PARTNERSHIP AGREEMENT

December 2012

Montana Department of Transportation

Montana Division, Federal Highway Administration

Tim Reardon
Director
Montana Department of Transportation

Date December 5, 2012

Kevin McLaury
Montana Division Administrator
Federal Highway Administration

Date 12/5/12

I. Background and Introduction

Agency signatures on this agreement signify consent for a mutual framework to carry out the Federal- aid Highway Program (FAHP) in Montana.

This agreement constitutes a full commitment by the Montana Department of Transportation (MDT) and the Montana Division of the Federal Highway Administration (FHWA), referred herein as the Agencies, to pursue effective, innovative, and cooperative Federal-aid Highway Program (FAHP) management methods. These methods assure the delivery of quality transportation products and services in substantial compliance with State and Federal laws and regulations. A parallel purpose is to foster and support a cooperative spirit, employee growth, and strengthen the partnership between MDT and FHWA.

FHWA has stewardship and oversight responsibility for the FAHP. While MDT may assume certain project approval authorities in accordance with Title 23 section 106 of the United States Code (USC), FHWA is ultimately responsible for delivering the FAHP consistent with established requirements. Under sections 134 and 135 of Title 23 USC, planning functions cannot be assumed by the MDT. In addition, and consistent with section 145 of Title 23 USC, the appropriation of federal funds or their expenditure in no way infringes on the sovereign right of the State of Montana to determine which projects shall be federally funded.

In order to ensure that this Agreement is consistently interpreted, the following definitions are established.

Stewardship: The efficient and effective management of the public funds that have been entrusted to the Montana Transportation Commission, Montana Department of Transportation and the Federal Highway Administration.

Oversight: The act of ensuring that the Federal highway program is delivered consistent with laws, regulations and policies through review and approval actions.

Stewardship reflects MDT's and FHWA's accountability for the development and implementation of the FAHP. It involves MDT and FHWA activities in delivering the FAHP, such as leadership, technology deployment, technical assistance, problem solving, program administration and oversight.

Oversight reflects the compliance or verification component of MDT and FHWA stewardship activities. Narrowly focused, oversight activities ensure that the implementation of FAHP is done in accordance with the applicable laws, regulations, and policies. Focused, oversight activities enable MDT and FHWA to ensure the effective delivery and operation of the transportation system envisioned in transportation or highway statutes, Montana's long-range multimodal transportation plan, all applicable Montana statutes and policies.

II. Purpose

This Agreement establishes a framework for cooperation between the Montana Department of Transportation and the Federal Highways Administration – Montana Division. The Agreement also outlines roles, responsibilities, and authorities of the Agencies to collaboratively deliver Montana's FAHP.

The Agencies will work together to achieve effective, innovative and cooperative management methods. These methods ensure the delivery of quality transportation products. This collaborative effort fosters an understanding of transportation goals, encourages economic advancement in the State, and enhances the quality of transportation in Montana, ever mindful that resources are limited and Montana's transportation needs are extensive.

The FHWA is responsible for all aspects of Federal-aid programs. 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. This 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 current law; and the Montana Code Annotated and associated rules, MDT and Montana Transportation Commission policies. These documents are controlling.

This agreement acknowledges the requirement for full compliance with all federal laws and regulations, recognizing that Federal statute may defer to State laws, policies and procedures. All current agreements between MDT and FHWA will remain in effect until it is mutually agreed to modify or replace them.

III. STATE AND DIVISION OFFICE ROLES AND RESPONSIBILITES

A. **Human Resource Management** - MDT agrees that an "adequately staffed and equipped" agency, as described under section 302 of 23 USC will be maintained to provide adequate FAHP controls. MDT and FHWA will:

- Promote development of multi-skilled employees.
- Seize opportunities for cross training and/or development.
- Place trust and empowerment in employees to contribute to decision-making, and
- Utilize joint training sessions.

B. **Communications Management** - Improved communications between all interested offices, contractors, consultants, and other agencies and the public is an imperative. Frequent meetings and personal discussions between all involved individuals are encouraged to enable timely and informed decisions. The MDT and FHWA will cooperatively provide direction in accordance with this Agreement, evaluate FAHP actions and be accountable for expenditure of public funds. MDT and FHWA will:

- Openly discuss concerns and issues before decisions are made, then jointly stand behind those decisions.
- Jointly attend regularly scheduled meetings, such as those for the Montana

Transportation Commission, MDT District Administrators, MDT Administrative Staff, and Montana Contractor's Association.
- Hold peer group meetings/discussions.
- Seek customer feedback

C. **Quality Management** - FHWA and MDT will commit to actively pursue continuous quality improvement methods. Towards this end MDT and FHWA will:

- Promote internal efficiency and reduce waste and cost.
- Improve quality and reliability of products and services.
- Promote continuous improvement in policies, practices, and management.

