This document was superseded by Stewardship and Oversight Agreement Implementation Guidance (http://www.fhwa.dot.gov/federalaid/stewardship/131209.cfm) on 12/09/2013.

U.S. Department of Transportation
Federal Highway Administration

Federal-aid Highway Program

Stewardship/Oversight Agreement Guidance

Superseded

July 1, 2011

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FEDERAL-AID HIGHWAY PROGRAM STEWARDSHIP/OVERSIGHT AGREEMENT GUIDANCE

I. BACKGROUND AND INTRODUCTION

The Secretary of Transportation has delegated to the Administrator of the Federal Highway Administration (FHWA) the responsibility for administering the Federal-Aid Highway Program (FAHP) under Title 23, and other associated laws. In addition, FHWA's responsibility for administering the FAHP has been clearly outlined in the following legislation: 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. These laws allow States to assume the Secretary's responsibilities in the design, construction, award, and inspection of certain Federal-aid projects. Congress has also enacted programs allowing the Secretary to assign, and for the States to assume, the Secretary's environmental responsibilities.

The FHWA and the State Departments of Transportation (SDOTs), including other highway program funds recipients, have jointly administered the FAHP for many years. These parties have been tasked with carrying out the FAHP efficiently and effectively to help accomplish national goals as well as the mutual Federal-State and/or local goals to maintain a national highway network, improve its operation and safety, and further national defense and security while protecting and improving the environment. Stewardship efforts include oversight and approval actions, as well as many day-to-day actions that are routinely performed to ensure that the FAHP is administered in regulatory compliance and in ways that enhance the value of the program funds authorized by Congress. The Stewardship/Oversight Agreement formalizes these assumed responsibilities and agreements to address how the FAHP will be administered in the State.

Initially, when Stewardship/Oversight Agreements were first introduced and developed several years ago in response to ISTEA provisions, the documents that were produced principally addressed how the SDOT and FHWA Division Office would handle the assumed authorities for certain project actions. Since that time, and with the passage of SAFETEA-LU, the overall program has evolved requiring a more comprehensive Agreement that covers project delivery and financial controls of the FAHP. A new Agreement developed based on this guidance will provide a road map for effective oversight and stewardship of the Federal-aid program, including increasing the focus on financial accountability. This guidance addresses the comprehensive approach to FAHP stewardship and the associated assumed responsibilities to the SDOTs.

II. PURPOSE OF STEWARDSHIP/OVERSIGHT AGREEMENTS

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Section 106 of Title 23, United States Code (USC) requires that the FHWA and State enter into an agreement documenting the extent to which the State assumes the responsibilities of the Secretary (and by delegation, FHWA) under Title 23, and where FHWA retains responsibilities. The Stewardship/Oversight Agreement is an agreement between the FHWA Division Office and the SDOT that formalizes roles and responsibilities to address how the FAHP will be administered in the State, and delineates a comprehensive FHWA and SDOT approach to FAHP stewardship. At a minimum, the Agreement should document both project and program responsibilities to ensure effective stewardship and financial oversight of the FAHP. The Agreement should be written clearly to document responsibilities, ensuring adequate oversight for validating the obligation and expenditure of Federal funds. On the broader program level, the Agreement should acknowledge that FHWA and the SDOTs are responsible for the effective and efficient use of Federal funds. Updates to an Agreement should be considered periodically on a case-by-case basis or when:

- Significant new legislation, executive orders or other initiatives affecting the relationship or responsibilities of one or both parties to the Agreement occurs.
- Leadership, or leadership direction, changes at the SDOT or FHWA.
- Priorities shift as a result of audits, public perception, or changes in staffing at either the SDOT or Division Office.

The Agreement should be signed by the SDOT CEO and FHWA Division Administrator to signify the importance regarding how the FAHP will be administered within the State. An Agreement template is provided in Appendix A of this guidance as a format to consider.

The FHWA is responsible for all aspects of Federal-aid programs and the provisions of this Agreement do not preclude FHWA's access to and review of a Federal-aid project at any time and do not replace the provisions of Title 23, USC. The Agreement does not modify the FHWA's non-Title 23 program oversight and project approval responsibilities for activities such as required under the Clean Air Act; the National Environmental Policy Act of 1969 (NEPA) and other related environmental laws and statutes; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and the Civil Rights Act of 1964 and related statutes, unless expressly permitted by SAFETEA-LU sections 6004 and 6005. If a SDOT assumes environmental responsibilities under sections 6004 and 6005 of SAFETEA-LU, specific separate documents are required to spell out the terms of the assumptions; they may be referenced in the Agreement. Under Title 23, USC, planning functions cannot be assumed by the SDOTs.

III. SDOT AND DIVISION OFFICE ROLES AND RESPONSIBILITIES

The Agreement should clearly describe the stewardship and oversight responsibilities, including those that are assumed by the SDOT, along with those responsibilities retained by FHWA. Reference should be made to the Division Office's "Program of Oversight Initiatives (POI)" that is prepared annually. The POI captures risk-based initiatives associated with FHWA's oversight responsibilities and should put the Division Office in a better position to respond to the various reviews and audits, and to further demonstrate that our oversight is reasonable and consistent.

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Sharing of this document annually with the SDOT could provide them with details of how the Agreement is being implemented by FHWA.

The Agreement should address how assumed authorities will be carried out by the SDOT. It should include reference to the reports, reviews, data, staffing information, performance assurances, etc., that will provide documented assurance that the SDOT is properly carrying out their respective responsibilities in accordance with this Agreement. The agreement is not limited to items required by regulation and statute.

Within each of the following program areas, the Agreement should clearly describe State versus Federal responsibilities:

a. Selection and Management of Consultants
b. Civil Rights
c. Financial Management Including Audits
d. Bridge including NBIS
e. Planning
f. Environment
g. Design
h. Right-of-Way (ROW)
i. Safety
j. Traffic Operations
k. Construction

An example of a Program Responsibility matrix is provided in Appendix D of this guidance.

1. Role/expectations of the Division Office on full or partial oversight projects

The Agreement should clearly define the method for selecting "full" oversight projects, which should include who, how, and when they would be identified. The Division Office should take the lead role in identifying these projects, based on an assessment of risks, in consultation with the SDOT.

The method for selecting full or partial oversight projects should be risk based. The Agreement should describe the general process but does not necessarily need to describe it in such detail that it would require a new Agreement every time a new risk is identified. The project selection should include consideration of FHWA's national interests which could lead to selection of Interstate or National Highway System (NHS) projects. In addition, FHWA's role for ensuring accountability of Federal funds may shift its full oversight project selections to higher risk projects that have Congressional interest, are the target of advocacy groups or for many other reasons. Regardless of the criteria used, the decision should be documented. There are many criteria that should be considered in selecting full oversight projects. Some that could be considered include, but are not limited to, the following:

- Complex utility relocations and ROW
- Unknown subsurface conditions (common to tunneling projects)

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- Past performance on similar projects
- Extremely high ADT
- Impact on freight
- Complex traffic control
- Time to construct
- Large contracts
- Innovative contracting methods
- New or innovative construction methods
- Unique engineering features
- Source of funding

A programmatic agreement should be utilized to define oversight responsibilities for new or reconstruction Interstate projects over $1M. If a programmatic agreement is used for such inherently low risk projects on the Interstate System, the Stewardship/Oversight Agreement should include a section concerning how these projects will be handled. The Division Office and the SDOT may define such projects either by a dollar threshold or by certain type of project category, or both. For those types or categories of projects, the Division Office's oversight will be satisfied by an assessment of risk and the resulting associated risk mitigation strategies. Please refer to Mr. King W. Gee's February 22, 2007, memorandum regarding inherently low risk oversight projects on the Interstate System for the development of a programmatic agreement.

The Agreement should clearly define the approval and oversight responsibilities of the Division Office on "full" oversight projects. For example, the FHWA retains authority for the following actions on full oversight projects:

a. Consultant selection and management
b. Plans, Specifications & Estimates Approval
c. Approval Of Design Exceptions
d. Contract Concurrence In Award
e. Contract Change Order Approval
f. Approval Of Contract Claims Settlement
g. Final Inspection
h. Project Acceptance

The specific approval and oversight responsibilities can be documented in an appendix to the Agreement similar to the example in Appendix C of this guidance.

The Division Office and SDOT can agree that certain projects or types of projects be partial oversight projects, which would mean that the Division Office would retain some approval actions and assign others to the SDOT. An example of this would be that a Division Office could retain approval for a PS&E and contract award, and allow the SDOT to assume responsibility for the remaining approvals subsequent to contract award. This should be based on specific risks associated with the project (such as a new contracting method used by the SDOT on this project), or risks associated with the program (such as a low number of bidders in

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a particular area of the State). The approvals retained by the FHWA or assumed by the SDOT should be based on risk identification and should be documented.

For Major Projects greater than $500M, the Agreement should describe the relative role and responsibilities of the parties to include the initial and annual finance plan submissions, cost estimate reviews, and the project management plan. Based on the complexity of the project, the SDOT and Division Office experience in administering major projects, a Division Office may consider risk in determining the roles and responsibilities of the FHWA and SDOT for oversight of Major Projects. For projects between $100M and $500M, the requirement for the SDOT to develop a finance plan should be included as a minimum.

Major Projects that have been approved for Operational Independence and Non-Concurrent Construction (per FHWA Major Project Guidance) will be treated in accordance with the new dollar amounts of each approved phase. Major Projects that were exempted prior to the issuance of the Operational Independence and Non-Concurrent Construction Guidance should be acknowledged in the Agreement and considered in the determination of oversight responsibilities.

