
- advance the capabilities of the State for traffic records data collection, analysis, and integration
- determine priorities for the correction of hazardous road locations, sections, and elements as identified through crash data analysis
- establish an evaluation process to assess results achieved by improvement projects

As a condition for obligating HSIP funds, under Section 148(c)(I)(D), SHA will prepare an annual report, in addition to the HSIP and rail-highway crossing safety report, that describes not less than 5 percent of their public road locations exhibiting the most severe safety needs. The legislation requires that the 5 percent reports include an assessment of potential remedies at the locations identified, the estimated costs of the remedies, and impediments to their implementation other than costs

High Risk Rural Roads Program (HRRP): SAFETEA-LU introduced a new set-aside provision known as the High Risk Rural Roads Program (HRRRP), codified as 23 U.S.C. §148 (f). This program is a component of the HSIP and is set-aside after HSIP funds have been apportioned to the States. Projects may be selected on any public HRRR to correct or improve hazardous road locations or features. The State's HSIP, including the HRRR element, shall consider the safety needs on all public roads, whether state or locally owned. SHA is required to identify HRRR roadways (and expend the HRRR funds) according to the following definition:

"...any roadway functionally classified as a rural major or minor collector or a rural local road –

- on which the accident rate for fatalities and incapacitating injuries exceeds the statewide average for those functional classes of roadway; or
- that will likely have increases in traffic volume that are likely to create an accident rate for fatalities and incapacitating injuries that exceeds the statewide average for those functional classes of roadway."

Highway-Rail Crossing Safety: Under SAFETEA-LU, highway-rail grade crossing safety (elimination of hazards and the installation of warning devices at railway-highway crossings) has also been established as a component of the HSIP and is set-aside after HSIP funds have been apportioned to the States. The purpose of this program is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation/upgrade of warning devices at crossings. Most requirements of the program remain unchanged, including the requirement that the State must conduct and systematically maintain a survey of all highway-rail crossings to identify those that may require separation, relocation, or additional warning devices, and establish and implement a schedule of projects for this purpose. At a minimum, this schedule is to provide cross buck signs for all highway-rail crossings. [23 USC 130(d)].

Additionally, FHWA has oversight responsibility for the following Highway Safety-related activities.

Safe Routes to School Program: Section 1404 of SAFETEA-LU includes the program language for the Safe Routes to School Program. The purpose of the program shall be to enable and encourage children in primary and middle schools, including those with disabilities, to walk and bicycle to school; to make walking and bicycling to school safe and more appealing; and to facilitate the planning, development and implementation of projects that will improve safety, and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. For infrastructure related projects, eligible activities are the planning, design, and construction of projects that will substantially improve the ability of students to walk and bicycle to school. These include sidewalk improvements, traffic calming and speed reduction improvements, pedestrian and bicycle crossing improvements, on-street bicycle facilities, off-street bicycle and pedestrian facilities, secure bike parking, and traffic diversion improvements in the vicinity of schools (within approximately 2 miles). Such projects may be carried out on any public road or any bicycle or pedestrian pathway or trail in the vicinity of schools.

SHA must set aside from its Safe Routes to School apportionment not less than 10 percent and not more than 30 percent of the funds for non-infrastructure related activities to encourage walking and bicycling to school. These include public awareness campaigns and outreach to press and community leaders, traffic education and enforcement in the vicinity of schools, student sessions on bicycle and pedestrian safety, health, and environment, and training, volunteers, and managers of safe routes to school programs. In order to receive program funds, SHA must use a sufficient amount of the funds to fund a full-time position for coordinator of the State's safe routes to school program.

159 Certification (Drug Offender's Driver's License Suspension) [Authority: 23 U.S.C. 159 and 315, 23 CFR 192]. Encourages States to enact and enforce drug offender's driver's license suspensions. States must comply with 23 U.S.C. 159 in order to avoid the withholding of Federal-aid highway funds. By January 1 of each year, the Governor shall submit written notification to FHWA Division Administrator whether the State has enacted and is enforcing a law or whether the State opposes such a law as per 23 U.S.C. 159.

Work Zone Review of Conformance (Work Zone Safety and Mobility) [Authority: 23 U.S.C. 105, 106, 109, 115, 315, 320, 402(a) / Source 43 FR 47140, 10/12/78, 23 CFR 630 Subpart J Final Rule, 09/09/2004]. Provides guidance and establishes requirements for systematically addressing the safety and mobility impacts of work zones, and developing strategies to help manage these impacts on all Federal-aid highway projects. The SHA shall work in partnership with the FHWA in the implementation of its policies and procedures to improve work zone safety and mobility. FHWA and SHA will review the State's policies and procedures for conformance with 23 CFR 630 Subpart J Final Rule. The State shall comply with all provisions of the 23 CFR 630 Subpart J Final Rule no later than October 12, 2007. FHWA is also responsible for performing an annual work zone self-assessment by June 1. The Division shall coordinate this effort with the appropriate personnel of SHA.

NCHRP 350 (Standards, Policies, and Standard Specifications) [Authority: 23 U.S.C. 109, 315, and 402, Sec. 1073 of Pub. L. 102-240, 105 Stat. 1914, 2012; 49 CFR 1.48 (b) and (n); 23 CFR 625.4(a) Chapter 5.1 - Performance Requirements, 7/93 & 8/28/98 FHWA Policy Memos]. The National Cooperative Highway Research Program (NCHRP) Report 350 established crash testing requirements for highway hardware in both permanent and in work zone applications. States must

comply with NCHRP Report 350 criteria and the subsequent AASHTO/FHWA agreements dated July 1, 1998.

MUTCD (Manual on Uniform Traffic Control Devices) [Authority: 23 U.S.C. 101(a), 104, 105, 109(d), 114(a), 135, 217, 307, 315, and 402(a) ; Source: 48 FR 46776, 10/14/83; 23 CFR 655 Subpart F]. The MUTCD, approved by FHWA, is the national standard for all traffic control devices installed on any street, highway, or bicycle trail open to public travel in accordance with 23 U.S.C. 109(d) and 402(a). Where state or other Federal agency MUTCD's or supplements are required, they shall be in substantial conformance with the national MUTCD.

The following activities do not involve an FHWA oversight role with the State. Rather, this is a specific list of activities that FHWA Maryland Division and SHA needs to be aware of, either for funding purposes or for general information.

154 Certification (Open Container Laws) [Authority: 23 U.S.C. 154, 23 CFR 1270, 3/31/00 NHTSA/FHWA Guidance Memo] States must comply with 23 U.S.C. 154 in order to avoid transfer of Federal-aid highway funds. Currently Tennessee does not comply with law.

164 Certification (Repeat Intoxicated Driver Laws) [Authority: 23 U.S.C. 164, 23 CFR 1275, 3/31/00 NHTSA/FHWA Guidance Memo]. States must comply with 23 U.S.C. 164 in order to avoid transfer of Federal-aid highway funds. Reporting requirement is to NHTSA.

Section 163: 0.08 Blood Alcohol Concentration (BAC) Incentives/Penalties. TEA-21 instituted an incentive program to encourage States to establish 0.08 percent BAC as the legal limit for drunk driving offenses. States may use these grant funds for any project eligible under Title 23. Beginning in FY 2004, States not having passed a 0.08 BAC law will be subject to a penalty equal to 2.0% of their Federal-aid apportionments. The penalty increases by an additional 2.0% in each subsequent year to a maximum of 8.0%.

Section 157: Seat Belt Use Incentives. TEA-21 instituted an incentive program to encourage States to increase seat belt use rates. States must establish their seat belt use rates in accordance with guidelines issued by the Secretary of Transportation. States may use these grant funds for any safety project eligible under Title 23.

**Safety and Traffic Program
Summary Table**

Activity	SHA Action	FHWA Action	Product
HSIP Report (including HRRP) Rail-Highway Crossing Report 5 Percent Report	Prepare annual program and report, and Submit to FHWA (no later than by 8/31) Annually	Review and comment on the program and annual report within 14 days. Submit to HQ by Sept. 30	HSIP Program Approval and Report
MD Strategic Highway Safety Plan (SHSP)	Evaluate and update annually beginning in September 2008	Review and comment by Oct 15	Updated SHSP ensuring accuracy of data and priority of proposed improvements
159 Certification (Drug Offender's License Suspension Certification)	Prepare annual certification and Send to FHWA (no later than 1/1)	Review certification, and Forward to FHWA HQ. Take appropriate action	Law enacted, opposition stated, or funds withheld
Work Zone Safety and Mobility Process Review	Conduct Process Review every two years ¹	Conduct review for conformance of 23 CFR 630 Subpart J Final Rule ongoing	Assessment of work zone procedures
NCHRP 350 (NCHRP 350 Testing Criteria)	Comply with NCHRP 350 and AASHTO/FHWA agreement	Actions and Process reviews ongoing	Crashworthy devices
MUTCD (Traffic Control Devices on all public roads)	SHA practices comply with MUTCD	Actions and Review of MUTCD issues ongoing	Uniformity of Traffic Control Devices

¹Prior to 2007, SHA will conduct review annually.

Safety and Traffic Program Performance/Compliance Indicators:

Objective 1: To implement comprehensive, integrated and data-driven safety programs at the State and local-level that covers all public roadways.

Indicators:

- 1) Establishment of a base line for quality and timeliness of the Safety data
- 2) Continued implementation of the Strategic Highway Safety Plan
- 3) Implementation of the new core Highway Safety Improvement Program

Objective 2: To implement countermeasures to reduce highway-related fatalities.

Indicators:

- 1) Reduction in fatalities compared to annual and long-range strategic performance goals based on severity and injury crashes. (2006 baseline: 652 fatalities)
- 2) Reduction in pedestrian fatalities compared to annual and long-range strategic performance goals. (2006 baseline: 96 fatalities)
- 3) Reduction in intersection fatalities compared to annual and long-range strategic performance goals. (2006 baseline: 144 fatalities)
- 4) Reduction in run off the road fatalities compared to annual and long-range strategic performance goals. (2006 baseline: 194 fatalities)

Objective 3: Mitigate congestion and improve system reliability in work zones through actions targeted at key causes of congestion in Maryland.

Indicators

- 1) Compliance with the requirements of the work zone final rule
- 2) Improvement on Work Zone Self Assessment scores (baseline 12.9)

Reporting: Annually by August 31 for the current FY year.

3.8 CIVIL RIGHTS PROGRAM

Background

The Maryland Division Office is committed to effectively implement and enforce the Civil Rights program within the Maryland Department of Transportation (MDOT) and Maryland State Highway Administration (SHA) in its design, planning, construction, and management of the multimodal transportation system and which receives federal funding or assistance from the Federal Highway Administration (FHWA). The SHA is obligated to ensure nondiscrimination in all programs and activities, and in the provisions of all services and benefits, as a basis for continued receipt of FHWA funds according to Title VI of the Civil Rights Act and codified federal regulations that outline these acts.