D. **Management Team -** The Agencies will perpetuate an inter-agency Management Team to provide oversight and coordination, in close communication with field staff. The Management Team consists of:

- MDT Director,
- MDT Deputy Director,
- FHWA Division Administrator, and
- FHWA Assistant Division Administrator (or delegate).

The Management Team will meet quarterly or more often as needed to:

- Endorse annual Risk Assessment process and results,
- Discuss any program assessments or reviews in advance of staff involvement,
- Mutually agree to all recommendation from process/program evaluations and reviews,
- Discuss program-related issues,
- Foster communication between MDT and FHWA, or
- Review status of performance measures.

IV. Methods of Oversight

MDT may request FHWA assistance and/or formal action on any FAHP program or project-level issue beyond those identified in the Risk Assessment process described below. As MDT is fully committed to complying with FHWA requirements, in those rare circumstances when unintentional non-compliance could result in a determination of ineligibility, FHWA will first attempt to cooperatively seek corrective actions with MDT before finding the action or expenditure to be ineligible.

FHWA and MDT are committed to quality management procedures and principles to ensure that highway programs and projects adequately meet the existing and future traffic needs and conditions in a manner conducive to safety, environmental requirements, durability and economy of maintenance. FHWA and MDT will jointly administer the FAHP through **oversight** methods that include:

A. **Risk Management (Assessment/Mitigation)** – MDT and FHWA may singly or jointly initiate process and program evaluations of the FAHP. However, the annual Risk Assessment/Mitigation process, cooperatively undertaken by MDT and FHWA program

managers, is the mainstay of cooperative FAHP program management. The cooperative Risk Assessment/Mitigation process undertakes review and evaluation of program areas. This process balances risk with consideration of the limited staffing resources, funding within the FAHP, and the strategic highway needs within the state. All Risk Assessments/Mitigations are intended to evaluate procedures and policies used in delivering the FAHP, along with identifying deficiencies and opportunities for improvement. These reviews also recognize good procedures and policies as well as acknowledge those employees performing work of an extraordinary quality or who provide exceptional service to Montana taxpayers or the nation's highway users. It will be the function of the Management Team, to mutually endorse the results, and make resources available as soon as practical to address recommendations emerging from the annual Risk Assessment/Mitigation cycle. Examples of various strategies that may be employed to mitigate issues identified in the Risk Assessment include the following.

1. **Program (Process) Reviews**
   MDT, FHWA, or both, may initiate process and program reviews of the FAHP. These can take the form of either a *"Quick Improvement Review"* or the more traditional *"Process Review".* All reviews are intended to evaluate procedures and policies used in delivering the FAHP, along with identifying deficiencies and opportunities for improvement. These reviews include a thorough analysis of key program components and the processes employed by MDT to manage the program. This area is divided into three distinct classifications of reviews. The level may be identified within the Risk Assessment process as a proposed mitigation. Action items from these reviews will be monitored by both MDT and FHWA and used to make decisions relating to FAHP

2. **Project Reviews**
   Project Reviews refers to FHWA's daily stewardship of the FAHP including project and program oversight, program assistance, and peer reviews, and other means of technology transfer including training. While strategies may be identified in the annual Risk Assessment/Mitigation cycle, strategies may also emerge from daily interactions between FHWA and MDT. This ensures Federal program requirements are met while proactively seeking opportunities to add value by:
   - Continually assessing the program through routine involvement in program and project level activities including design reviews and construction inspections
   - Conducting routine program and project approval actions
   - Sharing information on policy development and guidance.

3. **Metropolitan Planning Reviews**
   FHWA and MDT will cooperatively assess the metropolitan planning processes for Montana's three MPO's on a five-year cycle. The review areas will be based upon an assessment of transportation plans and programs, organizational capabilities, legislative or policy requirements and changes thereto.

4. **Technical Assistance/Technology Transfer/Training**
   FHWA and MDT agree to commit to the deployment of new technologies and advance technology transfer within projects while maintaining a skilled and knowledgeable staff. Activities include, but are not limited to:

- Promoting and identifying opportunities for new initiatives and concepts
- Providing technical assistance
- Identification and delivery of necessary training.

5. <u>Project Oversight</u>

FHWA and MDT will cooperatively distinguish between projects and activities under full or partial oversight, non-full oversight, and state-delegated locally administered using the following principles:

a. Method For Selecting Full or Partial Oversight Projects

Oversight of Federal-aid projects will be jointly determined by MDT and FHWA as described in "Process to Determine Full Federal Oversight of Montana Highway Construction Projects". Full Federal oversight will be reserved for those project determined to be complex in some aspect of development including environmental review, design, delivery phasing, or finance. While the mutual goal is to make the determination of full oversight at the time preliminary engineering is programmed, either MDT or FHWA may identify a complex project that needs full Federal oversight throughout project development, and it will be managed accordingly if both parties are in concurrence.