Projects using Federal innovative financing instruments such as TIFIA loans, GARVEE loans, or the establishment of a State Infrastructure Bank with Federal-aid funds should be acknowledged in the Agreement, and the appropriate level of Division Office oversight discussed in the Agreement.

The Agreement should describe how the Division Office documents its oversight of full and partial oversight projects, and how the results of this oversight are shared with the SDOT. The Agreement can also include business service standards that would provide an expectation for how long it would take to provide reports and findings along with the expectation of a response concerning corrective actions from the SDOT.

2. Role/expectations of the SDOT on assumed State administered projects

The Agreement should clearly document the roles and responsibilities of the SDOT on assumed projects, and can show this in a Project Action Responsibility Matrix similar to the example in Appendix C of this guidance. Similarly, roles and responsibilities could be described in FHWA approved manuals such as the Right-of-Way Manual, a Design Manual, or Construction Manual. Manuals describing the SDOT processes or procedures should be referenced in the agreement as appropriate.

These assumptions are governed by risk based criteria established by the Division Office in consultation with the SDOT, and can be based on the type of work, route designation (Interstate, NHS, and non-NHS) and cost. Assumptions are not governed by the category of Federal funds used. Based on a risk approach, individual Division Office/SDOT Agreements can increase or decrease the level of assumption by the SDOTs, as appropriate.

Projects for which defined approval authority is assumed by the SDOT are not subject to further approvals by FHWA, unless it is jointly agreed with the SDOT that FHWA should be involved.

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The Agreement should describe the SDOT's approval and oversight responsibilities on all assumed elements of the program and, at a minimum, contain the following concepts:

a. For all assumed projects or programs, the SDOT will comply with Title 23 and certain non-Title 23, U.S.C. Federal-aid program requirements, such as metropolitan and statewide planning, environment, procurement of engineering and design related service contracts, Title VI of the *Civil Rights Act*, participation by disadvantaged business enterprises, prevailing wage rates, and acquisition of right-of-way, etc.
b. For all assumed projects or programs, the SDOT will assure that right-of-way approval; utility approval; environmental approvals; railroad approval and related activities; design approval; design exceptions (NHS); PS&E approval; concurrence in award; and construction-related activities are performed in accordance with State policies, practices and standards, and in accordance with all requirements of Title 23, USC.

The Agreement should describe how the SDOT documents its oversight of State administered projects, and how the results of this oversight are shared with the Division Office. The Agreement can also include business service standards that would provide an expectation for how long it would take to provide reports, reviews and findings along with the expectation to implement corrective actions when necessary. The Agreement should state that the SDOT is to act on behalf of the Secretary and FHWA on these projects with the expectation that it exercises similar judgment based on Federal laws, regulations, and FHWA policies.

3. Role/expectations of the SDOT on Locally Administered Projects

This section of the Agreement will describe the SDOT's approval and oversight responsibilities on locally administered projects. The Agreement will document the role of the SDOT in communicating, educating, and validating the federal requirements with Local Public Agencies (LPAs). FHWA's expectation is that the SDOT act on the behalf of the Secretary of the USDOT for these projects and those SDOTs will exercise similar judgments as FHWA based on federal laws, regulations, and FHWA policies. The Agreement will document how a SDOT carries out its responsibilities for sub-recipient oversight program (23 USC 106(g)(4)), sub-grantee awareness of grant requirements (49 CFR Part 18.37), Management of grants and sub-grants (49 CFR 18.40) and pass through entity responsibilities (OMB Circular A-133§ .400 (d)).

The Agreement should document how the SDOT determines that a sub-recipient of federal funds is able to satisfy the following:

- The sub-recipient has adequate project delivery systems and sufficient accounting controls to properly manage projects. The Agreement may refer to the process the SDOT utilizes to accomplish this and the necessary documentation they maintain.
- The sub-recipient is staffed and equipped to perform work satisfactorily and cost effectively, and that adequate staffing and supervision exists to manage the federal project(s).

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- Projects receive adequate inspection to ensure that projects are completed in conformance with approved plans and specifications.

The Agreement should document the SDOT's process to ensure that when local public agencies elect to use consultants for engineering services, the local public agency, as provided under 23 CFR 635.105, shall provide a full-time employee of the agency to be in responsible charge of the project.

The Agreement should clearly document the approval and oversight process of the SDOT on locally administered projects, or identify where that information is found in a manual or control document approved by FHWA. The SDOT will demonstrate within the Agreement how project actions will be administered in accordance with Federal laws and regulations and approved on sub-recipient administered projects. SDOTs may utilize a risk based approach to their oversight and the Agreement should clearly define the approach and how the SDOT will provide oversight. SDOT oversight should consider the following areas:

a. Consultant selection and management
b. Environment
c. Design
d. Civil Rights
e. Financial Management including audits and indirect cost allocation plans
f. Right-of-way
g. Construction monitoring including Quality Control/Quality Assurance (QC/QA)
h. Contract administration*

*The Agreement must include the SDOT's responsibility to approve a sub-recipient to pursue a contract procurement method other than competitive bidding.

The specific approval and oversight responsibilities mentioned above can be documented in an appendix to the agreement.

The Agreement should describe how the SDOT documents its oversight of locally administered projects and how the results of this oversight are shared with the FHWA Division Office. It is recommended that at a minimum, the SDOT and FHWA exchange information on an annual basis. Specific stewardship/oversight indicators should be identified and agreed upon in the Agreement. The Agreement can also include business service standards that would provide an expectation for how long it would take to provide reports, reviews and findings along with the expectation to implement corrective actions when necessary.

The Agreement should also include SDOT procedures for reporting requirements for certain sub-recipients in accordance with the Federal Transparency Act (PL 109-282 (as amended by PL 110-252).

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4. **Role/expectations of the Division Office in monitoring assumed State administered projects and projects administered by sub-recipients through the State**

The Agreement should describe FHWA's roles and responsibilities on "Assumed Projects." For example, for projects or programs assumed by the SDOT, per above, FHWA or USDOT retains authority for the following actions and approvals:

a. All Federal responsibilities for planning and programming oversight specified in 23 U.S.C. 134 and 135.
b. Federal air quality conformity determinations required by the *Clean Air Act*.
c. Obligation of funds.
d. Waivers to Buy America requirements (FHWA Washington Headquarters (HQ) approval required as noted in Mr. Horne's March 13, 2008 memorandum).
e. SEP-14/SEP-15 methods (FHWA HQ approval required for experimental contracting/project delivery methods).
f. Civil Rights program approvals.
g. Environmental approvals except those specifically assumed under Sections 6004 and 6005 of SAFETEA-LU.
h. Addition of access points on the Interstate System.
i. Use of Interstate airspace for non-highway-related purposes.
j. Hardship acquisition and protective buying.
k. Modifications to project agreements.
l. Final vouchers.
m. Toll authority.
n. Section 1.9(b) Approval of Federal Participation.

The Agreement should describe the FHWA's roles and responsibilities as related to the administration and delivery of the FAHP. The Division Office and SDOT should agree on and document these responsibilities or expectations. Similarly, roles and responsibilities could be described in FHWA approved manuals such as the Right-of-Way Manual, a Design Manual, or Construction Manual. Manuals describing the SDOT processes or procedures should be referenced in the agreement as appropriate.

Examples of expectations would include, but are not limited to, the following:

- Sharing of risk assessment material developed by the Division Office that relates to the SDOT or sub-recipients
- Sharing of information associated with program or performance measurement/management developed or maintained by the Division Office that relates to the SDOT or sub-recipients
- Sharing of project, process or program reviews conducted by the FHWA that relates to the SDOT or sub-recipients

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- Sharing of performance or information related to strategic or performance planning that relates to the SDOT or sub-recipients
- Periodic communication initiated by the Division Office, at least on an annual basis, that provides information regarding stewardship and oversight efforts that are governed by the Agreement. It is expected that this would take place in meetings with the SDOT's upper management and would include discussion regarding what has worked well during the year and where refinements may be needed in stewardship and oversight efforts.

The Division Office retains the right and authority to review all aspects of the SDOT's delivery of the FAHP. Nothing in the Agreement should limit the Division Office's ability to access or review SDOT or sub-recipient documents that are pertinent to the delivery of the FAHP.

The Division Office and the SDOT should work cooperatively and collaboratively in the administration of the provisions or terms of the Agreement.

IV. METHODS OF OVERSIGHT

The Agreement should document the key processes to be used by the SDOT and the Division Office in monitoring the FAHP. At a minimum, it should include how the Division Office and/or SDOT will develop and implement process/program reviews/evaluations. A discussion of oversight methods is provided below.

Various techniques can be used to help determine which reviews should be conducted, including risk assessments and pre-determined schedules for regular reviews of specific programs or components. The reviews can be conducted by individuals or teams and can be performed using FHWA Division Office staff, SDOT staff, or staff from other stakeholder groups and organizations. The incorporation of the Division Office Financial Integrity Review and Evaluation (FIRE) Program should be referenced as the means to assess the financial aspects of programs and projects.