The Civil Rights Specialists, on behalf of the Division Office, review and approve all Civil Rights program documents, and provide comments and recommendations to the SHA. The Division Office Civil Rights Specialists provide training, technical assistance and interpretation, as needed, on the laws, executive orders, civil rights authorities, and regulatory requirements.

Operating Environment

The objectives of the Division Office's Civil Rights Stewardship Plan are to: (1) perform scheduled program reviews with the State; (2) provide technical assistance and guidance to SHA and MDOT; (3) ensure that program documents and other required reports are accurate, completed in a timely manner, and when appropriate, approved; and (4) serve as a resource to SHA and MDOT in its civil rights program and policy development meetings. Successful implementation of the civil rights activities will require support from the Division Administrator and Assistant Division Administrator. Technical assistance may be required from the Resource Center and the Washington Office of Civil Rights. The civil rights program elements are required through a collection of regulations, laws, and executive orders, and approval actions are outlined in these elements.

The Maryland State Highway Administration has an established Equal Opportunity Office comprising a central office and seven district offices. The Director of the Office of Equal Opportunity has direct and independent access to the both the Administrator, and the Deputy Administrator for Finance, Information Technology and Administration. The Director and Deputy Director of the Office of Equal Opportunity and the seven District Equal Opportunity Officers are primarily responsible for carrying out SHA's Civil Rights responsibilities in the following program areas:

- Nondiscrimination - Title VI, Environmental Justice and Limited English Proficiency (LEP)
- Section 504 of the Rehabilitation Act and American with Disabilities Act (Section 504/ADA)
- State Internal Equal Employment Opportunity and Affirmative Action Program
- State External Contractor Compliance Program
- On the Job Training (OJT) Program and OJT Supportive Services (OJT/SS)
- Disadvantaged Business Enterprise (DBE) and DBE Supportive Services (DBE/SS)

Guided by laws (such as Title VI of the Civil Rights Act of 1964), statutes, regulations (essentially 49 CFR Part 21 & 26 and 23 CFR 200 & 230), policies, executive orders and other related instruments, the Maryland Division will perform oversight on SHA's Civil Rights activities in the respective program areas.

Applicable Legislation

- 23 CFR 230 Subpart D; 23 USC 140; FHWA Order 4710.8
- FHWA-1391/1392, Federal Aid Highway Construction Contractor's Annual EEO Report: 23 CFR 230.121, FHWA Notice N 4720 dated 8-27-91
- DBE Program: 49 CFR 26
- DBE Supportive Services (DBE/SS): 49 CFR 26; 23 USC 140(c); 23 CFR 230.201-207
- On the Job Training (OJT) Program: 23 CFR 230 Subpart A
- OJT Supportive Service (OJT/SS): SAFETEA-LU Section 5204(e); 23 CFR 230.113; 23 USC 140(b)
- Title VI Program: 23 CFR 200; 23 USC 324; Age Discrimination Act of 1975
- Environmental Justice in Minority Population & Low Income Population: Executive Order 12898
- Limited English Proficiency (LEP): Executive Order 13166
- Affirmative Action and State Internal EEO Program: 23 USC 140(a)-(d); Federal-aid Highway Act of 1968; Federal-aid Highway Act of 1970; 23 CFR 230 Subpart C; 23 CFR 1.9; 23 CFR 1.36
- Americans with Disabilities Act (ADA): Section 504 of the Rehabilitation Act of 1973; 49 CFR 27; 29 CFR USC 794 and Americans with Disabilities Act of 1990; 28 CFR 35; 42 USC 12101
- Indian Outreach Program: 23 USC 140(c); 23 CFR 230.201-207
- Minority Institutions of Higher Education (MIHE): Presidential Executives Order 12667; 13021; 12900.
- AASHTO/Transportation and Civil Engineering (TRAC) Program: 23 USC 140(b); FHWA Notice N 4720.9 dated 9/16/97; SAFETEA-LU Section 5204(e);
- Dwight David Eisenhower Transportation Fellowship Program (DDETFP): Established by Public Law 102-240, Section 6001 (ISTEA) & re-authorized in TEA-21; Executive Orders 12667; 13021; 12900.
- Garrett Morgan Transportation Futures Program: Educational initiative of the U.S. Department of Transportation under the authority of the Secretary: SAFETEA-LU Section 5204(d)
- Urban Youth Corps (UYC): TEA-21 Section 1108(g); 42 USC 12572; 42 USC 12656
- Welfare to Work: SAFETEA-LU Section 5204(e)
- National Summer Transportation Institute (NSTI): SAFETEA-LU Section 5204(e)
- SAFETEA-LU: Section 1904(g)(4); 23 USC 106 (g)(4)

Oversight Activities

As an essential component of the Federal Highway Administration, the Maryland Division Office is deep commitment to ensuring that our customers and partners enjoy discrimination, as well as foster equal opportunity and affirmative action in all their programs, practices and activities. We will endeavor to ensure that our immediate customers, SHA and MDOT, are in compliance with all the nondiscrimination, equal opportunity, and equal employment opportunity requirements. This will be achieved through collaborative, proactive and preventive measures, to include leadership, partnering, open communication, frank discussions, reviews, constructive feedback, technical assistance, and training.

The Division Office will perform oversight on SHA and MDOT's Civil Rights activities in the respective program areas. The Division Office will analyze civil rights reports submitted by SHA to help identify trends and will provide feedback and recommendations. The Division Office will periodically monitor SHA's oversight responsibility regarding the administration of projects by sub-recipients for determining that sub-recipients of federal funds have adequate project delivery systems for projects and sufficient accounting control to properly manage federal funds.

**Civil Rights Program
Summary Tables**

Title VI, Environmental Justice and Limited English Proficiency Program	
Division Office Roles and Responsibilities	States Office Roles and Responsibilities
1. Conduct nondiscrimination reviews (process and on-site in both the central office and districts) to determine program impact, effectiveness, and to ascertain compliance;	1. Submit signed Title VI Assurances;
2. Interpret and clarify Title VI laws and related authorities including Executive Orders and directives;	2. Establish a civil rights unit with adequate staff; and, designate a Title VI coordinator empowered to establish, implement, and enforce policies and procedures ensuring they have direct access to the head of SHA;
3. Review and approve SHA's Title VI Program document and annual updates;	3. Develop procedures for prompt processing and disposition of Title VI complaints;
4. Ensure that SHA's Program adheres to the requirements of the prevailing implementation approach (e.g., the systematic, interdisciplinary approach) and directives;	4. Civil rights personnel trained in compliance investigations;
5. Take lead and/or participate in activities related to controversial issues of alleged discrimination;	5. Collect statistical data (race, color national origin, sex) of participants in and beneficiaries of State highway programs, (i.e. relocates, impacted citizens, and affected communities);
6. Participate in compliance reviews of recipients, sub-recipients, including MPO's; conduct desk reviews on select compliance reviews conducted by SHA;	6. Conduct annual reviews of all pertinent programs and Title VI reviews of sub-recipients, (cities, counties, consultants, universities, etc.);
7. Perform evaluations on select program areas;	7. Conduct training programs on Title VI and related statutes;
8. In coordination with the Headquarters Office of Civil Rights, investigate, process, and assist in the resolution of Title VI complaints;	8. Prepare a yearly Title VI Accomplishment Report; and, submit an annual updated Title VI Implementation Plan to FHWA Division office;
9. Provide training, technical assistance and guidance on Title VI issues and requirements;	9. Develop Title VI information for dissemination to the general public, where appropriate in languages other than English;
10. Ensure that SHA accomplishes its previous year's goals;	10. Establish procedures for pre-grant and post-grant approval reviews;
11. Review and provide comments on Title VI issues in EIS's, and EA' s.	11. Establish procedures to identify and eliminate discrimination; promptly resolve deficiencies and reduce remedial actions to writing.

Internal Equal Employment Opportunity/Affirmative Action Program	
Division Office Roles and Responsibilities	States Office Roles and Responsibilities
1. Ensure that SHA has an approved EEO Program that is being implemented in accordance with regulations;	1. Administer an EEO program and develop an affirmative action plan;
2. Review and approve SHA's affirmative action plan;	2. Conduct an annual workforce analysis to assess progress and shortfalls;
3. Ensure that SHA's annual updates of its AAP plan are submitted;	3. Submit an annual update to the FHWA Division office for approval;
4. Monitor SHA's progress in meeting its hiring goals and target dates for underutilized areas;	4. Process discrimination complaints, investigate and resolve complaints;
5. Participate in state program reviews (on-site as well as process) for impact, effectiveness and compliance;	5. Conduct an annual program evaluation to monitor the EEO program and to assess goals and objectives and results accomplished;
6. Ensure that SHA administers a complaint process	6. Head of the STA should: (1) Issue a firm statement

that is effective and efficient;	of personal commitment, legal obligations and importance of EEO as an agency goal, and (2) assign specific responsibility and accountability to each executive, manager, and supervisor.
7. When necessary or requested, provide technical assistance on the development of compliance and process review guidelines;	7. Evaluate and monitor progress in meeting its hiring goals and target dates for underutilized areas;
8. Ensure that SHA demonstrates that their own employment policies and practices are nondiscriminatory and representative of the local civilian labor force;	8. Coordinate, facilitate, and promote partnerships with external entities that represent the inclusion and promotion of the minority and female population (e.g., Historically Black Colleges and Universities, Minority Institutions of Higher Education, etc.).
9. Provide guidance on interpretation of regulations and other EEO laws (such as Title VII of the Civil Rights Act of 1964)	
10. In cooperation with SHA, process, address, or resolve complaints of EO/EEO discrimination filed by external customers (contractors, associations, etc.) against SHA.	
11. Provide or coordinate training on how to conduct effective program and onsite compliance reviews, develop affirmative action plans and analyze statistical data;	
12. Coordinate activities or provide guidance on programmatic initiatives such as Summer Internships and Institutes, Welfare to Work, Urban Youth Corps, Garrett A. Morgan Technology and Transportation Futures;	
13. Coordinate, facilitate, and promote partnerships with external entities that represent the inclusion and promotion of the minority and female population (e.g., Historically Black Colleges and Universities, Minority Institutions of Higher Education, etc.).	