b. State Administered non-Full Oversight Projects

On projects that are not full Federal oversight, as provided in 23 U.S.C. 106, MDT will exercise direct control over project development and advancement, and will act for FHWA for required FAHP actions in accordance with agreements and approved procedures between MDT and FHWA as described in the "*Montana Delegated Program and Project Responsibilities and Control Documents Reference Guide*" and other controlling agreements and approved procedures between MDT and FHWA. As consistent with 23 U.S.C. 145, MDT will exercise direct control over project selection consistent with federal and state statutes, rules, and agreements.

c. State Responsibility for Locally Administered Projects

The MDT will provide oversight, technical assistance, and guidance to local public agencies and Tribal Governments where programs involve those entities. FHWA will provide assistance and support to MDT and others as necessary to carry out any part of the FAHP. Policies and procedures will be jointly developed to permit participation in the FAHP by qualified local governments as determined cooperatively with MDT. MDT will ensure that the sub-recipients have adequate project delivery systems, sufficient accounting controls to properly manage projects and are staffed and equipment to perform work satisfactorily and cost effectively, and that adequate staffing and supervision exists to manage the federal project(s). In addition, Community Transportation Enhancement Projects (CTEP) will be administered in accordance with the CTEP manual until the remaining SAFETEA-LU funds are exhausted. All other locally administered projects will be administered in accordance to with MDT's Local Agency Guidelines manual.

MDT will provide a written summary annually of stewardship and oversight actions for locally administered projects (CTEP, Transportation Alternatives, or other).

V. Controlling Documents

The FHWA has oversight (review and approval authority) for specific program and project-level actions as noted in the "*Montana Delegated Program and Project Responsibilities and Control Documents Reference Guide*" (Guide). This Guide is jointly and cyclically reviewed for currency and accuracy by FHWA and MDT. MDT and FHWA will review, monitor, and approve activities described in this Guide to comply with all applicable laws and rules. The manuals, guidelines or procedures approved by FHWA for use on Federal-aid projects are listed in this Guide.

For the purpose of this agreement and applicable elements of the Guide, the terms Pavement Preservation, Rehabilitation, and Reconstruction are as defined in the *"Guidelines for Nomination and Development of Pavement Projects*." Reconstruction would also include bridge replacement and new rest areas.

VI**. Stewardship**/Oversight Indicators

The Management Team will review performance goals and results for the preceding year at the end of the first quarter of the Federal Fiscal Year. The report will be cooperatively developed by FHWA and MDT.

Role of Management Systems

The MDT management systems will serve as key tools for Transportation Program development and tracking system performance. The outcomes and performance predictions from these systems will be monitored by both MDT and FHWA. MDT will use this information to make informed resource allocation decisions to maximize the performance of the Federal-aid roadways within the state. Performance goals used in program development through the Performance Programming Process (P3), MDT's asset management system, and for overall FAHP management are noted below. MDT is committed to a performance based program approach, which is supported by FHWA, as it maximizes funding efficiency, enables informed resource allocation decisions, and maintains a high level of accountability throughout the program. As more management system tools become available, additional performance metrics may be adopted.

Performance Indicators

Performance indicators/measures are used to track performance trends and provide indicators when countermeasures/actions are needed as the desired target will not be reached. These indicators are used to assess performance in administering the FAHP and have been developed jointly between FHWA and MDT.

Results from the performance indicator/measure assessment will provide a "barometer" on the current health of the FAHP and feed the Risk Assessment process, which establishes focus areas and methods of actions to be taken. When performance measures/indicators are outside the desired target range, MDT and FHWA will jointly develop countermeasures to raise the attention level of the issue, collect additional data and if needed analyze trends, and develop new processes or procedures, or initiate program review activities (ie., reviews through the Risk Assessment process.)

Discussion of the performance indicators/measures accomplishment status will occur throughout the year. The formalized Risk Assessment process concludes with a final plan including action items and responsible parties. Risk balancing is critical for efficient delivery of

the FAHP, and requires effective allocation of resources and funding to address changing conditions and ensures improvement to the program.

Asset Management Performance Goals

Since the late 1990s, MDT has been improving on an inclusive, performance-driven asset management system referred to as the Performance Programming Process or P3. Asset management is a process that uses management systems to manage infrastructure to meet established performance goals. Asset management is data-driven and based on agreed on policies regarding performance. The data comes from management systems for pavement, bridges, congestion, and safety. These systems continuously track system condition and recommend treatment options to maximize the life of the asset.