The SDOT, FHWA, or both may initiate process and program evaluations of the FAHP. All evaluations are intended to evaluate procedures and policies used in delivering the FAHP, along with identifying deficiencies and opportunities for improvement. Reviews should also be performed to evaluate compliance with the established procedures and policies. FHWA will employ a risk management framework in consultation with the SDOT to evaluate program areas to balance risk with consideration of staffing resources, funding within FAHP, and transportation needs within the State. The SDOT may work collaboratively with FHWA to identify risks and make practical resources available to address FHWA's risk assessment findings. Techniques that may be used include the following:

- Program Assessments
- Program Reviews
- Certification Reviews

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- Recurring reviews
- Project Inspections

Program reviews are FHWA's primary tool for providing oversight for assumed projects. The size and intensity of the program review may vary, depending on the topic being reviewed. Further, wherever appropriate, the program review should include a financial component and involve members of the financial team to determine if appropriate internal controls exist within the program intended to detect and/or prevent possible fraud, waste or abuse of Federal-aid funds. This component includes documenting those internal controls, as well as reviewing the adequacy of the documentation to support the appropriate expenditure of Federal-aid funds.

Project inspections are a valuable tool for determining adherence to applicable laws, regulations, and policies, and should also be employed by the SDOT in its oversight of locally administered projects.

Regardless of the technique used, all reviews and inspections should be documented by a report.

V. CONTROL STANDARDS/DOCUMENTS

The Agreement should reference applicable control documents and explain the SDOT's agreement to comply with specific control standards in compliance with current laws, regulations and other standards governing the FAHP. The Division Office will approve SDOT policies or standards that expand on, amplify, or amend these standards.[1] (See Appendix B for an example.) On non-NHS projects, certain laws, regulations and standards are determined by the SDOT. In addition, project specific approvals (use of force account, proprietary products, etc.) should be documented in the specific project files.

Proper Management (or Internal) Controls over the FAHP are a critical piece of proper stewardship and oversight. These should be constantly evaluated by program reviews, the States' internal audits, as well as, the single audit of the SDOT and sub-recipients. Deficiencies in management controls should be addressed through the Division Office's Program of Oversight Initiatives.

VI. STEWARDSHIP / OVERSIGHT INDICATORS

The Agreement should identify stewardship/oversight indicators that will be an integral part of joint Federal/State stewardship/oversight activities. The SDOT and the Division Office should reach agreement on a broad set of stewardship/oversight indicators representing all program areas that both parties will use to track the effective administration of the FAHP (see examples of recommended measures below). These indicators should be determined locally in order to meet the needs of the SDOT and the FHWA Division Office. Within the context of a Stewardship/Oversight Agreement, these particular indicators are intended to provide insights into whether FAHP processes are working as intended.

[1] Approved documents may be listed under this section.

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[Note: The intention of this guidance is to distinguish between "stewardship/oversight indicators" and more comprehensive "performance management results-oriented program measures." For example, the "Percentage of the STIP Advanced" represents a process-oriented stewardship indicator for monitoring and improving the planning process. On the other hand, an example of a results-oriented program measure is "Reduction of Highway Fatalities." This guidance intends to advance the discussion on the narrower issue of process indicators since the broader topic of program performance management is evolving in other arenas.]

These indicators should be used to set targets, track trends, and to implement countermeasures/actions when the data is not moving in the desired target direction. For example, countermeasures may include raising the attention level of the issue, instituting additional data and trend analysis, developing new processes or procedures, initiating additional targeted stewardship/oversight activities, or implementing additional program review activities. A number of SDOTs and Division Offices have implemented periodic meetings where trend data is jointly assessed and process improvement strategies are jointly initiated.

When a SDOT assumes FHWA approval responsibilities, FHWA should work jointly with the SDOT to develop stewardship/oversight indicators that periodically gauge the effectiveness of the assumed responsibility. The stewardship/oversight indicators should help to provide documented evidence that State assumption of responsibility is functioning appropriately. For example, the SDOT and the Division Office may elect to use indicators addressing project cost escalation, level of oversight, or project delivery, comparing assumed and full oversight projects. It is envisioned that a SDOT and FHWA Division Office will jointly examine and discuss such data on at least an annual basis in order to effectively manage and improve program delivery.

These joint stewardship/oversight indicators provide insights for improving both Federal and State processes. For example, a Division Office's "response time for PS&E approval" may be a useful measure to assess FHWA's processes. Correspondingly, a measure that tracks "the number of significant PS&E review comments requiring resolution" may help a SDOT focus on improving its PS&E delivery process. Indicators should be risk-based and continue to evolve to meet the needs of all involved parties. It is envisioned that the SDOT and FHWA will exchange and discuss stewardship/oversight indicator data on a predetermined schedule.

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Examples of Effective Stewardship/Oversight Indicators	
Area of Focus	**Indicator**
Selection and Management of Consultants	• Maintenance of schedule • Maintenance of budget • Construction change orders attributed to design work by consultant • Percentage of consultant design work versus total design budget
Civil Rights	• DBE project goal versus actual payment • Cumulative progress toward statewide DBE goal • Number of ADA formal complaints • Number of formal Title VI complaints • EEO compliance reviews completed
Financial Management	• Use of obligation authority vs. time of year • Advanced Construction authorization balances as a percentage of annual apportionment • Accrued-unbilled balances • Inactive Obligations as a percentage of annual apportionment • Number of inactive projects
Bridge/NBIS	• Percent of routine inspections on schedule • The number of bridges behind on Underwater Inspections. • The number of bridges behind on Fracture Critical Inspections • The number of inspection reports not turned in, or turned in timely
Planning	• Percentage of STIP advanced • Cost growth during planning stage • Percentage of areas in air quality conformity • Percentage of local projects bid versus planned
Environment	• Average time to complete EIS's, EA's and CE's • Percentage of projects meeting anticipated completion date • Wetland replacement ratios
Design	• Cost growth during design • Construction change orders attributed to design • Schedule growth • Significant PS&E comments requiring resolution • Value engineering savings • FHWA response time for PS&E approval
ROW	• Percentage of projects with conditional ROW certifications • Number of ROW appeals filed each year • Percentage of parcels acquired through condemnation
Safety	• Percent of HSIP funds obligated • Number of completed RSA's • Improvement in assessment scores associated with implementation of proven safety countermeasures
Operations	• Average incident clearance time • Number of incidents lasting over 90 minutes • Duration of peak period (AM and PM for key routes) • Improvement in Work Zone Self Assessment scores
Contract Administration	• Number of bids per project (by region, type of work, contract size, level of competition, etc.) • Bids and award dispersion by contractor
Construction	• Cost growth during construction • Schedule growth during construction • Value engineering savings – construction • Expenditures determined to be ineligible for Federal participation • Percentage of projects completed on time

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APPENDICES

Appendix A: Outline Template for a typical Stewardship/Oversight Agreement

Appendix B: Example of FHWA/SDOT Manuals and Operating Agreements

Appendix C: Example of Project Action Responsibility Matrix

Appendix D: Example of Program Action Responsibility Matrix

Appendix E: Glossary

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Appendix A: Stewardship/Oversight Agreement Template

I. Purpose of Stewardship/Oversight Agreements

a. Cite Authority for Assignment

b. General Stewardship and Oversight Expectations

II. SDOT and Division Office Roles and Responsibilities

a. Role/expectations of the Division Office on full or partial oversight projects

b. Role/expectations of the SDOT on assumed State administered projects

c. Role/expectations of the SDOT on Locally Administered Projects

d. Role/expectations of the Division Office in monitoring assumed State administered projects and projects administered by sub-recipients through the SDOT

III. Methods of Oversight

a. Program/Risk Assessment – Describe the methods the Division Office uses to assess risk and the focus of Division Office resources (Joint Risk Assessment, Self-assessment, FIRE, Data Analysis, etc.)

b. Project and Program Reviews – Describe the methods and anticipated frequency of oversight actions on projects and programs use by both the Division Office and SDOT (Process Reviews, Program/Product Evaluations, Peer Reviews, etc.)

IV. Control Standards/Documents

a. List FHWA approved SDOT Manuals, Procedures, etc., along with the process to amend them and periodically review them.

b. List other control documents as necessary

V. Stewardship/Oversight Indicators

Clearly define stewardship/oversight indicators, and how they are used to assess risk and the effectiveness of the program to facilitate decision making.

VI. Appendices

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Appendix B: SDOT/FHWA Manuals & Operating Agreements

SDOT Manuals (approved by FHWA for use on Federal-aid projects -- this list is provided as an example and is not all inclusive)

Access Policy
Affirmative Action Plan
Bid Evaluation Procedure
Bridge Manual
Consultant Selection Process
Contract Administration Manual
Contract Compliance Plan
Disadvantaged Business Enterprise (DBE) Plan
Environmental Process Manual
Financial Services Manual
Highway Safety Improvement Plan
Indirect Cost Allocation Plan (Cost Pool Composition/Eligibility)
Local Public Agency (LPA) Guidelines
Materials Manual
Right of Way Manual
Standard Drawings
SDOT Design Manual
Statewide Transportation Improvement Plan
Supplemental and Standard Specifications
Title VI Plan
Traffic Operations Manual (e.g. MUTCD supplement)
Transportation Improvement Plan
Utility Manual
Work Programs

- Local/Tribal Technical Assistance Program (LTAP/TTAP)
- Statewide Planning and Research
- Transportation Management Area/Metropolitan Planning Organization (TMA/MPO)

Operating (Programmatic) Agreements

NEPA/404

Endangered Species Act Section 7
Endangered Species Act Informal Consultation

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Appendix C: Example of Project Action Responsibility Matrix

PROJECT ACTION RESPONSIBILITY

The following matrix is a composite list of project actions from several actual Stewardship/Oversight Agreements that is provided for illustrative purposes. Assignment of responsibilities may be different from those shown as determined by the FHWA Division Office and SDOT in their analysis and discussion.