Contract Compliance Program	
Division Office Roles and Responsibilities	States Office Roles and Responsibilities
1. Annually participate in contract compliance reviews with SHA.	1. Develop and implement a program to ensure that contractors comply with equal opportunity requirements;
2. Monitor, review, and approve all SHA's contract compliance reports;	2. Ensure that the required contract provisions are included in all federal-aid contracts valued at \$10,000 or more (FHWA 1273);
3. Review and approve SHA's Contract Compliance Program;	3. Conduct compliance reviews of prime and subcontractors;
4. Ensure that annual Contract Compliance Program updates are submitted;	4. Enforce nondiscrimination clauses in required contract provisions as needed;
5. Ensure that SHA accomplishes its previous year's goals and/or that good faith efforts are demonstrated;	5. Prepare annual update on goals and accomplishments of the contractor compliance program to include OJT;
6. Provide technical assistance to SHA on the development of contract compliance and process review guidelines;	6. Provide training on how to conduct effective program and onsite compliance reviews;
7. Provide guidance on interpretation of regulations, Executive Orders, EEO laws, and other related instruments;	7. Investigate complaints of alleged discrimination filed by contractor employees or other external customers such as subcontractors, contractors, contractor

	organizations, etc.;
8. Provide or coordinate training on how to conduct effective program and onsite compliance reviews;	8. Establish procedures in setting annual OJT goals for FHWA approval.
9. Coordinate activities or provide guidance on programmatic initiatives such as Women in Highway Construction, Urban Youth Corps and Welfare to Work;	9. Promote partnerships among and with a variety of external partners and customers such as State DOT's, contractor organizations, minority firms and organizations, etc.
10. In cooperation with SHA investigate complaints of alleged discrimination filed by contractor employees or other external customers such as subcontractors, contractors, contractor organizations etc.;	
11. Encourage and promote partnerships among and with a variety of external partners and customers such as State DOT's, Contractor organizations, minority firms and organizations; etc.	

Disadvantaged Business Enterprise Program

Division Office Roles and Responsibilities	States Office Roles and Responsibilities
1. Provide interpretation and clarification on provisions of the new DBE Regulation and other related instruments;	1. Develop and implement a DBE Program that achieves its goals and objectives;
2. Review and approve MDOT and SHA's DBE Program;	2. Carry out all administrative requirements; and, maintain a signed and dated policy statement expressing commitment to the DBE program;
3. Monitor the implementation of the DBE Program through continual involvement, to ensure the stated objectives and program requirements are observed;	3. Employ a DBE Liaison Officer to implement all aspects of the DBE program to ensure compliance with the regulations;
4. Review and approve SHA's proposed DBE goals and methodology;	4. Establish prompt payment mechanisms and incorporated them into the DBE program;
5. Monitor on a quarterly basis, SHA's activities toward accomplishing its DBE goal including Race Neutral and Race Conscious accomplishments;	5. Develop and maintain a bidders list;
6. Review SHA's semi-annual reports on DBE awards and commitments for accuracy and completeness;	6. Develop monitoring and enforcement mechanisms to ensure that the work committed to DBE firms at contract award is actually performed by DBEs;
7. Participate in on-site reviews of selected federal-aid projects to determine DBE program compliance on the part of the DBE prime and/or sub and non-DBE prime;	7. Develop an annual overall goal for DBE participation on federally assisted contracts;
8. Monitor DBE hearings and certification appeals held on contractors;	8. Administer or participate in statewide Unified Certification Program to ensure that "only firms that fully meet" the eligibility standards participate in the program;
9. Perform program review and/or evaluation of a selected program element;	9. Develop and implement certification procedures that include on-site reviews, decisions within 90 days, due process in removal of eligibility, hearing and appeals process, etc.;
10. Provide technical assistance, training, guidance, information, best practices, and other resources on the DBE program as requested by SHA personnel;	10. Develop and implement mechanisms to ensure that program participants (i.e. contractors, subcontractors, sub-recipients, consultants, etc.) comply with DBE requirements.
11. Investigate or participate in investigations of allegations of discrimination;	11. Develop and implement a DBE Program that achieves its goals and objectives.

Disadvantaged Business Enterprise Program

Division Office Roles and Responsibilities	States Office Roles and Responsibilities
12. Monitor and participate in DBE activities pertaining to Mega Projects (e.g., Woodrow Wilson Bridge and Inter County Connector projects).	
13. Provide interpretation and clarification on provisions of the new DBE Regulation and other related instruments.	

DBE and On the Job Training (OJT) Supportive Services Program

Division Office Roles and Responsibilities	States Office Roles and Responsibilities
1. Review and approve detailed DBE Supportive Services (DBE/SS) and OJT/SS work statements;	1. Develop DBE/SS and OJT/SS work statements and submit to FHWA for approval;
2. Evaluate the impact of supportive services on DBEs in terms of work activity, success/failure, and proficiency;	2. Ensure that DBE/SS and OJT/SS provider(s) develop and achieve performance goals and objectives;
3. Review SHA's progress report on Supportive Services, offer constructive comments and feedback when necessary;	3. Continually monitor and evaluate supportive services programs so that needed improvements can be identified and instituted;
4. When applicable conduct investigations of alleged complaints of discrimination;	4. Collect data on participants and submit progress reports and annual accomplishments reports to FHWA
5. Continually monitor and evaluate supportive services programs so that necessary improvements can be identified and instituted;	5. Monitor training opportunities on FHWA projects ensuring that these training opportunities are provided in a nondiscriminatory manner;
6. Ensure that SHA is providing training opportunities on FHWA projects and that these training opportunities are provided in a nondiscriminatory manner;	6. Monitor training goals; and, evaluate the contractor's efforts for addressing any contract violations that may occur;
7. Ensure that SHA has approved procedures for assigning training goals, monitoring and evaluating the contractor's efforts, and for addressing contract violations that may occur;	
8. Conduct periodic process reviews/evaluations to identify areas where process improvements/changes are needed;	
9. Provide technical assistance, training, guidance, information, best practices, and other resources on the program as maybe requested by SHA personnel	

Section 504/American with Disabilities Act Program

Division Office Roles and Responsibilities	States Office Roles and Responsibilities
1. Ensure that recipients/sub-recipients of federal funds are informed of their responsibilities to provide reasonable accommodation in their employment practices; and provide accessibility in their programs, activities, and facilities (i.e., public rights-of-way);	1. Develop and implement a Transition Plan that outlines which structural modifications must be made to those programs and services that are not accessible, (including a curb ramp installation schedule for pedestrian facilities that SHA owns, operates, or maintains);
2. Ensure that recipients/sub-recipients of federal funds are applying appropriate accessibility standards to all transportation facilities;	2. Conduct self-evaluations of current services, policies, and practices and analyze the effects thereof to determine needed modifications to achieve program

Section 504/American with Disabilities Act Program

Division Office Roles and Responsibilities	States Office Roles and Responsibilities
3. Investigate/process ADA complaints; and ensure that all complaints filed under Section 504 or the ADA are processed in accordance with established complaint procedures.	accessibility; 3. Make reasonable accommodation and ensure existing facilities are accessible;
4. Provide technical assistance, training, guidance, information, best practices, and other resources on the ADA program as requested by SHA personnel;	4. Investigate/process ADA complaints; and, administer the SHA internal complaint procedure to resolve proven complaints in a timely fashion;
5. Ensure that recipients/sub-recipients of federal funds are informed of their responsibilities to provide reasonable accommodations in their employment practices; and provide accessibility in their programs, activities and facilities (i.e., public rights-of-way);	5. Ensure the wide dissemination of a non-discrimination notice stating that SHA does not discriminate on the basis of disability regarding admission and access to its programs and activities, and regarding its employment practices.
6. Ensure that recipients/sub-recipients are applying appropriate accessibility standards to all transportation facilities;	6. Ensure compliance with Title II of ADA and Section 504 of all sub-recipients;
	7. Employ an ADA Coordinator and identify essential functions of the position;
	8. Install curb ramps when roadways or crosswalks are newly constructed or altered;
	9. Ensure that facilities and equipment are readily accessible, and meet accessibility standards for new construction or alterations;
	10. Provide auxiliary aids (i.e., sign language interpreters, readers, Braille, large print text) upon request for participation in SHA programs and services;
	11. Ensure that pedestrian over-passes, under-passes, ramps, and rest areas on interstate highways meet accessibility standards;
	12. Develop and implement a Transition Plan that outlines which structural modifications must be made to those programs and services that are not accessible, (including a curb ramp installation schedule for pedestrian facilities that SHA owns, operates, or maintains);
	13. Conduct self-evaluations of current services, policies, and practices and analyze the effects thereof to determine needed modifications to achieve program accessibility;

**Civil Rights Program
Summary Table**

Activity*	SHA Action	FHWA Action**	Product
Annual Contractor Employment Report – 1391/1392 (Established with the State, usually one year after the last plan approval)	Prepare/Submit	Review/File Submit to DOT within 10 days	Report submitted to DOT
State Internal EEO/AA Program Plan (Established with the State, usually a five year plan)	Prepare/Submit	Review/Approve within 10 days	Approved EEO/AA Program Plan
State Internal EEO/AA Program Plan Updates, accomplishments and next years goals (Established with the State, one year after the last plan approval)	Prepare/Submit	Review/Approve within 10 days	Approved EEO/AA Program Plan Updates
State Internal Employment Practice EEO-4 Report (due to FHWA on August 1 st)	Prepare/Submit	Review/File Submit to DOT within 10 days	Report submitted to DOT
Contractor Compliance Program Plan*** (Established with the State, usually a five year plan)	Prepare/Submit	Review/Approve within 10 days	Approved Contractor Compliance Program Plan
Contractor Compliance Program Plan Updates, accomplishments and next years goals (Established with the State, one year after the last plan approval)	Prepare/Submit	Review/Approve within 10 days	Approved Contractor Compliance Program Plan Updates
Contractor Compliance Review Schedule and Reports (Within 15 th day after the completion of the review)	Prepare/Submit	Review/Approve within 10 days	Approved review report
OJT Goals and Accomplishments (due to FHWA on January 30 th)	Prepare/Submit	Review/Approve within 10 days	Approved OJT Goals
OJT Classifications (As submitted by State)	Prepare/Submit	Review/Approve within 10 days	Approved OJT Classification
Title VI Program Plan (Established with the State, usually a five year plan)	Prepare/Submit	Review/Approve within 10 days	Approved Title VI Program Plan
Title VI Program Plan Updates, accomplishments and next years goals, (Established with the State, one year after the last plan approval)	Prepare/Submit	Review/Approve within 10 days	Approved Title VI Program Plan updates
Title VI Complaints & Investigative Reports (60 days from the date complaint was received)	Prepare/Submit	Review/File Submit to DOT within 10 days	Report on file

Title VI Compliance Reviews (Quarterly)	Prepare/Submit	Review/Approve within 10 days	Approved review report
DBE Program Plan (On an annual basis when there are program revisions or changes)	Prepare/Submit by MDDOT	Review/Approve within 10 days	Approved DBE Program Plan
DBE Program Goals and Methodology (due to FHWA on August 1 st)	Prepare/Submit by MDDOT	Review/File Submit to DOT within 10 days	DBE program Goals and Methodology on file
DBE Semi-Annual Report Awards/Commitment;(June 1 st (Oct 1 st – Mar. 31 st), Dec. 1 st (Apr. 1 st – Sept. 30 th))	Prepare/Submit	Review/Approve & Submit to DOT within 10 days	Approved DBE report and submitted to DOT
DBE and OJT Supportive Services Work statements (Annually – established by DOT)	Prepare/Submit	Review/Approve Submit to DOT for funding approval	DBE and OJT Supportive Services Work statements submitted to DOT
DBE/SS and OJT/SS Reports (Quarterly (15 th day after the quarter ends))	Prepare/Submit	Review/Approve	Approved DBE/SS and OJT/SS reports
Historically Black College/Minority Institution of Higher Education Report (Annually – established by DOT)	Prepare/Submit	Review/File Submit to DOT	Report submitted to DOT

* text in () denotes due date to FHWA.