- At least 70% of the capital construction program is allocated to systems, districts, and types of work and between asset categories (i.e. pavement and bridge) based on an annual performance-based allocation plan.
- System Performance measures on which this allocation plan is based are shown below:

MT P^3 PERFORMANCE MEASURES

		I	N	P
Pavement	- Average Ride	Desirable or Superior – All Arterial		
	-% Miles below target	<3%	<3%	<3%
Congestion	- LOS	B	C	C
Bridge	- Deficient Bridge Deck (SQ FT)	Reduce #	Reduce #	Reduce #
Safety	- Fatalities & Serious Injuries	half by 2030, from 1704 to about 850		

FAHP Management Performance Indicators

The following FAHP performance indicators will be reported on annually and used to determine areas of risk and accomplishment within the FAHP. Unless otherwise listed, performance tracking will be managed by MDT.

System Maintenance and Operation

- Manage winter driving conditions to ensure 90 percent or more of Maintenance Survey respondents are satisfied with MDT's winter maintenance service.
- 85% of roads under MDT jurisdiction will meet reflectivity standards for striping by July 1 annually.
- 90% of funding allocated for pavement work for the state maintenance program will be allocated based on Pavement Management System analysis. Reported only if federal-aid funding is allocated for pavement work.

Construction Program

- A minimum of 50% (MDT performance goal) and an upper goal of 75% (FHWA performance goal) of all projects will have a certificate of completion within 180 days of finishing construction.
- 85% of projects planned for the fiscal year are ready for contract.
- Maintain statewide average construction engineering costs under 10% of total contract costs.
- Maintain statewide final costs under 7% above award amount.

Financial Indicators

- 100% compliance with FHWA measures for inactive project obligation rates. *Jointly tracked by MDT and FHWA.*
- 90% of all projects are final vouchered and closed within 120 days of project close date.

Environmental Indicators

- Complete environmental documents within agreed upon schedules and timeframes, barring unanticipated events. MDT will provide accurate schedules for the completion of NEPA documentation and approvals through bi-weekly updates of project schedules in OPX2
- FHWA will adhere to agreed-upon schedules and timeframes for the review of all environmental documentation submitted to the Division Office for review, action and/or approvals.
- Will achieve 100% implementation of environmental commitments stemming from (Report every 5 years):
    - *Terms and Conditions outlined in the issuance of a biological opinion for the purposes of compliance with Section 7 of the Endangered Species Act (as appropriate).*
    - *Stipulations outlined in approved MOAs for the purposed of compliance with Section 106 of the National Historic Preservation Act (as appropriate), and*
    - *Compliance with Executive Order 11990 and subsequent mitigation efforts, when impacts to wetlands are determined to be unavoidable (as appropriate)*

Safety

- No “red lights” for any Comprehensive Highway Safety Plan objective area in two consecutive meetings.
  Reduce fatal and incapacitating (severe) injuries by half by 2030, from 1704 in 2007 to approximately 850 by 2030.

Transportation Planning

- Ensure 50% of the public and transportation stakeholders perception of MDT’s overall quality of service at an A or B level in our TranPlan 21 public involvement surveys, which measures progress on the department’s long range multi-modal transportation plan.
- 70% of the construction projects programmed in the first year of the STIP are let.
- 90% of the projects entering the program on the Interstate, Non Interstate-NHS, and State Primary are consistent with P3 analysis.

VII. Limits of Agreement

This Agreement in no way restricts either Agency from participating in activities or arrangements with other public or private agencies.

This Agreement may be modified or amended upon written request of either party and the concurrence of the other. Participation in this Agreement should be reviewed biannually for appropriateness and acceptability.

***********END***********

INTRODUCTION

The FHWA/MDT Stewardship and Oversight Agreement (Agreement) presents the current procedures for the administration of the Federal-aid Highway program in Montana. The general intent of the Agreement is to delegate much of FHWA's approval authority to MDT for certain preliminary engineering, construction contract administration, and right-of-way activities on or related to Federal-aid projects. Table 2 - MDT and FHWA Program Actions and Contacts, and Table 3 - MDT and FHWA Actions Authority -- Full Oversight v. State Delegated, list the program and project approvals required for most of the Federal-aid program and where those approvals reside within the respective agencies. The intent of this reference guide is to document the agreed to delegated authorities for Federal-aid program and project actions and is not meant to supersede any authorities not granted in existing laws, regulations or polices. The Control Documents section lists references, manuals, policies, procedures and guidelines that have been developed to administer the federal-aid program in Montana. The Coordination of Manual Updates section outlines expectations for coordinating updates to manuals.