Approval Action	AGENCY RESPONSIBLE			
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS	
	Federal Oversight	Non-Federal Oversight	Federal Oversight	Non-Federal Oversight
PROGRAMMING (All phases)				
Ensure project in Statewide Transportation Improvement Program (STIP) / Transportation Improvement Program (TIP)	SDOT	SDOT	SDOT	SDOT
Ensure eligibility for proposed funding category	SDOT(1)	SDOT	SDOT(1)	SDOT
FINANCIAL MANAGMENT (All phases)				
Obligate funds / approve Federal-aid project agreement (project authorizations)	FHWA	FHWA	FHWA	FHWA
Authorize current bill	FHWA	FHWA	FHWA	FHWA
Review and Accept Financial Plan and Annual Updates for Federal Major Projects over $500 million [23 U.S.C. 106(h)]	FHWA	N/A	FHWA	N/A
Review Cost Estimates for Federal Major Projects over $500 million [23 U.S.C. 106(h)]	FHWA	N/A	FHWA	N/A
Develop Financial Plan for Federal Projects between $100 million to $500 million [23 U.S.C. 106(i)]	SDOT	SDOT	SDOT	SDOT
ENVIRONMENT (All phases)				
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal laws and regulations.	FHWA	FHWA	FHWA	FHWA
Programmatic Environmental Reports (pER)	SDOT	SDOT	SDOT	SDOT
PRELIMINARY DESIGN (Design Phase)				
Concept Definition Report [FDM 3-5-1]	SDOT(2)	SDOT(2)	SDOT(2)	SDOT(2)
Consultant Contract Selection [FDM 8-5-1](3)	SDOT	SDOT	SDOT	SDOT
Sole source Consultant Contract Selection [FDM 8-5-1](3)	FHWA	FHWA	FHWA	SDOT
Approve hiring of consultant to serve in a "management" role [23 CFR 172.9, FDM 8-5-55]	FHWA	FHWA	FHWA	FHWA
Approve consultant agreements (Federal non-Major projects) [23 CFR 172.9, FDM 8-20-5]	SDOT	SDOT	SDOT	SDOT

Superseded

Approval Action	AGENCY RESPONSIBLE			
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS	
	Federal Oversight	Non-Federal Oversight	Federal Oversight	Non-Federal Oversight
Approve consultant agreements and agreement revisions on Federal Major projects [23 CFR 172.9, FDM 8-20-5]	FHWA	N/A	N/A	N/A
Approve exceptions to design standards [23 CFR 625.3(f), FDM 11-1-2]	FHWA	FHWA	SDOT(4)	SDOT
Interstate System Access Change [23 USC 111, FDM 7-45-1]	FHWA	FHWA	N/A	N/A
Design Study Report [FDM 3-15-25]	SDOT(2)	SDOT	SDOT(2)	SDOT
Airport highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104, FDM 5-5-15]	FHWA	SDOT(5)	N/A(5)	N/A(5)
Approve Project Management Plan for Federal Major Projects over $500 million [23 US C 106(h)]	FHWA	N/A	FHWA	N/A
Approve innovative and Public-Private Partnership (PPP) projects in accordance with SEP-14 and SEP-15 (except those Design-Build projects that conform with 23 CFR 636)	FHWA	FHWA	FHWA	FHWA
Provide pre-approval for preventive maintenance project (Division Office Policy until FHWA concurs with SDOT procedures)	FHWA	FHWA	FHWA	FHWA
DETAILED / FINAL DESIGN (Design Phase)				
Approve preliminary plans for unusual structures [23 USC 109(a) and FHWA Policy]	FHWA	FHWA	SDOT(4)	SDOT
Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c), FDM 12-1-20]	SDOT(6)	SDOT(6)	SDOT	SDOT
Approve use of local force account agreements [23 CFR 635.104 & 204, FDM 3-20-11,12]	FHWA	SDOT	FHWA	SDOT
Approve use of publicly owned equipment [23 CFR 635.106]	FHWA	SDOT	SDOT	SDOT
Approve the use of proprietary products, processes [23 CFR 635.411, FDM19-1-5]	FHWA	SDOT	SDOT	SDOT
Concur in use of publicly furnished materials [23 CFR 635.407]	FHWA	SDOT	SDOT	SDOT
RIGHT-OF-WAY (Design Phase)				
Authorize Right-of-Way activities [23 CFR 710.307] (If a Federal-aid project)	FHWA	FHWA	FHWA	FHWA
Accept Right-of-Way certificate as a condition of PS&E approval [23 CFR 635.309(b)(c)]	FHWA	SDOT	FHWA	SDOT
Approve Hardship and Protective Buying [23 CFR 710.503, FDM 3-20-15] (If a Federal-aid project)	FHWA	FHWA	FHWA	FHWA
Approve air space agreements [23 CFR 710.405]	FHWA(7)	SDOT	NA(5)	NA(5)

Superseded

Approval Action	AGENCY RESPONSIBLE			
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS	
	Federal Oversight	Non-Federal Oversight	Federal Oversight	Non-Federal Oversight
Approve non-highway use and occupancy [23 CFR 710.407]	FHWA[7]	SDOT	NA[5]	NA[5]
Approve disposal of federally funded right-of-way, including disposals of access control [23 CFR 710.409]	FHWA[7]	FHWA[7][8]	NA[5][8]	NA[5][8]
Requests for credits toward the non-federal share of construction costs for early acquisitions, donations or other contributions applied to a project	FHWA	FHWA	FHWA	FHWA
Federal land transfers [23 CFR 710, Subpart F]	FHWA	FHWA	FHWA	FHWA
Functional replacement of property [23 CFR 710.509]	FHWA[9]	FHWA[9]	FHWA[9]	FHWA[9]
SAFETY (Design Phase)				
Assurance that projects meet appropriate design safety criteria, as related to the AASHTO Roadside Design Guide and NCHRP 350	SDOT	SDOT	SDOT	SDOT
SYSTEM OPERATIONS AND PRESERVATION (Design Phase)				
Accept Transportation Management Plans	FHWA	SDOT	FHWA	SDOT
Approval of System Engineering Analysis (for ITS) [CFR 940.11]	FHWA	SDOT	FHWA	SDOT
PS&E AND ADVERTISING (Design Phase)				
Approve plans, specifications and estimates [23 CFR 630.20, FDM 19-1-1]	FHWA	SDOT[10]	FHWA	SDOT[10]
Authorize advance construction and conversions [23 CFR 630.703 & 709]	FHWA	FHWA	FHWA	FHWA
Authorize utility or railroad force account work [23 CFR 645.113 & 646.216, FDM 18-5-15]	SDOT	SDOT	SDOT	SDOT
Approve utility and railroad agreements [23 CFR 645.113 & 646.216, FDM 17-20-10, 18-20-1]	SDOT	SDOT	SDOT	SDOT
Approve use of consultants by utility companies [23 CFR 645.109(b)]	SDOT	SDOT	SDOT	SDOT
Approve exceptions to maximum railroad protective insurance limits [23 CFR 646.111]	SDOT	SDOT	SDOT	SDOT
Determine need for Coast Guard Permit [23 CFR 650.805, FDM 5-5-15, 20-15-1]	FHWA	FHWA	FHWA	FHWA
Authorize advertising for bids (FHWA authorization done via construction authorization) [23 CFR 635.112, 309, FDM 19-1-1]	FHWA	SDOT	FHWA	SDOT
CONTRACT ADVERTISEMENT & AWARD (Design Phase)				

Superseded

Approval Action	AGENCY RESPONSIBLE			
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS	
	Federal Oversight	Non-Federal Oversight	Federal Oversight	Non-Federal Oversight
Approve cost-effectiveness determinations for construction work performed by force account or by contract awarded by other than competitive bidding [23 CFR 635.104 &.204, FDM 3-20-11,12] (12)	FHWA(11)	SDOT(11)	FHWA(11)	SDOT(11)
Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 &.204, FDM 3-20-11,12] (12)	FHWA	SDOT	FHWA	SDOT
Approve construction engineering by local agency [23 CFR 635.105]	SDOT(4)	SDOT	SDOT	SDOT
Approve advertising period less than three weeks [23 CFR 635.112]	FHWA	SDOT	FHWA	SDOT
Approve addenda during advertising period [23 CFR 635.112]	FHWA	SDOT(10)	FHWA	SDOT(10)
Concur in award of contract [23 CFR 635.114]	FHWA	SDOT(4)	FHWA	SDOT
Concur in rejection of all bids [23 CFR 635.114]	FHWA	SDOT(4)	FHWA	SDOT
CONSTRUCTION (Construction Phase)				
Approve changes and extra work [23 CFR 635.120]	FHWA	SDOT	FHWA	SDOT
Approve contract time extensions [23 CFR 635.120]	FHWA	SDOT	FHWA	SDOT
Concur in use of mandatory borrow/disposal sites [23 CFR 635.407]	FHWA	SDOT	FHWA	SDOT
Accept materials certification [23 CFR 637.207]	FHWA	SDOT	FHWA	SDOT
Concur in settlement of contract claims [23 CFR 635.124]	FHWA	SDOT	FHWA	SDOT
Concur in termination of construction contracts [23 CFR 635.125]	FHWA	SDOT(4)	FHWA	SDOT
Waive Buy America provisions [23 CFR 635.410]	FHWA	FHWA	FHWA	FHWA
Final inspection/acceptance of completed work [23 USC 114(a)]	FHWA	SDOT	FHWA	SDOT
CIVIL RIGHTS (All phases)				
Setting Disadvantaged Business Enterprise (DBE) Project Goal	Joint FHWA -SDOT	SDOT	Joint FHWA-SDOT	SDOT
Acceptance of DBE Plan and/or Good Faith Efforts	Joint FHWA -SDOT	SDOT	Joint FHWA -SDOT	SDOT
Equal Employment Opportunity (EEO) Contract Compliance Review Approval	FHWA	FHWA	FHWA	FHWA
Training Special Provision – Approval of Project Goal for training hours	Joint FHWA -SDOT	SDOT	Joint FHWA -SDOT	SDOT
Training Special Provision – Approval of New Project Training Programs	FHWA	FHWA	FHWA	FHWA

Superseded

Approval Action	AGENCY RESPONSIBLE			
	PROJECTS ON THE NHS		PROJECTS OFF THE NHS	
	Federal Oversight	Non-Federal Oversight	Federal Oversight	Non-Federal Oversight

Footnotes:

(1) FHWA will verify SDOT's determination of eligibility on Federal oversight projects.