** Action refers to comments and/or approvals; working days.

*** Accomplishments for the On-the-Job Training program are included in the contractor compliance plan.

Civil Rights Program Performance/Compliance Indicators:

Objective: To deliver and steward federal-aid highway program with high performance and integrity.

Indicators:

- 1) State Internal/Affirmative Action Program - Number and percentage of minority and female representation in SHA workforce in each EEO Category and net changes compared from previous two years.
- 2) DBE Program – Percentage of DBE participation compared to the statewide goal.
- 3) Contractor compliance Program – Number of contractor Compliance reviews and reduction in significant findings from previous three years.
- 4) Title VI (EJ, LEP, and ADA) Program – Number of complaints filed under all sections of the Civil Rights program and reduction in complaints findings from previous three years.

Reporting: Annually by August 31 for the current FY year.

3.9 Right-of-Way Program

All Federal, State, and local public agencies (and others receiving Federal financial assistance for public programs and projects requiring the acquisition of real property) must comply with the policies and provisions set forth in the Uniform Act and its amendments. The current regulations implementing the Uniform Act were first published in the Federal Register of March 2, 1989, and are codified in the Code of Federal Regulations, Title 49, Part 24. These regulations contain the standards and procedures that acquiring agencies must follow in their appraisal, acquisition, and relocation assistance programs. Additionally, state and local public agencies using federal funds for transportation programs administered under Title 23 U.S.C. must adhere to the regulations contained in Title 23 U.S.C. 710 in the administration of their Right-of-Way (ROW) programs.

The following oversight functional areas involving the Federal-aid ROW program are covered under 49 CFR (24), which has no provision for exemptions under Title 23 U.S.C.:

- Appraisal
- Acquisition
- Relocation

The work activities listed below are covered under 23 CFR (parts are listed in parenthesis) and require specific approval and/or oversight by FHWA:

- State ROW operations manual (710.201)
- ROW authorization (710.307)
- Air rights on the interstate (710.405) & NHS (710.201)
- Airspace leases/joint use agreements (710.407)
- Sale/transfer of excess ROW (710.409)
- Early acquisition, protective buying, and hardship (710.501 & 503)
- Functional replacement (710.509)
- Federal land transfers (710.601)
- Highway beautification (750)
- Indirect costs (part 710.203 (d) subpart B)

The work activities listed below are covered in 23 CFR and do not require specific program or project approvals, but are not exempted from FHWA oversight under Title 23 U.S.C.:

- Direct eligible costs including administrative, legal and court settlements (710.203 (b))
- Real property donations (710.505)

Even though there are no exemptions under the law for any functions covered in 49 CFR 24, for practical purposes there are two levels of review of those elements. One level depends on whether the project involves ROW acquisition and has Federal-aid in other phases of work but none in ROW. The second level depends on whether there is Federal-aid in the ROW project phases. Although the ROW regulations must be followed under both levels, there is less concern about the reasonableness of the actual dollar expenditures in those projects containing no Federal-aid in the ROW. The primary concerns with these projects are to protect the rights of property owners and displaced persons.

For the second level of projects, there is a dual concern for the rights of property owners and displaced persons and the stewardship of the federal dollars. Continuous review of the State's activities has proven to be an effective means of assuring that the rights of owners and displaced persons are protected as well as monitoring the expenditure of federal funds. This will be continued under this stewardship plan. Process reviews and program evaluations will be conducted when needs or trends are identified at either of the above project levels. The reviews will be conducted jointly with SHA personnel whenever possible.

Local Public Agencies (LPAs), i.e., cities and counties, are required to comply with the Uniform Act and its governing regulations found in 49 CFR 24 in the same manner as SHA. As stipulated in 23 CFR 710.201(b), STAs are responsible for assuring that ROW acquisitions by local public agencies are made in compliance with Federal and State laws and regulations.

Attached Right-of-Way program Summary Table 2 identifies the agencies responsible for each right-of-way program area activity, approving action, and product under this oversight agreement. If any problems are identified, a process review or CPI review may be scheduled. Periodic product evaluations will be conducted to ensure that the current process is producing a quality product in conformance with policy. Process reviews and CPI reviews will be the method for evaluating compliance and effectiveness in each of the program areas.

Certain ROW activities are not covered specifically by either 49 or 23 CFR but are a combination of sound business practice and the occasional national emphasis areas, which affect the ROW program. Joint reviews of these topics and their application will be conducted as needed.

**Right-of-Way Program
Summary Table**

Activity	SHA Action	FHWA Action	Product
ROW Authorizations and Agreements (23 CFR 635.309)	Requests	Electronic Signature and or Stamp– All Projects (5 days)	Authorization & Agreements (1240)
ROW Certification (23 CFR 710.311}	Approval Non-NHS & Exempt Projects	Review and approve Interstate & NHS Projects within (5 days)	Certificates
Air Rights (23 CFR 710.405)	Request on NHS	Review and Approve (15 days)	Airspace Agreement
Leases/joint use agreements (23 CFR 407)	NHS – Request to FHWA	Review and Approve – NHS (10 days)	Lease/Agreements
Disposal of Excess ROW (23 CFR 710.409)	NHS & Less than fair market value – Request to FHWA	Review and Approve – NHS & Less Than Fair Market Value (10 days)	Property Sale and Revenue to Transportation Fund
Access Control – Disposal and Changes Transfer (23 CFR 710.401)	Request (Interstate)	Review and Approve - Interstate (10 days)	Disposition/Change
Federal Land Transfer (23 CFR 710.601)	Prepare Request	Review and Approve (60 days)	Transfer Deeds
Early Acquisition, Hardship, Protective Buying (23 CFR 710.501, (23 CFR 710.503)	Request Approval	Review, Approve, and Authorize (10 days)	Property Ownership
ROW Operations Manual Changes resulting from FHWA HQ (23 CFR 710.201)	Draft and Submit changes/revisions within 60 days of notification from FHWA	Review and Approve (15 days)	Updated Manual
ROW Operations Manual Changes not directed by FHWA HQ (23 CFR 710.201)	Notify FHWA of proposed change/revisions	Review and Approve (10 days)	Updated Manual
Highway Beautification Operations Manual (23 CFR 750.304)	Prepare Manual	Review and Approve (15 days)	Manual
Functional Replacement	Request Approval	Authorization & Oversight within (10 days)	Functional Replacement

Right-of-Way Program Performance/Compliance Indicators:

Objective: To deliver and steward federal-aid highway program with high performance and integrity.

- 1) Relocation: Number of relocation offers accepted with and without administrative settlements.
- 2) Relocation: Effectiveness of incentive payments for clearing the ROW.
- 3) Acquisition: Percentage of ROW acquisition cases filed for condemnation
- 4) Appraisal: Percentage of appraisal accepted without need for update.

Reporting: Annually by August 31 for the current FY year.

3.10 Intelligent Transportation Systems (ITS) Program/Projects

TEA-21 directed changes in the stewardship responsibilities for the Intelligent Transportation Systems (ITS) program and projects. ITS projects and programs are funded through regular Federal-aid funding and Section 5208 and 5210 of TEA-21 provided incentive funding for integrated deployment of ITS. TEA-21 clarified the use of Federal-Aid categories for ITS. NHS and STP Funds may be spent on infrastructure-based ITS capital improvements while Congestion Mitigation Air Quality (CMAQ) Funding may be spent on programs and projects that implement ITS strategies.

The applicable legislation for ITS projects is 23 CFR 940 Intelligent Transportation System Architecture and Standards. This section of 23 CFR describes the regulations that must be followed for ITS projects and regular Federal-aid projects that contain ITS components.

ITS Regional Architecture - 23 CFR 940.9 An ITS regional architecture shall be developed to guide the development of specific projects and programs.

Systems Engineering Analysis - 23 CFR 940.11 All ITS projects shall be based on a systems engineering analysis. The applicable regional ITS architecture shall be used in the development of ITS projects. The analysis should be on a scale commensurate with the project scope.

Project Administration - 23 CFR 940.13 Prior to authorization of Federal-aid funds for construction or implementation, the project sponsors shall demonstrate that ITS projects conform to the system engineering and conformity requirements provided in 23 CFR 940.11 and that there is a commitment to the operations, management and maintenance of the overall system.

**Intelligent Transportation System Program/Projects
Summary Table**

Activity	SHA Action	FHWA Action	Product
Systems Engineering Requirements	Full Federal Oversight: Prepare/review and Submit State Administered: Prepare and Approve	Full Federal Oversight: Approve (10 days) State Administered: None	Systems Engineering Requirements Form or work plan that describes the systems engineering process
Update of Statewide Architecture	Prepare and Approve Ready for Use	Concurrence (15 days)	Updated Statewide Architecture

Note:

The FHWA will retain full oversight for ITS projects on the Interstate System with an estimated construction cost of greater than \$1.5 million. All other ITS projects are to be state administered, where as, SHA is to act on behalf of FHWA in ensuring that all 23 U.S.C. or 23 C.F.R. requirements are met. In addition, FHWA reserves the right to conduct reviews, as identified in yearly risk assessments, to confirm that the Federal-aid program is being administered in accordance with the applicable laws and regulations and may request full oversight of any ITS project funded through Federal-aid funding. For ITS Congressional Earmarks and High Priority Projects, FHWA will monitor pre-award activities to ensure that the project being pursued meets program purposes, non-Federal match, and other requirements. Once the project is approved and a project agreement executed, Federal oversight will be conducted as identified in the above Table.

Intelligent Transportation Systems Program/Projects Performance/Compliance Indicators:

Objective 1: Mitigate congestion and improve system reliability through actions targeted at key causes of congestion in Maryland.