Table 1 - Abbreviations

MDT Section		**FHWA Position**	
Administration Division	ADMIN	Assistant Division Administrator	ADA
Construction Bureau	CON	Division Administrator	DA
Environmental Services Bureau	ENV	Operations Engineer	OPS
Right-of-Way Bureau	ROW	Program Development Engineer	PDE
Planning Division	PLAN	Field Operations Engineer	FOE
Traffic and Safety Bureau	T&S	Environmental Specialist	ES
Consultant Design Bureau	CDB	Bridge Engineer	BE
Bridge Bureau	BB	Program Assistant	PA
Materials Bureau	MTL	Planning Engineer	PE
Highway Design	HD	ROW Program Manager	ROW
Information Services Division	ISD	Safety Engineer	SE
Fiscal Programming	FISCAL	Transportation/ADA Specialist	TE
Civil Rights	CIVIL	Materials Engineer	ME
RESEARCH	RES	ITS/Research Program Manager	ITSRES
Maintenance	MAINT	Design Engineer	DE
Motor Carrier Services	MCS	Financial Manager	FM

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
SYSTEMS PLANNING AND PROGRAMMING						
Metropolitan Planning						
Metropolitan Planning Organization						
Designation/Redesignation of MPOs		When revised	23 CFR 450.310	PLAN	PDE	Approved by the Montana Governor
Metropolitan Planning Area Boundary Changes		When revised	23 CFR 450.312	PLAN	PDE	Delegated to MDT Planning Division Administrator
Cooperative Planning Agreements in Attainment Maintenance Areas		When revised	23 CFR 450.314	PLAN	PDE	
Cooperative Planning Agreements in Non-Attainment Areas			23 CFR 450.314(c)	PLAN	PDE	
MPA Covers Entire Non-attainment Area			23 CFR 450.310 (d)	PLAN	PDE	Between MPO/State/Transit or in UPWP or Prospectus [23 CFR 450.314(c)]
MPA Covers Part of Non-attainment Area			23 CFR 450.310(f)	PLAN	PDE	Between MPO/MDT/State AQ
Transportation Improvement Program (TIP)						
MPO/State Air Quality Agency Agreements		As needed or revised by MPO/MDT	23 CFR 450.314	PLAN	PDE	Only required when MPO is not designated for air quality planning.
TIP Approvals	1-Oct	Every 4 years minimum	23 CFR 450.324(a) 23 CFR 450.328(a)	PLAN	PDE	TIPs are incorporated into the STIP without modification; Requires FTA/EPA consultation (refer to Region 8 FTA/FHWA MOU). Approval by the FHWA Division Administrator
TIP/STIP Amendments for Non-attainment Areas		As requested	23 CFR 450.324-330	PLAN	PDE	May require consultation with FTA/EPA.(refer to Region 8 FTA/FHWA MOU). Approval by the FHWA Division Administrator

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
TIP/STIP Amendments for Attainment Areas		As requested	23 CFR 450.324-330	PLAN	PDE	May require consultation with FTA/EPA.(refer to Region 8 FTA/FHWA MOU). Approval by the FHWA Division Administrator
AIR Quality Conformity Determination on TIP	Concurrent with TIP update or amendment of exempt projects		23 CFR 450.324 (b) 23 CFR 450.328 (a)	PLAN	PDE	After receipt of MPO determination, FHWA determination in consultation with FTA/EPA.(refer to Region 8 FTA/FHWA MOU). Approval by the FHWA Division Administrator
TIP Conformity Determination for Non-attainment	Concurrent with TIP approval/modification (unless exempt projects)	As needed (Not to exceed 4 years)	23 CFR 450.330(b)	PLAN	PDE	Non-attainment areas only, After receipt of MPO determination, FHWA determination in consultation with FTA FHWA determination in consultation with FTA/EPA.(refer to Region 8 FTA/FHWA MOU). Approval by the FHWA Division Administrator
Project Level Conformity Determination for Non-attainment		As needed	23 CFR 450.332	PLAN	PDE	Needed when a TIP is amended. FTA/FHWA Planning Collaboration Agreement
Metropolitan Long Range Transportation Plan (LRTP)						
Air Quality Conformity Determination on LRTP	Concurrent with LRTP update		23 CFR 450.322	PLAN	PDE	Non-attainment areas only; After receipt of MPO determination, FHWA determination in consultation with FTA/EPA
LRTP updates		Every 4 or 5 years	23 CFR 450.322	PLAN	PDE	Every 4 years for nonattainment areas and 5 years for attainment area.
Certification						
State/MPO Self-Certification		Annually	23 CFR 450.334	PLAN	PDE	
Other Metropolitan Planning Responsibilities						
CMAQ Eligibility Determination		As needed	CMAQ Final Program	PLAN	PDE	Non-attainment or maintenance areas; coordinate with FTA. Refer to FTA/FHWA Region 8 MOU.