(2) FHWA should receive, or have electronic access to all Concept Definition Reports (CDRs) to have general awareness of upcoming projects, and to determine potential oversight projects. FHWA should receive, or have electronic access to Design Study Reports (DSRs) for all Federal oversight projects.

(3) Process approval and modifications to, or variation in process, require FHWA approval.

(4) Informational copy to FHWA required. (Record keeping and reporting)

(5) Approvals, if any, will be those required by State laws, regulations, policies, and procedures. However, this does not relieve the SDOT from responsibility for these areas, nor from compliance with non-Title 23 Federal requirements which may remain applicable.

(6) FHWA approval is required for revocable occupancy permits of non-conforming outdoor advertising signs.

(7) Interstate Only.

(8) FHWA approval required for disposal of any excess right-of-way at less than fair market value where the original right-of-way was acquired with Federal funds.

(9) Only if Federal funds are used for right-of-way acquisition.

(10) FHWA accepts SDOT process for PS&E and addenda approvals.

(11) A programmatic approval for projects with total costs below $25,000 has been approved by FHWA.

(12) All construction work is to be performed by contract awarded by competitive bidding, unless a determination is made that some other method is cost-effective or that an emergency exists, and all other related requirements have been met. Work to be completed under Federal Emergency Relief (ER) should follow ER rules and guidelines.

Note: The phases listed with each program category define which approval actions fall under each phase of a project for oversight purposes. For example, an NHS project designated as oversight in only the design phase would follow the "Projects on the NHS – Federal Oversight" column for those program categories marked "all phases" or "design phase" and would follow the "Projects on the NHS - Non-Federal Oversight" column for the program categories marked "construction."

Superseded

Appendix D: Example of Program Action Responsibility Matrix

PROGRAM ACTION RESPONSIBILITY

The following matrix is a composite list of program actions from several actual Stewardship/Oversight Agreements that is provided for illustrative purposes. Assignment of responsibilities may be different from those shown as determined by the FHWA Division Office and SDOT in their analysis and discussion.

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Planning					
Statewide Planning					
Statewide Planning and Research (SPR) (Part 1) Work Program	23 CFR 420.111	Annually by June 30	Planning	Planning Team	
State Participation Process for Non-metropolitan Local Officials	23 CFR 450.210(b)	As needed or as revised by State	Planning	Planning Team	
State Public Involvement Process	23 CFR 450.210(a)	As needed or as revised by State	Planning	Planning Team	
State Self-certification	23 CFR 450.218	Submitted with proposed STIP or STIP amendments	Programming/ Planning	Planning Team	FHWA and FTA issue a joint finding
Statewide Transportation Plan	23 CFR 450.214	Revise and update, as appropriate	Planning	Planning Team	
Statewide Transportation Improvement Program (STIP)	23 CFR 450.216	At least every 4 years	Programming	Planning Team	Joint FHWA and FTA approval
STIP Amendments	23 CFR 450.218	As submitted by State	Programming	Planning Team	Joint FHWA and FTA approval
Tribal Government Consultation Process	23 CFR 450.210(c)	As needed or as revised by State	Planning	Planning Team	
Metropolitan Planning					
Annual Listing of Obligated Projects	23 CFR 450.332	Annually, no later than 90 days after September 30	Programming	Planning Team	
Certification in Transportation Management Areas (TMAs)	23 CFR 450.334(b)	Every 4 yrs	Planning	Planning Team	Joint FHWA and FTA certification
Congestion Management Process in TMAs	23 CFR 450.320	Established and revised as needed	Planning	Planning Team	
Metropolitan Planning Area Boundaries	23 CFR 450.312	Established and revised as needed	Planning	Planning Team	Require agreement between Governor and the MPO
Metropolitan Transportation Plan (MTP) in Attainment Areas	23 CFR 450.322	Every 5 yrs	Planning	Planning Team	Developed by MPOs

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Metropolitan Transportation Planning Organizations (MPO) Designation and Redesignation	23 CFR 450.310	As needed/revised by MPO/State	Planning	Planning Team	Require agreement between Governor and local governments
MPO Self-certification (Non-TMAs)	23 CFR 450.334(a)	At least every 4 years, with submittal of TIP as part of the STIP	Programming/ Planning	Planning Team	
MTP in Non-attainment and Maintenance Areas	23 CFR 450.322	Every 4 yrs	Planning	Planning Team	Developed by MPOs
Participation Plans	23 CFR 450.316	As needed or revised by MPOs	Planning	Planning Team	Developed by MPOs
Transportation Improvement Program (TIP)	23 CFR 450.324; 23 CFR 450.328	At least every 4 years	Programming	Planning Team	
TIP Amendments	23 CFR 450.326; 23 CFR 450.328	As submitted by MPOs	Programming	Planning Team	
Unified Planning Work Programs	23 CFR 450.306	Annually by May 15	Planning	Planning Team	Developed by MPOs; Joint FHWA and FTA approval. Referred to as OWP in the State.
Air Quality					
Congestion Mitigation and Air Quality Improvement Program (CMAQ) Funds Report	04/28/99 HQ CMAQ guidance memo	Annually by Feb 1	Programming	Planning Team	
Conformity Determination for MTP in Non-attainment and Maintenance Areas	23 CFR 450.322; 40 CFR 93	With MTP updates at least every 4 years and as needed on amendments	Planning	Planning Team	Joint FHWA and FTA determination; In consultation with the Environmental Protection Agency (EPA)
Conformity Determination for TIP in Non-attainment and Maintenance Areas	23 CFR 450.328: 40 CFR 93	With TIP submittal at least every four years and as needed on TIP amendments	Planning	Planning Team	Joint FHWA and FTA determination; In consultation with EPA
PM2.5 and Mobile Source Air Toxics	Memos February 3, 2006 and March 29, 2006, 71 FR 12468, 23 CFR 771.129	As needed	Planning/ Environment	Planning Team/	In consultation with EPA
ROW					
Acquisitions, Appraisals, and Relocations	49 CFR 24, The UA	As needed	ROW	ROW Team	
Early Acquisitions	23 CFR 710.501	As needed	Planning	ROW Team	
Local Public Agency Oversight	49 CFR 24.4(b); 23 CFR 710.201(h)	As needed	Local Assistance/ ROW	ROW Team	SDOT has oversight of local public agencies.
Outdoor Advertising Policies and Procedures	23 CFR 750.304	As needed or submitted by State	ROW	ROW Program Manager	
Railroad Agreement Alternate Procedure	23 CFR 646.220	One time	ROW	ROW Team	
Requests for Waivers	49 CFR 24.204(b); 49 CFR 24.7	As submitted by State	ROW	ROW Team	

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
State Right-of-Way (ROW) Manual	23 CFR 710.201	Jan. 1, 2001 & every 3 years thereafter	ROW	ROW Program Manager	
Uniform Relocation Assistance and Real Property Acquisition Report – [Office of Management and Budget (OMB) Form 2125-0030]	49 CFR 24.9(c) and Attachment 2	Annually by no later than November 15	ROW	ROW Team	Submitted to FHWA Headquarters (HQ)
Utility Accommodation Policy	23 CFR 645.215	When changes occur	ROW	ROW Program Manager	
Utility Agreement Alternate Procedure	23 CFR 645.119	One time	ROW	ROW Program Manager	
Highway Information					
Functional classification of highways/streets	23 CFR 105(b)	As needed or as revised by State	Transportation System Information (TSI)	National Programs	
Highway Performance Monitoring System (HPMS) Data Submission and Review	FHWA HPMS Field Manual & CFR 420.105(b)	Submission by June 15; Review by November 1	TSI	Data Analyst	Submission by SDOT; Review by FHWA Division Office
Interstate additions & revisions	23 CFR 470.111, 115(a)	As requested by State	TSI	National Programs/ State Programs	Approved by HQ - Office Director
National Highway System (NHS) revisions	23 CFR 470.113, 115(a)	As requested by State	TSI	National Programs/ State Programs	Approved by HQ - Office Director
Public road mileage certification	23 CFR 460.3 &	Annually by June 1	TSI	Data Analyst	Approved by Governor or designee
Urban area boundaries	23 CFR 470.105(a)	As needed or as revised by State	TSI	Planning Team	
Environment					
Audits on Section 6005 Pilot Program Memorandum of Understanding (MOU)	SAFETEA-LU Section 6005; MOU	Semiannually for first 2 years of pilot program, annually thereafter until program terminates	Pilot Program Manager	Headquarters with Division Office Assistance	Third-party audit to be conducted by FHWA HQ
Bicycle Transportation and Pedestrian Walkways	23 USC 217	As needed or requested by State	Design/Local Assistance	Environmental Coordinator/ National Programs	
Environmental Justice	FHWA Order 6640.23	As needed or required	Environment	Civil Rights/ Environmental Coordinator	
Environmental Review Process	SAFETEA-LU Section 6002	As required for EISs and as needed for EAs	Environment	Environmental Coordinator	
NEPA Procedures, including Section 4(f)	23 CFR 771; 23 CFR 774; SAFETEA-LU 6007 & 6009	As needed or required	Environment	Environmental Coordinator	
Noise Abatement	23 CFR 772; 06/12/95 HQ memo	As needed or required	Environment/ Design	Environmental Coordinator	FHWA approves SDOT' noise abatement policy
Performance Measures for Section 6005 Pilot Program	SAFETEA-LU Section 6005 FHWA/SDOT MOU	As outlined in MOU	Pilot Program Manager	Environmental Coordinator	SDOT to report to FHWA on measures