Indicator:

- 1) Increase the Traffic Incident Management Self-Assessment scores in suburban Washington, DC (2006 baseline 69.2%) and the Baltimore area (2006 baseline 62.8%).
- 2) Status of actions identified to improve the delivery of traveler information in Maryland.
 - a. Deployment of 511
 - b. Display of travel times on Dynamic Message signs

Objective 2: Mitigate the impacts of congestion by fully integrating system managements and operations into project and program delivery decisions.

Indicators:

- 1) Improvement of FHWA Program Level Traffic Incident Management Performance Measures, reported in SHA CHART's Annual Performance Evaluation (baseline TBD in 2007).
- 2) Annual process review on the use, maintenance and update of Maryland's Statewide ITS Architecture and the status of implementation of findings.

Reporting: Annually by August 31 for the previous FY year.

3.11 Materials Quality Assurance Program

Background

The Division Office's Quality Assurance (QA) monitoring program is structured around 23 CFR 637. The overall purpose of the QA monitoring program is to assure the quality of materials and construction in all Federal aid highway projects on the National Highway System.

For Federal-aid projects on the NHS, the primary objectives of our QA monitoring program are:

1. to maintain a close working relationship with SHAs materials and construction staff.
2. to promote improvements when new approaches or technologies are developed and where deficiencies are identified.
3. to assure that the materials incorporated in the construction work, and the construction operations controlled by sampling & testing are in conformity with the approved plans and specifications.
4. to provide oversight of construction materials, and compliance with federal requirements on a state-wide basis.
5. to assure adequate and qualified staff to maintain Quality Assurance program.

Operating Environment

Section 106 of Transportation Equity Act for the 21st Century further enhances flexibility on Project Approval and Oversight from that provided under ISTEA of 91. FHWA will monitor SHA's Quality Assurance Program for materials used in Construction on non-exempt Federal-aid projects. Details of oversight provided for monitoring SHA's Materials QA Program for Construction are included in Construction Monitoring Program. For exempt NHS projects, SHA will monitor QA Program for Construction as if FHWA were fully involved except SHA does not need to send materials certification to FHWA.

Oversight Activities

The Division Office will review and approve SHA's Materials Quality Assurance Program on an on-going basis. The Materials Quality Assurance Program includes Acceptance Program, Independent Assurance Program, Materials Certification of non-exempt projects, AASHTO Accreditation Inspection Reports, Qualified Laboratory Program and Qualified Sampling & Testing Personnel Program. Additionally, by being a member of the individual tasks forces/teams/committees, FHWA will have an ongoing involvement in the development and implementation of the Materials Quality Assurance Program.

In general, the Division Office will monitor the implementation and effectiveness of the Quality Assurance Program through process reviews. Individual process reviews will be identified in Division's annual Strategic Plan. Additionally, Division Office Pavement & Materials Engineer will accompany area engineers for project inspections of non-exempt projects.

Materials Quality Assurance Program

Summary Table

Activity	NHS Full oversight & NHS Exempt		Non-NHS	
	SHA Action	FHWA Action	SHA Action	FHWA Action
Quality Assurance Program (Materials test methods and updates, Materials quality assurance manual, Sampling and testing frequency guide)	Prepare (on going) and submit to FHWA	Approve within 14 working days	SHA prepares and approves.	Accepted based on approval for full oversight projects
Qualified Technician Program	Develop/ implement and submit to FHWA	Approve within 14 working days	Required by SHA	Accepted based on approval for full oversight projects
Qualified Laboratory Program	Develop/ implement and submit to FHWA	Approve within 14 working days	Required by SHA	Accepted based on approval for full oversight projects
AASHTO accreditation inspection reports, use of outside testing facility	maintain accreditation, submit inspection report, approve outside testing facility and submit to FHWA	Review, make recommendations for consideration (as necessary) with 14 working days	Required by SHA	Accepted based on approval for full oversight projects
Independent Assurance Program (system-based approach)	Prepare annual report and submit to FHWA	Review, Comment, recommendations for consideration (annual) within 14 working days	SHA prepares and approves	Accepted based on approval for full oversight projects
Public Interest Findings (PIF) with respect to materials	Prepare and submit to FHWA	Approve within 14 working days	Prepare and submit	Approve in 14 working days
Qualified Product List (QPL)	Prepare (on-going) and submit to FHWA	Review and make recommendations within 14 working days	Prepare and approve	Review and make recommendations within 14 working days

Note: FHWA will approve Materials Certification for NHS full oversight projects. Materials certification for NHS exempt projects will be prepared and approved by SHA.

Materials Quality Assurance Program Performance/Compliance Indicators:

Objective 1: Provide longer lasting highway infrastructure through quality of construction system preservation and size and weight enforcement.

Indicators:

- 1) Maintain NHS pavement smoothness compared to annual and long range strategic performance goals of SHA and FHWA (2006 baseline: 63% NHS with IRI < 95 In/Mile)
- 2) Milestones achieved in the implementation of the Materials Management System

Reporting: Annually by August 31 for the current FY year.

3.12 Pavement Management and Design Program

Background

Pavement Management: Title 23 U.S.C. 303(a) directs the Secretary of Transportation to issue regulations for State development, establishment and implementation of system for managing highway pavements (PMS), bridges on and off federal-aid highways (BMS), highway safety (SMS), traffic congestion (CMS), public transportation facilities and systems (IMS) and traffic monitoring system for highways and public transportation facilities and equipment (TMS.) If a State elects to implement one or more of the systems, the State shall cooperate with metropolitan planning organizations (MPO) for urbanized areas of the State in implementing and developing a management system.

The SHA has implemented and has an operational PMS. This system is operated by the Pavement & Geotechnical Division of Office of Materials and Technology.

Pavement Design: 23 U.S.C. 109 requires that pavement shall be designed in accordance with current and predicted traffic needs in a safe, durable and cost effective manner. The regulations do not specify the procedures to be followed to meet this requirement. Rather each State Highway Agency is expected to use a design procedure, which is appropriate for their conditions. The SHA may use the design procedure that is outlined in the AASHTO Guide for Design of Pavement Structures or they may use other pavement design procedures that, based on past performance or research, are expected to produce satisfactory pavement design. SHA has its own pavement design guide, which is followed for all design projects.

Oversight Activities

Representatives of Maryland Division Office are members of PMS Steering Committee, Asset Management Team and other task forces and provides ongoing support in development and implementation of the PMS. The division office through participation in various task forces, meetings will ensure that pavement-related activities, including new and rehabilitated pavement design and construction, pavement management, research, technology transfer, HPMS, vehicle weight enforcement program, etc., are well coordinated among functional/administrative areas of the division office

The Division Office will review and approve SHA's pavement design/rehabilitation procedures, policy and guidelines on an ongoing basis. Additionally, by being a member of the individual task forces, teams, and committees, FHWA will have an ongoing involvement in the development, update and implementation of pavement design procedures.

In general, the Division Office will monitor the implementation, operation and effectiveness of the PMS and SHA's pavement design process through reviews. The Division Pavement & Materials Engineer will conduct oversight of the Pavement Management System.

**Pavement Management and Pavement Design Program
Summary Table**

Activity	SHA Action	FHWA Action	Product
Pavement Management System (PMS)	Develop and submit plan to FHWA	Review, Comment, Make Recommendations for Consideration (on going basis)	PMS
Develop Budget Allocation Plan for System Preservation	Develop and submit plan to FHWA	Review & Comment, Make Recommendations for Consideration (annual) within 14 working days	Rehabilitation plan
Project Selection for Annual System Preservation Program	Select projects and submit to FHWA	Participate, Make Recommendations for Consideration (annual) within 14 working days	List of Projects
Selection of Preferred Rehabilitation Alternatives	Prepare alternatives and submit to FHWA	Review, Assist, Make Recommendations for Consideration (on going) within 14 working days	Report
Annual Audits of District Paving Projects, conduct joint review of design and recommendations	Prepare report and submit to FHWA	Review, Comment, Make Recommendations for Consideration (annual) Process reviews	Report
Pavement design guide, policy and procedures	Develop and submit to FHWA	Review, Comment, Make Recommendations for Consideration (on going basis) Approve originals and updates within 14 working days	Pavement Manual
Pavement Type Selection Procedures, including LCCA	Develop and submit to FHWA	Review and make recommendations within 14 days working days	Report/Manual
Pavement Management System (PMS)	Develop and submit plan to FHWA	Review, Comment, Make Recommendations for Consideration (on going basis)	PMS

Pavement Management and Design Program Performance/Compliance Indicators:

Objective: Effectively use the Pavement Management Program to manage and allocate resources to improve performance of SHA's infrastructure

Indicators:

- 1) Milestones achieved for the implementation of mechanistic-empirical pavement design procedures and progress compared to annual and long-range strategic performance goals.
- 2) Milestone achieved in the implementation of a systematic statewide system preservation program.

Reporting: Annually by August 31 for the current FY year.

3.13 Preventive Maintenance Program

Section 116 of 23 U.S.C. requires States to maintain, or cause to be maintained any project constructed as part of a Federal-aid system (Interstate system & NHS). FHWA is responsible for maintenance of all Federal-aid projects.

FHWA staff will observe Maryland's highway conditions during their routine travel activities. Also, the staff may perform in-depth maintenance reviews when appropriate. All significant maintenance deficiencies observed during official travel will be called to the attention of the appropriate MDSHA personnel. Follow-up actions, if necessary, will be taken by Division staff to ensure maintenance issues are properly addressed. The oversight activities of MDSHA's routine maintenance program will apply to NHS and non-NHS routes.

A Preventive Maintenance (PM) activity shall be eligible for Federal assistance if the State demonstrates to FHWA that the activity is a cost-effective means of extending the useful life of a Federal-aid highway. FHWA staff will assist MDSHA in developing PM programs, identify and approve eligible activities, and provide information on best practices & technologies. The preventive maintenance (PM) will include all eligible maintenance activities within Federal-aid ROW. The MDSHA should develop statewide PM programs for eligible activities and submit to FHWA for approval, if Federal funds are to be used for statewide maintenance activities. In the absence of a statewide program, MDSHA will seek FHWA's approval on case by case or by activity basis. The Division would review the activities and provide its determination on effectiveness.

The oversight activities of the State's preventive maintenance program will apply equally to NHS and non-NHS routes. The Division will review and monitor MDSHA's program and projects for preventive maintenance and Federal-eligibility.

FHWA Preventive Maintenance monitoring activities will be a continuous process and will be done mostly on programmatic basis. Annual process reviews may be developed and conducted. The items for process reviews will be influenced by either Division or MDSHA's observations of perceived strengths and/or weaknesses in the State's preventive maintenance program or activities. Deficiencies observed will be reported to the appropriate MDSHA personnel. Follow-up activities, if necessary, will be performed by Division.