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
			Guidance, October 2008			
CMAQ Annual Report	1-Feb	Annually	CMAQ Final Program Guidance, October 2008	PLAN	PDE	MDT Air Quality planner enters data through CMAQ reporting system; FHWA division approves report.
Public Involvement Procedures for Metropolitan Areas		As needed	23 CFR 450.316	PLAN	PDE	Must be developed and published. Update as needed.
Congestion Management Systems			23 CFR 450.320; 500.109	PLAN	PDE	Must be established and implemented in TMAs. No TMAs in Montana at this time. Update as needed.
Statewide Planning						
State Planning and Research (SPR) Program						
State PL Funds Formula		As needed	23 CFR 420.109	PLAN	SP	
SPR-PL Work Program	1-Oct	Annually	23 CFR 420.115	PLAN	SP	
Annual Performance and Expenditure Report	30-Sep	Annually	23 CFR 420.117	PLAN	SP	
Statewide Long Range Transportation Plan						
Long Range Plan		As needed	23 CFR 450.214	Plan	SP	Policy plan for Montana; updated to address emerging issues or major policy changes.
Statewide Transportation Improvement Plan(STIP)						
STIP Approval	1-Oct	Every 4 years minimum (MT approves annually)	23 CFR 450.218;23 CFR 450.216	PLAN	SP	Approval in consultation with FTA; Approval by the FHWA Division Administrator
STIP Amendments		As requested by State	23 CFR 450.216;23 CFR 450.21;23	PLAN	SP	Approval by the FHWA Division Administrator

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
			CFR 450.220			
Other Statewide Planning Responsibilities						
Non Metropolitan Public Involvement Procedures		Every 5 years	23 CFR 450.210	PLAN	SP	
Public Involvement Procedures for Statewide Planning		As needed	23 CFR 450.210	PLAN	SP	State publishes and allows 45 days for public review and written comments before the procedures are adopted.
Planning Finding	30-Sep	Annually	23 CFR 450.218	PLAN	SP	Issued in consultation with FTA as part of STIP approval
State Self Certification on Planning Process		Every 2 years (MDT approves annually in conjunction with STIP)	23 CFR 450.218	PLAN	SP	Received with STIP
Unified Planning Work Program (UPWP)						
Approval in Non TMAs	1-Oct	Annually	23 CFR 420.115	PLAN	PDE	Approval authority FHWA PDE
Revisions/Amendments		As needed	23 CFR 420.115	PLAN	PDE	Approval authority FHWA PDE
Performance and Expenditures Reports		Annually	23 CFR 420.117	PLAN	PDE	Annual, not more frequently than quarterly. Includes final reports
Highway Information						
System Actions						
Federal-aid Urban Area Boundaries		As revised by State	23 CFR 470.105(a)	PLAN	SP	Montana Transportation Commission approval.
Functional Classification		As requested by State	23 CFR 470.105(b)	PLAN	SP	"Highway Functional Classification, Concepts, Criteria and Procedures" www.fhwa.dot.gov/planning/fctoc.htm Montana Transportation Commission approval
Interstate System Additions & Revisions		As requested by State	23 CFR 470.111, 115(a)	PLAN	SP	FHWA HQ approval

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
National Highway system (NHS) revisions		As requested by State	23 CFR 470.113, 115(a)	PLAN	SP	FHWA HQ approval
Highway Performance Monitoring System						
Certified Public Roads Miles	1-Jun	Annually	23 CFR 460.3 (b)	PLAN	SP	To HQ with DO Review/Concurrence; approval by governor or delegated authority
Data Submittal	15-Jun	Annually	HPMS Field Manual	PLAN	SP	MDT sends directly to HQ, Division formally requests copy of data
Annual CPI Review	1-Nov	Annually	HPMS Field Review Guidelines; June 2000	PLAN	SP	Annual Review consists of High Priority Subject Areas, Field Inventory Review, and Data and Trend Analysis
Vehicle Classification Data	15-Jun	Annually	HPMS Field Manual	PLAN	SP	Part of annual HPMS Submittal
OPERATIONS						
Traffic and Safety						
Safety						
Work Zone Safety Process Review of Effectiveness		Bi-Annually	23 CFR 630.1008	Con	SE	
Manual of Uniform Traffic Control Devices (MUTCD)	Within 2 years of MUTCD Issuance	As needed	23 CFR 655.603	T&S	SE	MDT formally adopts new editions of the MUTCD; the Traffic Engineering Manual provisions provide statewide guidance on applying the MUTCD.
Work Zone Safety and Mobility Policy		As needed	23 CFR 630, Subpart J	Con	SE	MDT has implemented a policy using a multi-disciplinary team and in partnership with FHWA.
Highway Safety Improvement Program		As needed	23 CFR 924; 23 USC 130	T&S	SE	
Highway Safety Improvement Program Repors	31-Aug	Annually	23 CFR 924.15; 23 USC 148	T&S	SE	Annual reporting is done through the use of an on-line reporting tool. It is a collaborative effort between MDT and FHWA
Mobility, ITS						