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Planning and Environmental Linkages	23 CFR 450.212; 23 CFR 450.318; Appendix A to 23 CFR 450	As needed	Planning/ Environment	Environmental Coordinator/ Planning Team	
Process Reviews on Section 6004 MOU	SAFETEA-LU Section 6004; MOU	At least every 15 months	Environment	Environmental Coordinator	
Public involvement/ Public Hearing Program	23 CFR 771.111(h)(1)	As revised by State	Environment/ Design/Project Management	Environmental Coordinator	Program is in place
Section 106 of the National Historic Preservation Act	23 CFR 800	As needed or required	Environment	Environmental Coordinator	
Section 404 of the Clean Water Act	23 CFR 777; NEPA/404 MOU	As needed or required	Environment	Environmental Coordinator	
Section 6(f) of the Land and Water Conservation Fund Act	36 CFR 59	As needed or required	Environment	Environmental Coordinator	
Section 7 of the Endangered Species Act	50 CFR 402; Dispute Resolution Process	As needed or required	Environment	Environmental Coordinator	
Section 9 of the Rivers and Harbors Act (Bridge Permits)	23 CFR 650 Subpart H; 33 CFR 114 & 115	As needed or required	Environment	Environmental Coordinator	
Tribal Government Consultation	36 CFR 800.16(m)	As needed or required	Planning/ Environment	Environmental Coordinator	
Civil Rights					
Americans with Disabilities Act (ADA) /Sec. 504 Program Plan accomplishments and next year's goals	49 CFR 27.11(c), EO 12250	Annually by Oct. 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
ADA complaint reports of investigation	28 CFR 35.190	As requested by FHWA	Business Economic Opportunities Program	State and Local Programs/National Programs/Civil Rights	Division Office reviews, FHWA HQ approves and issues finding
Annual Contractor Employment Report [Construction Summary of Employment Data (Form PR-1392)]	23 CFR 230.121(a)(3)	Annually by Sept 30	Business Economic Opportunities Program	Civil Rights	Division Office reviews and submits to FHWA HQ
Disadvantaged Business Enterprise (DBE) Program Plan accomplishments and next year's goals	49 CFR 26.11	Annually by Oct. 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
DBE Program revisions	49 CFR 26.21(b)(2)	As needed	Business Economic Opportunities Program	Civil Rights	
Equal Employment Opportunity (EEO) Contract Compliance review reports	23 CFR 230.409, 230.413(b)(1)(i)(D)	Upon completion by State	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
EEO Contractor Compliance Plan accomplishments and next year's goals	23 CFR 230, Subpart C, Appendix A, Part I, III	Annually by Oct. 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
Historically Black College & University / Minority Institutions of Higher Learning / Tribal Colleges and Universities Report	EO 12876	Annually by Nov 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and submits to FHWA HQ
On-the-Job-Training (OJT) goals & accomplishments	23 CFR 230.111(b)	Annually by Jan 30	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Report on supportive services (OJT & DBE)	23 CFR 230.113(g), 230.121(e), 230.204(g)(6)	Quarterly by April 15, July 15, Oct. 15, and Jan. 15	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
State Employment Practices Report (EEO-4)	23 CFR 230.311(a)(2)	Due by Aug. 15 every two years	Business Economic Opportunities Program	Civil Rights	Division Office reviews and submits to FHWA HQ
State internal EEO affirmative action plan (Title VII) accomplishments, next year's goals, & employment statistical data	23 CFR 230.311,	Annually by Oct. 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
State's Overall DBE Goal	49 CFR 26.45(f)(1)	Due by Aug 1 every three years	Business Economic Opportunities Program	Civil Rights	Also requires FHWA legal review and concurrence
Supportive services funds requests (OJT and DBE)	23 CFR 230.113 & 230.204	As requested by FHWA	Business Economic Opportunities Program	Civil Rights	Division Office reviews and submits to FHWA HQ for approval
Title VI Plan accomplishments and next year's goals	23 CFR 200.9(b)(10),	Annually by Oct. 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and comments
Title VI Plan revisions	23 CFR 200.9	As needed	Business Economic Opportunities Program	Civil Rights	
Uniform Report of DBE Commitments/Awards and Payments	49 CFR 26, Attachment 2	Semi-annually by June 1 and Dec. 1	Business Economic Opportunities Program	Civil Rights	Division Office reviews and submits to FHWA HQ
ITS and Traffic Operations					
Hybrid/High Occupancy Vehicle (HOV) Lanes	SAFETEA-LU 1121, 23 CFR 656	Semi Annually	Traffic Operations	National Programs	
Incident Management	23 CFR 500	Quarterly	Traffic Operations	National Programs	
Traffic Operations Performance Data	23 CFR 500	Semi Annually	Traffic Operations	National Programs	
National Network Modifications	23 CFR 658.11	As requested by State	Traffic Operations	Planning Team	
Regional Intelligent Transportation System (ITS) Architecture Maintenance	23 CFR 940.9	As needed	Planning/Traffic Operations	National Programs	Typically, MPOs own and maintain system
Statewide ITS Architecture and System Plan	23 CFR 940.9	As needed or as revised by State	Planning/Traffic Operations	National Programs	
Systems Engineering Analysis Implementation	23 CFR 940.11	Until fully integrated	Planning/ Traffic Operations	National Programs	
Vehicle Size & Weight enforcement certification	23 CFR 657.13	Annually by Jan 1	Traffic Operations	National Programs	
Vehicle Size & Weight enforcement plan	23 CFR 657.11	Annually by Oct 1	Traffic Operations	National Programs	
Research, Development and Technology					
Local Technical Assistance Program (LTAP) Centers Work Plan and Budget	FHWA LTAP Field Manual	Annually by March 31	Local Assistance	Local Programs Team	FHWA HQ approval
SPR (Part 2) Work Program	23 CFR 420.111	Annually by June 30	Research & Innovation	Planning	
Technology Transfer Program	23 CFR 420.207	10th of each month		National Programs	
Safety					

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
402 Highway Safety Plan	12/22/99 guidelines, TEA-21, 2001	Annual	N/A	National Programs	The State Office of Traffic Safety (OTS) coordinates with the National Highway Traffic Safety Administration (NHTSA) for review and approval; no SDOT or FHWA involvement required
5% Report	23 USC 148(c)(1)(D)	Annually by August 31	Traffic Operations/ Local Assistance	National Programs	
Drug offender driver's license suspension law & enforcement certification	23 USC 159, 23 CFR 192.5	Annually by Jan 1	N/A	National Programs	The Department of Motor Vehicles coordinates with Governor's office for certification; no SDOT involvement
High Risk Rural Road Safety	SAFETEA-LU 1401, 23 USC 148	Annually by August 31	Local Assistance/ Traffic Operations	National Programs	
Highway Safety Improvement Program	SAFETEA-LU, 23 USC 148	Annually by August 31	Traffic Operations/ Local Assistance	National Programs	
Pedestrian and Bicycle Safety Program	23 CFR 652	As needed	Traffic Operations/ Local Assistance	National Programs	Includes the non-motorized transportation pilot program
Project crash data	23 CFR 630.1010	Continuous	Traffic Operations/ Local Assistance	National Programs	
Repeat Offender	23 CFR 1275; 23 USC 164	Annually by October 1	N/A	National Programs	The OTS coordinates with SDOT on annual transfer.
Roadside Hardware	FHWA July 25, 1997 Policy Memo re: NCHRP Report 350	As needed	Traffic Operations	National Programs	
Strategic Highway Safety Plan (SHSP)	SAFETEA-LU, 23 USC 148	As needed	Traffic Operations	National Programs	
Work Zone Safety and Mobility Final Rule compliance	23 CFR 630	Continuous	Construction/ Traffic Operations	National Programs	**Implementation date: October 12, 2007.** SDOT already implements transportation management plans (TMPs) and will continually review and refine TMPs to comply with the provisions of the Final Rule.
Temporary Traffic Control Devices Final Rule Compliance	23 CFR 630	Continuous	Construction/Traffic Operations	National Programs	**Implementation date: December 4, 2008.** SDOT has implemented positive protective measures, uniformed law enforcement, maintenance of TTCD and separate pay items for TTCDs.
Worker Visibility Final Rule Compliance	23 CFR 634	Continuous	Construction/Traffic Operations	National Programs	**Implementation date: November 24, 2008.** SDOT developed Traffic Operations Policy Directive on 11/21/2008 to be in compliance with FR.
Bridges, Structures, Hydraulics and Geotechnical					