**Preventive Maintenance Program
Summary Table**

Activity	SHA Action	FHWA Action*	Product
Routine Maintenance of Federal-aid highways	Adequately maintain highways	Conduct windshield & in-depth inspections, report findings to SHA personnel	Deficiencies reported and addressed
Preventive Maintenance (individual activities)	Identify individual PM activities in various areas	Review & approve within 10 days	Approved activities
Preventive Maintenance (program)	Develop annual PM program	Review & approve within 15 days Assist SHA in developing and implementing PM	Approved annual program
Monitor Federally funded PM & rehabilitation accomplishments	Prepare annual accomplishment report	Review & recommend changes to plan, information	Annual report & improved program
PM Technology Transfer	Identify and propose Technology Transfer activities	Assist SHA with identification, marketing, and implementation	Improved PM program

* Working days

Preventive Maintenance Program Performance/Compliance Indicators:

Objective: Provide longer lasting highway infrastructure through systematic preservation program that is based on the sound management practices (e.g. asset management)

Indicators:

- 1) Number of assets/areas with preventive maintenance programs
- 2) Number of projects implemented based on the preventive maintenance programs
- 3) Compliance with FHWA 10/8/2004 memo.

Reporting: Annually by August 31 for the current FY year.

3.14 Research, Development and Technology Transfer (RD & T) Program

The purpose of the program is to implement the provisions of 23 U.S.C. Chapter 5 for research, development, and technology transfer programs, and studies undertaken with FHWA planning and research funds. The primary requirements of the program as provided in section 420 of 23 CFR include development & maintenance of an FHWA approved program manual, development of annual work program, oversight of program activities, submission of performance and expenditures reports, conducting peer reviews, and maintenance of program certification.

The FHWA DelMar Division currently has full oversight responsibility of the RD & T program. This oversight is both administrative and technical. Such oversight responsibility requirements are typically fulfilled by Division staff by proactively participating in the development of the annual program, thoroughly reviewing the annual program prior to its approval, thoroughly reviewing individual proposals prior to approval, and thoroughly reviewing the annual report. Division diligently participates in ongoing program activities such as SHA Research Advisory Board meetings, LTAP Advisory Board meetings, routine technical and policy meetings, peer review meetings, and technology transfer events, etc. The SHA fully exercises its flexibility in the use of funds and determination of eligible activities that meet the requirements of Section 420 of the CFR.

Activity	SHA Action	FHWA Action	Product
Annual Work program	Prepare & Submit by 9/1	Review and approve within 20 days	Annual research work program
Amendments to work program	Submit to FHWA as needed	Review and approve within 10 days	Modified Work program
LTAP	Review, approve, and submit to FHWA for approval by 1/5	Review and approve within 10 days	Annual LTAP work program
Pooled Fund Studies	Select and request authorization of funds in FMIS	Authorize funds within 5 days	Partnership established
NCHRP	Request authorization of funds in FMIS	Authorize funds within 5 days	NCHRP sponsored
TRB	Request Authorization of funds	Authorize funds in 5 days	TRB sponsored
UTC Annual Work program	Submit for comments	Provide comments in 14 days	UTC Annual Work program
Peer Exchange	Sponsor/host	Participate/support	Report submitted for information
Annual Performance & Expenditures report	Prepare and submit within 90 days after the end of reporting period	Review	Annual Report
Certification of Research Management Process	Prepare and submit with annual work program	Review and approve with annual work program within 20 days	Certified compliance with 23 CFR
New Products/Experimental Features	Evaluate/recommend	Approve/provide technical assistance	Reports due within 90 days of completion
SHA Research Manual	Prepare in coordination with FHWA as noted in 23 CFR 320.209	Review/approve	Research Manual

Research, Development and Technology Transfer Program Performance/Compliance Indicators:

Objective: To adopt innovations and new technologies meeting SHA's strategic goals and objectives and/or supporting FHWA's strategic goals and objectives.

Indicators:

- 1) Number of innovative technologies implemented through either research or technology transfer that meet SHA's strategic goals and objectives and/or support FHWA's strategic goals and objectives
- 2) Percent of research studies/activities that support FHWA and/or MDSHA's' priorities
- 3) Number of technology transfer training courses/workshops conducted, including those through UTC T2 Center

Reporting: Annually by December 31 for previous FY year.

3.15 Miscellaneous Program

This section summarizes miscellaneous programs and activities that may not be covered under other sections.

Activity	SHA Action	FHWA Action	Outcome
Process for development of contract time	Prepare	Review and Approve (20 days)	Written procedures for the determination of contract time
Process for development of engineer's estimate	Prepare	Review	Written procedures for the developing an engineer's estimate
Emergency Relief (ER) Program	Conduct site review and prepare application for ER funds.	Conduct site review (10 days)	Site approval and ER fund allocation
Buy America waiver (Applicable to both exempt and non-exempt projects)	Prepare	Approve within 10 days	Waiver
Requests under SEP-14 and SEP-15 Program (Still experimental)	Prepare request	Review/forward request with recommendation to HQ	Request Approved/disapproved
Warranty Projects (NHS projects only)	Prepare request on case by case or program basis	Review and approve specifications	warranty specifications
New/revised standard drawings	prepare (approve for exempt projects)	approve (for non-exempt projects)	new/revised drawings
New/revised specifications	prepare	approve	new/revised specifications
Emergency Preparedness	Prepare program/plans	review/concur	EP program/plan

Miscellaneous Program Performance/Compliance Indicators:

Not Applicable

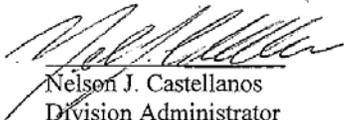
Section 4 – Agreement

Agreement:

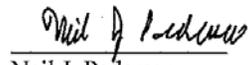
FHWA and SHA enter into this agreement for administering the Federal-aid highway program in accordance with this stewardship and oversight agreement. The Agreement has been jointly agreed upon to fulfill the federal program requirements.

The Agreement outlines responsibilities and accountability for FHWA and SHA. The purpose of the Agreement is to clarify actions, prevent misinterpretations, and avoid time delays. The Agreement is intended to be a living document that can be modified when needed to incorporate additional legislation, additional processes, or other changes to improve program and project delivery in the State of Maryland. SHA and FHWA agree to use a broad set of performance and compliance indicators, as identified in Section 3 of this Agreement, to track performance trends and to implement countermeasures/actions when the data is not moving in the desired target direction. Performance and compliance indicators will be reported to the FHWA on the times specified in this Plan. At a minimum, this plan will be reviewed annually by SHA and FHWA on or around the second week of August and a summary of the status of all performance and compliance indicators will be reported at this time.

The Division Administrator of FHWA DelMar Division, Maryland Office or the Maryland State Highway Administrator may initiate amendments to the Plan should essential modifications become apparent to either party.


Nelson J. Castellanos
Division Administrator
FHWA, DelMar Division, Maryland Office

4/2/07
Date


Neil J. Pedersen
Administrator
Maryland State Highway Administration

4/2/07
Date

Attachment 1

Mutual Service Standards

MUTUAL SERVICE STANDARDS

Federal Highway Administration Maryland Division and Maryland State Highway Administration

This agreement is designed to enhance the performance of each organization in meeting the transportation needs of the citizens of Maryland. It may be terminated at any time by written notice to either party. This agreement is considered a living document. It is anticipated that these service standards will be periodically evaluated and updated. Both agencies will identify a lead person to monitor each standard.

We, the undersigned, believe that effective implementation of these standards and performance measures will provide a factual basis for improving our mutual operations and enhance the delivery of products and services to each agency and, more importantly, the traveling public.



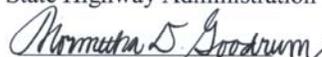
Hassan Raza
Assistant Division Administrator
Federal Highway Administration



Doug Simmons
Deputy Administrator/Chief Engineer
for Planning and Engineering
State Highway Administration



Doug Rose
Deputy Administrator/Chief Engineer
for Operations
State Highway Administration



Normetha Goodrum
Deputy Administrator for Finance,
Info. Tech & Administration
State Highway Administration

This is an effort to establish expectation levels of each agency, to assist in meeting goals, and to deliver our mutual services for the benefit of the public, the FHWA and MSHA have jointly developed the following goals and performance standards. This agreement does not supersede any of the requirements of Title 23, United States Code and implementing regulations.



Federal Highway Administration
Maryland Division



June 2006

Construction Program

Concurrence in Award	
SHA	All projects submitted by SHA have complete information as tracked by the Concurrence-in-Award checklist.
Red Line Revisions	
SHA	All Red Line Revisions submitted by SHA have complete information as tracked by the Red Line Revision checklist.
Change Orders	
SHA	All contracts will have total change order amount less than 5% of the bid amount and time extensions less than 10% of the specified project duration.
SHA	All change orders will contain appropriate documentation in support of the changes, costs and time extensions.
FHWA	Approve all requests within 10 calendar days and average less than 7 calendar days.
Project Inspection	
FHWA	All inspection reports provided to SHA within 10 days after completion of inspection.
SHA	Respond to, or resolve, items identified in FHWA's inspection report within 20 working days after receiving the inspection report.
Final Acceptance	
SHA	All projects will have Final Acceptance request submitted within 90 days of Acceptance for Maintenance.
SHA	All projects submitted by SHA have complete information as tracked by the Final Acceptance checklist
FHWA	Complete Form 1446B (Final Acceptance Report) within 20 calendar days.

Safety Program

HSIP	
MSHA	SHA will transmit a draft Highway Safety Improvement Program (HSIP) report by August 1 of the reporting year. The HSIP Report will include required information such as worst safety locations (5%), cause of safety concern, and proposed improvement measures.
FHWA	FHWA will review and comment on the draft report within 15 days. If acceptable, the final report will be forwarded to Headquarters electronically.
Work Zone	
FHWA	FHWA will conduct a work zone self-assessment biennially before June 1 with SHA and other stakeholders to examine the state of the practice and determine where opportunities for improvement may exist in the work zone program.
FHWA	FHWA will identify the areas of opportunity within 30 days of completion of work zone self-assessment. FHWA will work with SHA and stakeholders to develop an action plan with measurable milestones to improve low scoring areas within 30 days of final report.
FHWA/MSHA	Annually SHA's Office of Traffic and Safety will conduct at least two joint maintenance of traffic reviews with participation from the FHWA Safety Engineer or Area Engineer. The review team will develop reports within 30 days of the review. The report will outline any observed work zone concerns as well as recommendations to improve safety.
FHWA/MSHA	FHWA and SHA will develop an action plan with measurable milestones to implement recommendations within 30 days of report.
Crash Data	
MSHA	SHA Traffic Safety Analysis Division will forward crash data by the 15th of each month.
FHWA	FHWA will update the Unit Performance Plan tracking sheet and Director of Field Services dashboard at least once quarterly (by 12/31, 3/31, 6/30, 9/30).