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
Conformity with Regional ITS Architecture		As needed	23 CFR 940.11	ISD	ITSRES	
PROJECT DEVELOPMENT						
Right-of-Way (ROW)						
State ROW Manual Recertification	1-Jan	Every 5 years	23 CFR 710.201 (c)	ROW	ROW	Last recertification Jan 2006
ROW Oversight Agreement		As needed	23 CFR 710.201 (c)	ROW	ROW	
Use of ROW Air Space Authorization Request (on Interstate System)		As needed on projects	23 CFR 710.405	ROW	ROW	
ROW Disposal Authorization Request		As needed on projects	23 CFR 710.409	ROW	ROW	
Outdoor Advertising Policies and Procedures Revisions		As needed or submitted by State	23 CFR 750.304	ROW	ROW	
Uniform Relocation Assistance & Real Property Acquisition Report - (OMB Form 2125-0030)	NLT Nov 15	Every 5 years	49 CFR 24.9(c) & Appendix B	ROW	ROW	
Lead Agency Uniform Act Monitoring Activities		As needed	49 CFR 24.603	ROW	ROW	Submit to HQ
Locked Gate (Interstate)		As needed		ROW	DE/ROW	Shared responsibility between DE and ROW;guidance http://www.fhwa.dot.gov/design/access.cfm
Real Property Acquisition Statistical Report	15-Nov	Annually	FHWA Order 6540.1	ROW	ROW	Prepare and submit to HQ
Environment						
Environmental Document Determination		As needed	23 CFR 771.117 771.111 (a)(b), TA6640.8A	ENV	ES	FHWA internal coordination between ES/OPS

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
Civil Rights - Construction						
OJT Goals & Accomplishments	30-Jan	Annually	23 CFR 230.111 (b)	CIVIL	FOE	
American with Disabilities Act			42 USC 126	CIVIL	PMA/CR	guidance: http://www.fhwa.dot.gov/civilrights/programs/ada.htm
Supportive Services Funds Requests		As requested by State	23 CFR 230.113	CIVIL	FOE	
Annual Contractor Employment Report (Construction Summary of Employment Data (Form Pr-1392))	25-Sep	Annually	23 CFR 230.121 (a)	CIVIL	PMA/CR	
Report on Supportive Services (On-the-Job-Training (OJT) &(DBE))	Apr 15/Jul15/Oct 15/Jan15	Quarterly	23 CFR 230.121(e) 23 CFR 230.111, 113	CIVIL	PMA/CR	
Disadvantaged Business Enterprise (DBE) Awards & Commitment	Jul 15/Jan 15	Semiannually	49 CFR 26 Appendix B	CIVIL	PMA/CR	
Disadvantaged Business Enterprise (DBE) Program Revisions		As needed or requested by State	49 CFR 26.21 (b) Annual Procedures Memo from HQ	CIVIL	PMA/CR	
Title VI Plan Accomplishments and Next Year's Goal	1-Oct	Annually	23 CFR 200.9	CIVIL	PMA/CR	Courtesy copy to HQ
Title VI Plan Update		As needed or requested by State	23 CFR 200.9	CIVIL	PMA/CR	Courtesy copy to HQ
EEO Contract Compliance Review Reports (From FHWA 86)		As submitted by State	23 CFR 230.409 23 CFR 230.413	CIVIL	PMA/CR	If contractor is found non-compliant, a courtesy copy is sent to EEO Specialist Resource Center Midwest

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
DBE On-site Verification and Interviews		As needed	23 CFR 230.409(e)	CIVIL	PMA/CR	Coordinate findings with MDT Civil Rights Bureau
State's DBE Program Goals	1-Aug	Biannually	49 CFR 26.41 Annual Procedures Memo from HQ	CIVIL	PMA/CR	DBE Program Goal to be submitted in 2013 based on 3-year cycle guidance issues by FHWA Memo (Masuda) on March 16, 2010.
Design						
Procedures for Consultant Selection		As needed	23 CFR 172.9	CDB	PDE	
Design Standards		As needed	23 CFR 625	HD	DE	
Standard Specifications		As needed	23 CFR 625	CON	FOE	Any changes or additions to specifications are approved as needed on monthly basis.
Local Public Agency Oversight Policies and Procedures		As needed	23 CFR 635.105	CDB	OPS	WOODMANSEY
ADA Design Standards Compliance		As needed	23 CFR 652	CIVIL	DE	
Coordination of Projects near Airports		As needed	23 CFR 620.103	HD	DE	
Value Engineering (Value Analysis) Program		As needed	23 CFR 627 Value Engineering	CON	DE	
Value Engineering bridge projects over $20 million on NHS		As needed	23 CFR 627 Value Engineering	HD	BE	
Design Build		As needed	23 CFR 636	HD	DE	
Additions to or Modifications of Access on Interstate System		As needed	February 1998, Federal Register, Vol. 63, # 28	HD/PLAN/T&S	DE	MDT internal coordination expected for all actions.