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Bridge Construction, Geotechnical, Hydraulics Review	23 CFR 650	As needed	Engineering Services	Structures Programs	
Bridge Management System (BMS)	23 CFR 500.107	As needed	Maintenance/ Structure Maintenance and Investigations (SMI)	Structures Programs	
Bridge/Structural Design Review	23 CFR 650	As needed	Engineering Services	Structures Programs	
HBP Unit Cost submittal	23 CFR 650 Subpart D	Annually by April 1	Engineering Services	Structures Programs	
NBIS Review Statewide report	23 CFR 650 Subpart C	Annually (date determined by Division Office)	Maintenance/SMI	Structures Programs	Division Office performs review and prepares annual report
Design, Construction, & Maintenance					
3R Program	23 CFR 625	As needed	Design/ Maintenance	National Programs	Design responsible for 3R Guidelines (Design Information Bulletin 79)
Construction Inspections	23 USC 114	Quarterly	Construction	State and Local Programs	
Contracting Procedures Consultant Selection	23 CFR 172.5 & 172.9	As updated	Procurement and Contracts (DEPAC)/ Engineering Services /Local Assistance	State and Local Programs	
Convict Produced Materials	23 CFR 635.417	As needed	Construction Engineering	State and Local Programs	
Defense Access Roads	23 CFR 660 Part E	As needed	Local Assistance	State and Local Programs	
Design Exception Policy	23 CFR 625.3	As needed	Design	National Programs	
Design Standards	23 CFR 625	When changes occur	Design	National Programs	
ER Process	23 CFR 635.204	As requested	Maintenance/Design/ Construction	State and Local Programs	
Experimental Project Work Plans	FHWA LTAP Field Manual	Project by project	Construction	State and Local Programs	This includes items such as pilot and demonstration programs.
Highway Facility Relinquishment	23 CFR 620.203	As needed	Design/ROW	ROW Team	
Interstate Access Policy	23 CFR 470.111, 470.115	As needed	Design	National Programs	
Labor Compliance Policy	23 CFR 635.118, Davis-Bacon Act	As needed	Office Engineers	State and Local Programs	
Liquidated Damages	23 CFR 635.127	Every 2 years	Engineering Services	State and Local Programs	
Local Public Agency Oversight Policies & procedures	23 CFR 635.105 and 23 USC 106(g)	As updated	Local Assistance/ Project Development	Local Programs	
Public Agency Furnished Material	23 CFR 635.407	As needed	Contract Administration	State and Local Programs	

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Standard Specifications and Plans	23 CFR 625.4	As Needed	Engineering Services/ Construction/ Design	State and Local Programs	
Warranties	23 CFR 635.413	As needed	Construction/ Engineering Services	State and Local Programs	
Year-end Value Engineering Report	FHWA Order 1311.1A	Annually	Design	National Programs	FHWA HQ publishes national report
Transportation System Preservation					
Independent Assurance Annual Report	23 CFR 637.207	Annually by March 1	Materials Engineering and Testing Services (METS)	Structures Program	
Materials Acceptance – Quality Control/Quality Acceptance Program	23 CFR 637B	As updated	Construction	Structures Program	
Materials Certifications	23 CFR 637 Appendix A	As needed on Federal-aid projects	Construction/METS	Structures Program	Certifications provide data for program updates.
Pavement Condition Surveys	23 U.S.C. 116	Every two years	Maintenance	Structures Program	Surveys are completed on the entire system.
Pavement Design Policy	23 CFR 626.3	As needed	Design	Structures Program	Design responsible for drainage & pavement design
Pavement Management System	23 CFR 500.106	As needed	Maintenance	Structures Program	
Preventive Maintenance Report	N/A	Annual	Maintenance	Structures Program	Report on number of lane miles receiving preventive maintenance.
Financial Management					
Alternate Fuel Report	Exec Order 13031	Annually by Oct. 1	Budgets	Financial Team	
Project Authorizations, Modification & Voucher	23 CFR 630	As needed	Local Assistance	Financial Team	SDOT will submit electronic authorization via FMIS and provide all required supporting documentation to FHWA for review and approval.
Transfer of Funds between agencies and between programs as requested by State	23 U.S.C. 104(c) and 119(f) and 126	As needed	Budgets & Accounting	Financial Team	SDOT will submit requests for transfer and FHWA approves processes the funding transfers to Federal Transit Administration and FHWA, HQ
Appropriations, Allotments, Obligations	31 USC 1341(a)(1)(A) & (B); 31 USC 1517(a); 23 USC 188(b)	As needed	Budgets	Financial Team	SDOT will monitor appropriations, allotments and obligations to ensure that all funding is used efficiently within each Quarter and use all Obligation Authority (OA) by the end of the year. FHWA will forward all funding notices and review

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Indirect Cost Allocation Plans (ICAPs)	49 CFR Part 18; 2 CFR Part 225 (OMB A-87); ASMBC-10	As needed	Audits & Investigations	Financial Team	The State will certify that the ICAP was prepared in accordance with OMB A-87 and that they have not modified their calculation procedures and provide a summary of information for the calculation and reconciliation purposed. FHWA will review and file.
Major Projects Financial Plan reviews	23 U.S.C 106(h)	Annually	SDOT	Financial Team/State Programs	SDOT will approve and submit the Financial Plan to FHWA for approval.
Audit Coordination FHWA Financial Statement Audit SDOT External Audit Reviews SDOT Internal Audit Reviews FHWA	FMFIA, OMB A-123, 127, GAAP, CFO Act of 1990;DOT Order 8000 1C, OMB A-87, 123, GAAP	As Needed	SDOT	Financial Team	SDOT assures corrective action is taken to resolve audit findings and FHWA will monitor activities to ensure implementation.
FIRE Program	FHWA Order 4560.1B	Ongoing	Budgets & Accounting	Financial Team	SDOT will continue to provide oversight and conduct reviews to ensure federal-aid compliance. FHWA will review and monitor. SDOT responsibilities include multiple tasks in support of risk assessments, conducting reviews and implementation of recommendations
Inactive Projects (including ARRA)	23 CFR 630.106	Monthly	Local Assistance	Financial Team	SDOT will proactively monitor project look-ahead listings and take appropriate action to avoid inactivity and meet the 0% performance measure.
Fed-aid Billing Reimbursement of Eligible Expenditures	23 CFR 140 and 635.122	Weekly	Accounting	Financial Team	SDOT will submit accurate, eligible, and timely billings for approval. FHWA will approve reimbursements in a timely manner to avoid any interest charges.
Billing Reviews	23 CFR 140 and 635.122	Quarterly	Local Assistance &Accounting	Financial Team	SDOT will provide all supporting documentation to include invoices, payroll, etc. FHWA will review and ensure costs reimbursed are eligible and accurate.
Improper Payments Review	Improper Payments Information Act of 2002, PL No: 107-300	Yearly	Accounting	Financial Team	SDOT will provide all required data collection form information to meet required deadlines and FHWA will review

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Innovative Financing	GARVEE 23 CFR 122; TIFIA 23 USC 181-189; SIB Guidance 9/97; AC NHS Act Section 308; Flexible Match 23 USC 323; Tapered Match TEA-21 Section 1302	As needed	Budgets	Financial Team	SDOT will submit requests for Innovative Financing to FHWA for review and approval prior to project authorization
Toll Credit and Maintenance of Effort (MOE) Calculation	Toll 23 USC 129(A);	Yearly	Budgets	Financial Team	SDOT will calculate the amount of eligible toll credit and submit for approval. FHWA will review and approve the request.
Quality Financial Management Initiative	Memo HFS-40, 12/01/97	Continuous	Budgets	Financial Team	
Recovery Act Reporting	America Recovery And Reinvestment Act of 2009	Continuous	Various Offices	Financial Team	SDOT will meet all reporting requirements including RADS and other continuous and ad-hoc requests
Discretionary and Other Funding Programs					
Border Infrastructure Program/State Border Safety Inspection Facilities Program	2002 USDOT Appropriations Act; 2003 Consolidated Appropriations Resolution	Varies	District 11	Planning Team/State Programs	FHWA administers the program with the Federal Motor Carrier Safety Administration.
Border Technology Exchange Program	23 USC 506	Annually	District 11/ Planning	National Programs	Grant program administered by FHWA, Office of International Programs
CMAQ	SAFETEA-LU Sections 1101(a)(5), 1103(d), & 1808	As needed	Programming/ Local Assistance	Planning Team	
Coordinated Border Infrastructure Program	SAFETEA-LU Sections 1101(a)(11) & 1303	As needed	Budgets/Planning	National Programs	FHWA recommends action to FHWA HQ
Ferry Boats and Ferry Terminal Facilities	SAFETEA-LU Sections 1101(a)(13) & 1801	As needed	Budgets	Structures	
Freight Intermodal Distribution Pilot Grant Program	SAFETEA-LU Section 1306	As needed	Budgets	National Programs	
High Priority Corridors on the NHS	SAFETEA-LU Section 1304	As needed	Local Assistance	National Programs	
High Priority Projects Program	SAFETEA-LU 1701-1702	As needed	Budgets/ Local Assistance	National Programs	
Highway Bridge Program	23 CFR 650 Subpart D	As needed	Local Assistance/ Budgets	Structures Programs	Division Office makes eligibility determinations
Highways For Life	SAFETEA-LU Section 1502	As needed	Budgets	Structures/National Programs/ State and Local Programs Teams	FHWA HQ approval