Intelligent Transportation Systems Program

Systems Engineering Analysis	
SHA	100% of all Federal-aid construction projects that contain ITS components shall submit a systems engineering analysis at or before 90% review that contains the following: <ol style="list-style-type: none"> (1) Identification of portions of the regional ITS architecture being implemented (2) Identification of participating agencies roles and responsibilities (3) Requirements definitions (4) Analysis of alternative system configurations and technology options to meet requirements (5) Procurement options (6) Identification of applicable ITS standards and testing procedures (7) Procedures and resources necessary for operations and management of the system
FHWA	Approve or provide reasons why systems engineering analysis was not approved within 10 calendar days and average less than 7 calendar days.
ITS Project Work Plans	
SHA	100% of all work plans submitted shall be task based that satisfy the goals and objectives of the partnership agreement and contain a budget and schedule for the work to be performed.
	100% of all work plans for the design of ITS systems shall have a task for the completion of a systems engineering analysis that contains the sections listed below before the start of the final design. <ol style="list-style-type: none"> (1) Identification of portions of the regional ITS architecture being implemented (2) Identification of participating agencies roles and responsibilities (3) Requirements definitions (4) Analysis of alternative system configurations and technology options to meet requirements (5) Procurement options (6) Identification of applicable ITS standards and testing procedures (7) Procedures and resources necessary for operations and management of the system
FHWA	Approve or provide reasons why ITS Project Work Plan was not approved within 10 calendar days and average less than 7 calendar days.
SHA	100% of work orders shall be defined in the project work plan and provide description of work to be performed and completion dates for the work.
FHWA	Approve or provide reasons why systems engineering analysis was not approved within 10 calendar days and average less than 7 calendar days.
Evaluation Reports	
SHA	Submit Project evaluation report that documents lessons learned and how well the project met the defined goals and objectives from work plan within 6 months after payment of final invoice.
Quarterly Reports	
SHA	Quarterly Reports shall be submitted by the 20 th of March, June, September and December and contain the following information: <ol style="list-style-type: none"> (1) Revisions to original estimated project completion dates. Adjusted dates should be accompanied by a brief explanatory remark describing the causes of schedule adjustments. (2) Revisions to original estimated cost values. Adjusted cost data should be accompanied by a brief explanatory remark describing the causes of cost adjustments. (3) Percent of funds expended. (4) Brief identification of milestones attained and/or significant events affecting the

	<p>project.</p> <p>(5) Brief description of challenges encountered or anticipated having the potential for affecting project scope, creating institutional issues or presenting other significant considerations.</p>
<u>Programmatic Changes</u>	
SHA	<p>SHA must obtain the prior approval of the FHWA Maryland Division whenever any significant change is anticipated. These include, but are not limited to:</p> <p>(1) Any revision of the scope, goals or objectives of the consultant contract or related activities.</p> <p>(2) Changes in key personnel, program manager, or prime contractor.</p>
FHWA	<p>Approve or provide reasons why request for change in project scope was not approved within 10 calendar days and average less than 7 calendar days.</p>
<u>Listening Sessions</u>	
SHA & FHWA	<p>On a quarterly basis the SHA and FHWA will have a listening session where the status of the ITS program, ITS initiatives and the performance measures from the service standards are discussed.</p>

Design Program

IAPA	
FHWA	Coordinate semi-annual interstate access point approval (IAPA) joint meetings in October and April with SHA Regional Planning to review policy and project issues and update the IAPA matrix.
MSHA	SHA will transmit IAPA requests with all required information as specified in the Maryland Division IAPA policy.
FHWA	FHWA will provide written comments within 15 days for minor requests and 30 days for major requests that require more detailed evaluation.
Form 25C (Form 42)	
SHA	All projects submitted by SHA have complete information as tracked by 25C checklist
PI Report	
SHA	All reports submitted by SHA have complete information as tracked by PI Report checklist.
FHWA	Make oversight determination within 30 working days of PI for all NHS projects
Preliminary Design Review	
SHA	All comments responded to or resolved before the next plan submission.
SHA	All TS&Ls submitted no later than the 30% design stage.
SHA	All contracts have no addenda (excluding addenda to answer contractors questions and update wage rates).
FHWA	Attend all Semi-Final and Final review meetings for non-exempt projects.
FHWA	Provide written Semi-Final and Final review comments within 10 working days of the meeting.
PS&E	
SHA	All submitted by MDSHA have complete information as tracked by PS&E checklist.
Addendums	
SHA	All addendums will contain appropriate documentation in support of the changes.

Bridge Program

Program Level	
FHWA/SHA	Form a small bridge team that will meet on a 6 month frequency. The purpose of the team is to stay abreast of current matters including for example business plan goals, LRFD implementation, mega-project issues, NBIS program, IBRC and innovative material implementation, upcoming projects, etc.
SHA	Number of meetings held as originally planned & percentage of action items resolved.
FHWA	Number of meetings held as originally planned & percentage of action items resolved.
Project Level	
FHWA	Oversight Determination On Full Oversight Projects Lead By SHA OBD. Earlier in the process, there is a need for FHWA to identify which projects will not be full oversight.
SHA	When the preliminary investigation report is completed, SHA will request that FHWA provide their tentative oversight determination for all projects that meet the full oversight criteria definition in the Stewardship Plan.
FHWA	FHWA will approve or respond with comment to all requests within 10 business days but average less than 7 business days.
Bridge Preliminary Investigation Report On FHWA Full Oversight Projects	
SHA	90% of all reports submitted by SHA have complete information as tracked by the FHWA review checklist titled "Bridge Preliminary Investigation Report Checklist".
FHWA	FHWA will approve or respond with comment to all requests within 10 business days but average less than 7 business days.
Bridge Preliminary Design Review On FHWA Full Oversight Projects	
SHA	100% of full oversight project TS&Ls are submitted for FHWA approval. Hydraulics reports will be submitted with the TS&L. If bridge type alternate studies or rehab versus replace alternate studies are performed these will be submitted with the TS&L.
FHWA	FHWA will approve or respond with comment to all requests within 10 business days but average less than 7 business days.
SHA	100% of full oversight project foundation reports are submitted for FHWA approval.
FHWA	FHWA will approve or respond with comment to all requests within 10 business days but average less than 7 business days.

Environment

Environmental Documents	
MSHA	Will prepare documents with quality control and conciseness.
FHWA	Will provide MSHA feedback on documents on a quarterly basis.
MSHA	Establish timeframes for all current Environmental Assessments (EAs) and Environmental Impact Statements (EISs)
FHWA	Will review and comment on the timeframes at monthly FHWA/SHA Coordination Meetings.
MSHA	Will streamline Environmental Assessments and Environmental Impact Statements according to process guidelines.
FHWA	Will ensure that streamlined guidelines are followed at Monthly Interagency Meetings.
MSHA	Will discuss document schedules and priorities at regular monthly FHWA/SHA Coordination Meetings.
FHWA	Will provide feedback on schedules and priorities on a monthly basis.
Agency Consultation	
MSHA	Will monitor programmatic and interagency agreements to assure their continued effectiveness in achieving environmental streamlining and stewardship.
FHWA	Will monitor the effectiveness of the agreements on a quarterly basis.
MSHA	Will be followed interagency process appropriately.
FHWA	Will ensure that interagency process is followed at the monthly Interagency Meetings.
MSHA	Issues that are encountered will be discussed and resolved at staff level, however, the unresolved issues will be elevated if agreement cannot be reached.
FHWA	Will ensure that issues are resolved within 60 days.
MSHA	Will follow agreed upon methodologies
FHWA	Will ensure that agreed upon methodologies are followed on an as needed basis.

Right Of Way Program

Right of Way Operational Manual *	
Changes/revisions to the Office of Real Estate (ORE) Operations Manual directed by FHWA	
FHWA	Will notify SHA ORE within five days when MD Division receives policy guidance from FHWA HQ that may require change to SHA ORE Operations Manual
SHA ORE	Will draft and submit to FHWA the changes / revisions to the ORE Operations Manual within 60 days of notification by FHWA.
FHWA	Will provide comments or approve changes/revisions to ORE Operations Manual within fourteen business days.
Changes/revisions to the ORE Operations Manual directed by SHA	
SHA ORE	Will notify FHWA of proposed changes/revisions to the ORE Operations Manual and provide a tentative schedule for completion of changes and submittal to FHWA.
FHWA	Will provide comments or approve changes/revisions to ORE Operations Manual within fourteen business days.
Local Public Agency Program	
SHA ORE	Will notify FHWA by written correspondence within two business days of any situations that arise that will require FHWA comments/guidance.
FHWA	Will provide comments/guidance to SHA 's request for right of way feedback within seven business days.
Local Public Agency: Right of Way Waiver Requests	
When SHA has identified a situation that could potentially require a waiver of the Federal Regulations; SHA will notify FHWA within five days and follow the following procedures.	
SHA ORE	Will provide FHWA with a summary of the events leading to the request for a waiver of the federal regulation within four weeks.
SHA ORE	Will conduct a file review in conjunction with FHWA to ensure that the summary of events is correct and no property owners have been adversely affected within two weeks.
SHA ORE	Will provide FHWA with a written request from the SHA Administrator on behalf of the Local Public Agency addressed to the Maryland FHWA Division Administrator within two weeks.
FHWA	Will provide comments or approve the wavier request within two weeks.

* Significant changes to the Right of Way Operations Manual (which may include changes to the federal regulations that would require an update to the Operations Manual) will be approved within thirty business days.

Planning

Statewide Transportation Planning Program	
STATE	Develop draft Statewide Transportation Improvement Program (STIP) for review & approval. The STIP must be consistent with 23 CFR 450.220 and must include the following: <ul style="list-style-type: none"> • <i>Priority transportation projects to be carried in 4 years, listed by each year;</i> • <i>Projects in non attainment areas must conform to MPOs plan and programs;</i> • <i>STIP must be financially constrained by year and in non-attainment areas projects must be limited to those for which funds are available or committed.</i>
FHWA/FTA	Review draft S TIP within 60 days and final draft within 30 days of receiving date.
STATE	Submit STIP for amendments and must include the following information: <ul style="list-style-type: none"> • <i>Specific justification for changes;</i> • <i>Net dollar change amount for each project.</i>
FHWA	Approve Highway related STIP amendment within 21 days of receiving date.
FTA	Approve Transit related STIP amendment within 21 days of receiving date.
FHWA/FTA	Review Statewide planning process every 2 years
FHWA/FTA	Notify the State 2 months before the review with discussion topics
FHWA/FTA	Write a report summarizing our finding within 60 days after the site visit.
MDOT	Respond to all FHWA/FTA questions 1 week before the site visit.
STATE	Submit State Planning & Research Work Program (SPR) Part I report for FHWA approval annually and will include: <ul style="list-style-type: none"> • <i>A description of work to be accomplished and cost estimates by activity;</i> • <i>State and local matching share;</i> • <i>Cost that are eligible under 23 CFR 420.113.</i> <p>State must also submit progress report every 6 months and close out projects that have been completed.</p>
FHWA	Review and approve SPR Part I report within 21 days of receiving date.
STATE	Submit Functional Classification (FC) changes for review and approval. The submittal must include the following information: <ul style="list-style-type: none"> • <i>Map showing changes</i> • <i>Summary tables showing percent distribution by functional Class</i>
FHWA	Review and approve FC within 14 days of receiving date. Additional time may be needed if changes are more than 10 roadway sections.
STATE	Submit Functional Classification (FC) changes for review and approval. The submittal must include the following information: <ul style="list-style-type: none"> • <i>Map showing changes;</i> • <i>Summary table showing percent distribution by Functional Class</i>
FHWA	Review and approve FC within 14 days of receiving date. Additional time may be needed if changes are more than 10 roadway sections.
STATE	Submit National Highway System (NHS) revisions for review and approval. The submittal must include the following information: <ul style="list-style-type: none"> • <i>Justification for changes;</i> • <i>Resolution from MPO and local Officials;</i> • <i>Verification that the highway being added is a principal arterial.</i>
FHWA	Review within 14 days of receiving date and forward to Headquarters for approval.

Metropolitan Planning Programs

FHWA/FTA	Review Baltimore TMA planning process every 4 years. Notify the State 2 months before the review with discussion topics. Write a report summarizing our finding within 60 days after the site visit. FHWA will conduct a formal presentation of the review finding MDOT two weeks before Federal Team site visit; preparation of review report; conducting public meeting; and a formal presentation of review findings.
MDOT	Respond to all FHWA/FTA questions one week before the site visit.
FHWA/FTA	Conduct conformity analysis on Long Range Transportation Plans and Transportation Improvement Programs in non attainment MPO areas anytime there are: <ul style="list-style-type: none"> • <i>New or revised plans and programs.</i> Review the report and issue conformity finding within 60 days of receipt of the documents.
MPO/MDOT	Follow all requirements of Section 176 (c) of the Clear Air Act, the State Implementation Plan, the metropolitan planning rules, and the transportation conformity regulations in preparing the document.
MDOT	Submit CMAQ annual reports for FHWA review and approval by February 1 st . The report must specify how CMAQ funds have been spent and the expected air quality benefit for each project. In addition, the State must close out all projects that have been completed.
FHWA	Review and approve CMAQ report within 21 days of receiving date and forward the report to Headquarters
MPO	Submit Unified Planning Work Programs (UPWP) reports for FTA and FHWA review and approval. The report must include the following: <ul style="list-style-type: none"> • <i>Description of work to be accomplished and cost estimates by activity;</i> • <i>State and local matching share;</i> • <i>Cost that are eligible under 23 CFR 420.113.</i>
STATE	Submit progress report every 6 months and close out completed activities
FHWA	Review draft within 14 days and final draft within 7 days of receiving date.
MPO	Submit TIP for amendments for approval and will include the following information: <ul style="list-style-type: none"> • <i>Specific justification for change;</i> • <i>Net dollar change amount for each project.</i>
FHWA	Approve Highway related TIP amendment within 21 days of receiving date.
FTA	Approve Transit related TIP amendment within 21 days of receiving date.

Planning Data Program

STATE	Submit Highway Performance Monitoring System (HPMS) data to Headquarters and copy Division Office for review and approval by June 15. State will ensure the reliability and accuracy of the data before submission. In addition, the data must incorporate State responses to Headquarters comments on previous year submittal.
FHWA	Review the data and provide comments in 60 days of receiving date.
STATE	Submit Certified Public Road Miles for Division Office review approval by June 1. The State must ensure the reliability and accuracy of the data for apportionment of Federal-aid funds
FHWA	Review the data and provide comments in 14 days of receiving date.
FHWA	Review the State HPMS data collection and reporting activities every year and submit a report to Headquarters by 11/1. The review will include examination of the following “high priority subject area”, field inventory, and public road mileage data.
FHWA	Write the report in 60 days

Special Programs

MDOT	Develop new Value Pilot Project cooperative agreement for: each project that will move to implementation, and potential toll projects the State intends to study.
FHWA	Review request for amendments of the program within 21 days of receiving date.

Civil Rights Program

Title VI, Environmental Justice, Limited English Proficiency and American with Disabilities Act Program	
SHA	Annual Title VI plan updates, accomplishment report & goals for following year by Oct. 15.
FHWA	Review and approve plan updates within 15 days.
SHA	Program review schedule by October 10.
FHWA	Concur with the review schedule within 5 days.
SHA	Submit review reports within 30 days upon completion.
FHWA	Review and concur on review reports within 15 days.
SHA	Forward copy of complaints and reports within 60 days of receipt.
FHWA	Review complaints and report within 10 days.
External Contractor Compliance Program	
SHA	Contractor Compliance plan updates, accomplishment report & goals for following year by TBD (once Program Plan is approved).
FHWA	Review and approve plan updates within 15 days.
SHA	Submit compliance review schedule on a quarterly basis.
FHWA	Concur with the review schedule within 5 days.
SHA	Submit compliance review reports within 15 days upon completion.
FHWA	Review and concur on compliance review reports within 20 days.
SHA	Submit the annual contractor compliance report 1392 by September 15.
FHWA	Review, analyze and concur on the annual report within 5 days.
SHA	Submit as new OJT training classifications with updated wages as submitted
FHWA	Review and approve new OJT training classification within 5 days.
SHA	Annual OJT goals and accomplishments by January 30 th .
FHWA	Review and approve the annual OJT goals and accomplishments within 15 days.
Internal EEO/Affirmative Action Program	
SHA	Affirmative Action program plan updates, accomplishment report & goals for following year by TBD (once Program Plan is approved).
FHWA	Review and approve plan updates within 15 days.
SHA	Annual SHA Employment Practice report (EEO-4 Report) by August 1.
FHWA	Review, analyze, and approve EEO-4 report and forward to FHWA HQ Office by August 15.
Disadvantaged Business Enterprise (DBE) Program	
SHA	Semi annual DBE Awards /Commitments and Payment Report by June 1 and Dec 1.
FHWA	Review semi annual DBE Report & forward to FHWA HQ by June 15 and Dec 15.
MDOT	DBE Goal Setting Methodology by August 1.
FHWA	Review & forward DBE Goal methodology to legal staff for concurrence within 10 days.
Disadvantaged Business Enterprise (DBE) Supportive Services (SS) Program	
FHWA	Upon notification from FHWA HQ to Division office for DBE/SS Funds Allocations, division office will notify SHA within 5 days.
SHA	Prepare & submit project resume within 30 days (unless notified by FHWA)
FHWA	Review and approve project resume within 10 days.
SHA	Submit RFP for FHWA concurrence within 5 days.
FHWA	Review and concur on RFP within 10 days.
SHA	Submit Draft DBE/SS Contracts.
FHWA	Review draft DBE/SS contracts within 5 days.
SHA	Forward final copy of contract.
SHA	DBE/SS Reports (quarterly) by the 15 day of the end of the following month.
FHWA	Review, evaluate and provide comments for areas of improvements within 15 days.
SHA	Submit DBE/SS Final Reports within 60 after the end of the contract.
FHWA	Review and acceptance of Final report to close project within 15 days.

Finance Program

PERFORMANCE MEASUREMENT

Financial Operations	
Project Agreement Modifications	
MSHA	MSHA will submit supporting documentation for 100% of all full oversight projects requests for project agreement modifications
FHWA	FHWA will approve all project agreement modification requests with supporting documentation within 3 business days.
Current Billing	
MSHA	MSHA will submit their Current Billing and supporting documentation by 11:00 a.m.
FHWA	FHWA will approve all Current Billing requests prior to 12:00 p.m. on the same day.
Final Vouchers	
MSHA	MSHA will submit to FHWA supporting documentation for all full oversight and CA projects that are being final vouchered. Out of balance errors will be rare.
FHWA	FHWA will review and closed all final vouchers within 10 days of receipt.
MSHA	MSHA will submit final vouchers for State Administered projects via FMIS 4 with no documentation required by FHWA
FHWA	FHWA will randomly review supporting documentation of final vouchers for State Administered projects within 90 days of closing by FHWA.
FIRE	
Federal-aid Billing Transactions Reviews	
MSHA	MSHA agrees to cooperate and as necessary provide assistance to FHWA in the periodical transaction testing required by FHWA's Order Financial Integrity Review and Evaluation (FIRE) Program.
FHWA	FHWA will respect MSHA's workload and scheduling requirements. FHWA agrees to report and involve MSHA in any instances of inconsistencies.
Inactive Projects - Reduce Unexpended Balances on Inactive Projects	
MSHA	During the FFY, MSHA will reduce by 10% the unexpended balances of projects with no expenditure changes for 1-year, with emphasis on unexpended balances of \$500,000 or more
FHWA	FHWA will establish a base line each FFY, as well as quarterly for inactive projects over \$500,000 or more. FHWA will provide technical assistance and project follow-up activities.
Inactive Project – Reduce number of projects with inactive obligations.	
MSHA	During the FFY, MSHA will reduce by 10% of the <u>number</u> of projects with inactive obligations, with emphasis on projects inactive for 24 months or more.
FHWA	FHWA will provide technical assistance to MSHA in the development and implementation of a process to review inactive projects. FHWA will establish a base line each FFY using FMIS reports.

Pavement and Materials Program

Goals/Performance Measurement	
Quality Assurance Program	
SHA	Will submit the Revised Materials Quality Assurance Manual for review and approval by 5/01/06. The manual will meet all requirements per 23 CFR 637.207
FHWA	FHWA will review and approve it by 7/30/06.
Qualified Technician Program	
SHA	Will submit the Qualified Technician Program for review and approval by 8/1/06. The program will meet all requirements per 23 CFR 637.209. Afterward, the updates will be submitted by 1 st September of each year.
FHWA	FHWA will review and approve this program by 9/01/06. The updates will be reviewed and approved by 30 th September of each year.
Qualified Laboratory Program	
SHA	Will submit the Qualified Laboratory Program for review and approval by 9/01/06. The program will meet all requirements per 23 CFR 209. Afterward, the updates will be submitted by 1 st September of each year.
FHWA	FHWA will review and approve this program by 9/30/06. The updates will be approved by 30 th September of each year.
Qualified Product List (QPL)	
SHA	Will submit the updated Quality Product List (QPL) after every three months starting from 9/1/06. This will meet all requirements per 23 CFR 635
FHWA	FHWA will review and approve it in 30 days upon receipt.