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
Innovative Bridge Research and Deployment Program	23 USC 503(b)	Annually (date varies)	Local Assistance	Structures Programs	Division Office makes eligibility determinations
Interstate Maintenance Discretionary	23 USC 118; SAFETEA-LU Section 1111(a)	Annually (date varies)	Budgets	Structures	
ITS Integration Program	TEA-21 Section 5208	Quarterly and Annual Reports	Local Assistance	National Programs	Program also requires FHWA qualitative assessments of adequacy of project descriptions and evaluation reports and timely submittal of reports by SDOT.
ITS Deployment Program	TEA-21 Section 5208 and 5209	As needed	Local Assistance	National Programs	
MAGLEV (Magnetic Levitation)	SAFETEA-LU Section 1307	As needed	Budgets	National programs	
National Corridor Infrastructure Improvement Program	SAFETEA-LU Section 1302	As needed	Budgets	National Programs	
National Corridor Planning and Development Program	TEA-21 1118, 1119	As needed	Planning	Planning Team	Division Office recommends action to FHWA HQ
Nonmotorized Transportation Pilot Program	SAFETEA-LU Section 1807	As needed	Local Assistance	National Programs	
Projects of National and Regional Significance	SAFETEA-LU Section 1301	As needed	Budgets	National Programs	
Public Lands Highway Discretionary	SAFETEA-LU Section 1101(a)(9)(D)	As needed	Budgets	State Programs/Planning Team	Division Office recommends action to FHWA HQ
Railroad-Highway Crossings	SAFETEA-LU Section 1401	Annually by August 31	Rail	National Programs	
Recreational Trails Program	SAFETEA-LU Sections 1101(a)(8) & 1109	As submitted by State	State Parks	Environmental Coordinator	Program administered by the State Department of Parks and Recreation
Safe Routes to School	SAFETEA-LU Sections 1101 & 1404	Varies	Local Assistance	National Programs	
Scenic Byways Discretionary Program	SAFETEA-LU Sections 1101 & 1605	Annually	Landscape Architecture	Environmental Coordinator	Division Office recommends action to FHWA HQ
Transportation Enhancements Program	SAFETEA-LU Sections 1113, 1122, & 6003; TE Guidance dated January 19, 2006	As needed	Transportation Enhancements Coordinators	Environmental Coordinator	FHWA provides program guidance and technical assistance
Transportation, Community, and System Preservation Program	SAFETEA-LU Section 1117	As needed	Budgets	Structures/National Programs	
Truck Parking Facility Grants	SAFETEA-LU Section 1305; 23 CFR 658, 810, 1235	Annually	Landscape Architecture	National Programs	Division Office reviews and submits to FHWA HQ for approval
Value Pricing Program	SAFETEA-LU Section 1604	Annually	Traffic Operations	National Programs	Division Office reviews and submits to FHWA HQ for approval
Emergency Preparedness					

Superseded

ACTIVITY	Authority	Frequency / Due	SDOT Contact	FHWA Contact	Remarks
FHWA Emergency Preparedness Program	Executive Order 12656 and FHWA Order 1910.2C	Continuously	Maintenance/ Local Assistance	National Programs	
State Manuals Approved by FHWA for Use on Federal-Aid Projects					
ADA/Section 504 Program Plan	N/A	As Needed	Design	Civil Rights	
Annual Overall DBE Goal	N/A	As Needed	Business Economic Opportunities Program	Civil Rights	
Bridge Construction Manual	N/A	As Needed	Engineering Services	Structures Programs	
Bridge Design Manual	N/A	As Needed	Engineering Services	Structures Programs	
State Manual of Uniform Traffic Control Devices (MUTCD)	23 CFR 655.603 (b)	Within 2 years of update to MUTCD	Operations	National Programs	
SDOT A&E Consultant Contract Administration Handbook	N/A	As Needed	Procurement and Contracts	Local Programs	Local Programs
Construction Manual	N/A	As Needed	Construction	State Programs	State Programs
DBE Program Plan	N/A	As Needed	Business Economic Opportunities Program	Civil Rights	
EEO Contractor Compliance Program Plan	N/A	As Needed	Business Economic Opportunities Program	Civil Rights	
Highway Design Manual	N/A	As Needed	Design	National Programs	
Internal EEO Program Plan	N/A	As Needed	Business Economic Opportunities Program	Civil Rights	
Local Assistance Procedures Manual	N/A	As Needed	Local Assistance	Local Programs	Local Agency Program Manager may be FHWA contact in the future.
Local Assistance Program Guidelines	N/A	As Needed	Local Assistance	Local Programs	Local Agency Program Manager may be FHWA contact in the future.
Pavement Design Guide, Policy and Procedures	N/A	As Needed	Design	Structures Program	
ROW Manual	N/A	As Needed	ROW	ROW Program Manager	
Standard Plans	N/A	As Needed	Design	National Programs	
Standard Special Provisions	N/A	As Needed	Design	State Programs	
Standard Specifications	N/A	As Needed	Design	State Programs	
Title VI Program Plan	N/A	As Needed	Business Economic Opportunities Program	Civil Rights	
Unified Certification Program MOU	N/A	As Needed	Business Economic Opportunities Program	Civil Rights	

Superseded

Appendix E: Glossary

Certification Reviews – A review which formalizes the continuing oversight and day-to-day evaluation of the planning process.

Control Document – Applicable laws, regulations, standards, policies, and standard specifications approved for use by FHWA on Federal-aid highway projects.

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

Assumed Projects (also known as State Administered, Non-Full Oversight or 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, contract changes, inspections and final acceptance of Federal-aid projects on a project by project basis. SDOTs act on behalf of the Secretary and FHWA on these projects, and should exercise similar judgment.

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, contract changes, inspections and final acceptance of Federal-aid projects on a project by project basis.

Inherently Low Risk Projects on the Interstate System – New or reconstruction Interstate projects over $1M that are routine and generally non-controversial in which the SDOT has a high-level of experience and documented procedures and practices in place for ensuring compliance with Federal requirements.

Locally Administered Projects – For the purpose of the Agreement, a Federal-aid project in which an entity other than a traditional SDOT is a sub-recipient and this entity is administering the particular phase being authorized, i.e., PE, ROW, or Construction. These would include projects where the non-traditional entity will either perform the work itself or enter into a contract for services or construction.

Local Public Agency (LPA) – Any organization, other than a traditional SDOT, with administrative or functional responsibilities which are directly or indirectly affiliated with a governmental body of any tribal nation, State, or local jurisdiction. LPAs would most often include cities or counties. However, a LPA, as defined here, could also include a State entity as well, perhaps even a part of a SDOT. An example could include a Port Authority or Toll Authority that had not traditionally worked with the FAHP.

Superseded

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

Non-Concurrent Construction – When the time period between the completion of one operationally independent project and the start of the next project exceeds 5 years.

Operational Independence – A phase of work as a portion of the project described in the environmental document that can be built and function as a viable transportation facility even if the rest of the work described in the environmental document is never built.

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

Partial Oversight Projects – Projects for which the State has assumed some of the oversight responsibilities of FHWA, with FHWA retaining or having specific approval authority for a particular responsibility or phase of the projects.

Program Assessments – This evaluation technique may take many forms including joint risk assessments, and self-assessments. These tools are based on the common concepts of identifying strengths, weaknesses, and opportunities and the identification and sharing of "best" practices to continually improve the program.

Program Reviews – A thorough analysis of key program components and the processes employed by the SDOT in managing the program. The reviews are conducted to: 1) ensure compliance with Federal requirements; 2) identify areas in need of improvement; 3) identify opportunities for greater efficiencies and cost improvement to the program; and/or 4) identify exemplary practices.

Project Inspections – Inspections in which projects are reviewed to ascertain compliance with applicable laws, regulations, agreements, etc., and contain documented findings. They can also be used to document new or innovative practices or technologies.

Recurring Reviews – Reviews that the Division Office conducts annually or on a regular periodic basis. Examples include NBIS, HPMS, HVUT, etc.

Responsible Charge – Administers inherently governmental project activities, including those dealing with cost, time, adherence to contract requirements, construction quality and scope of Federal-aid projects; makes or participated in decisions on change orders, contract modifications, etc.: maintains a current awareness of the project conditions: and is held accountable for completion of all aspects of the federal-aid project. The persons or persons in responsible charge must be a full time employee of the contracting agency. For SDOT-administered projects, this person must also be an engineer.

Risk Assessment – The process of identifying a risk event, determining the likelihood of the event happening, determining the impact (positive or negative) of the event on the delivery of the Federal-aid Highway Program, and identifying an appropriate risk response strategy.

Superseded

Risk-based Approach – Incorporating risk assessment and risk management into investment and strategic decision making (the means by which limited resources are focused).

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.

Stewardship/Oversight Indicators – These indicators track trends that are associated with the health of the FAHP, and compliance with Federal requirements. They generally relate to the actual execution of the program, not the performance of the transportation system itself. The indicators provide insights into stewardship/oversight needs (e.g. design errors review), fiscal processes (e.g. unobligated balance), project quality (e.g. SDOT inspection effort), etc. They can also be mutual service requirements for the Division Office such as "document review time" and "technical support levels." Although these measures support improved system quality they are not the strategic outcome oriented type measures envisioned by a performance-based FAHP.

Superseded