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
Bridge - Type, Size & Location		As needed on Full Oversight Projects	FHWA Order 5520.1	BB	BE	Only required on major or unusual structures; otherwise included with design review process
Construction						
Approving Liquidated Damage Rate		Every 2 years	23 CFR 635.127	CON	FOE	
Structures						
TS&L Approval of Unusual Bridges and Structures on the Interstate		Project by Project	23 CFR 630 Subpart B HQ Memo 11/13/98	BB	BE	HQ must approve
NBIS Review Statewide Report	1-Jan	Annually	23 CFR 650 Subpart C	BB	BE	Submit to HQ
NBI Data Submittal	1-Apr	Annually	23 CFR 650 Subpart C	BB	BE	Submit to HQ
Bridge Construction Unit Cost Submittal	1-Apr	Annually	23 CFR 650 Subpart D Annual memo from HQ	BB	BE	Submit to HQ
HBRRP Eligibility Determinations		Project by Project	23 CFR 650 Subpart D Annual memo from HQ	BB	BE	
Bridges Exempt from Coast Guard Permits		Project by Project	23 CFR 650 Subpart H	BB	BE	
Research						
Vehicle Size & Weight Enforcement Certification	1-Jan	Annually	23 CFR 657.13	MCS	OPS	Coordinate with UDPS ; PATTEN
Vehicle Size & Weight Enforcement Plan	1-Oct	Annually	23 CFR 657.11	MCS	OPS	Coordinate with UDPS; PATTEN

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
National Truck Network Modifications		As requested by State	23 CFR 658.11	PLAN	SP	Recommend actions to HQ UDPS, Must go through Federal Register Process
Traffic Incident Management Self Assessment	1-Aug	Annually	Annual Memo from HQ	T&S	DE/PDE	Complete with partners and forward to HQ
Work Zone Self Assessment	1-Aug	Annually	Annual Memo from HQ	T&S	SE	Complete with partners and forward to HQ
State Planning & Research (SPR) Work Program	Prior to Jul 1	Annually	23 CFR 420.115	PLAN	SP	
Research Results Reports		Annually	23 CFR 420.117	RES	RES	Report on Work Plan & Status of Projects
Management Process for Research, Development & Technology Transfer	30-Jun	Annually	23 CFR 420.200	RES	RES	
LTAP Centers Work Plan and Funding		Annually	FHWA LTAP Field Manual	RES	ISTRES	
Technology & Innovation Funding Program		Annually	Memo from Resource Center, 11/18/2004	RES	ITSRES	
Pavement , Materials and Maintenance						
Materials Manual	28-Feb	Annually	23 CFR 625	MTL	ME	FHWA review and approval
Quality Assurance Program		As needed	23 CFR 637.205	CON/MTL	ME	App'd via Materials Manual
Delivery of Federal-Aid Program Through Maintenance		As needed	23 CFR 635	MAINT	ME	Eligibility and procedures for delivery of the Federal-Aid Highway program by MDT Maintenance
ADMINISTRATION						
Financial Management						
Transfer of Funds		As needed	23 USC 1049 (c), (g), (k) 23 USC 119	fFISCAL	FM	

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
			(b)			
Federal-aid Billing Reimbursement of Eligible Expenditures		Weekly	23 CFR 140 23 CFR 635.122	FISCAL	FM	
Federal Aid Project Modifications		As needed	23 CFR 630.110	PLAN	OPS	
Financial Integrity Review and Evaluation	31-Oct	Annually	FHWA Order 4560.1	FISCAL	FM	
FMIS Reconciliations	Month End Cutoff	Monthly	OBF Policy 04-08	FISCAL	FM	
Highway Statistics Reports						
Motor Fuel-551 M	90 days after end of each reporting month	Monthly	Chapter 2 of the Guide to Reporting Highway Statistics	FISCAL	SP	State sends directly to HQ, copy to Division; www.FHWA.dot.gov/policy/ohpi/HSS/guide.htm
Motor Fuel-556	1-Apr	Annually	Chapter 2 of the Guide to Reporting Highway Statistics	FISCAL	SP	
Vehicles & Drivers - 561, 562, 566, & 571	1-Apr	Annually	Chapter 3,4,5, & 6	FISCAL	SP	
Finance - 531, 532, 541, 542, & 543 (optional)	1-Apr	Annually	Chapters 8 and 9	FISCAL	SP	
Transportation Bond Referendums		Annually	Chapter 9	ADMIN	SP	Coordinate with Montana State Treasurer
Finance - 536	30-Sep	Annually	Chapter 11	FISCAL	SP	Biennial and on odd-numbered years. Due 9 months after end of reporting year.
Finance - 534	15-Jun	Annually	Chapter 12	FISCAL	SP	Annually for State, Biennially for Local.
Annual Truck Weight Data	15-Jun	Annually	Chapter 13	PLAN	OPS	Annual HPMS Submittal; PATTEN

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
DOT Budgets and Published Annual Reports		Annually	Chapter 13	PLAN	SP	Coordinate with State Department of Finance
Highway Finance and Tax Legislation		Annually	Chapter 13	PLAN	SP	Coordinate with State Treasurer
Permanent Automatic Traffic Recorder Data	Monthly - DOT may forward it directly to HPPI 30	Annually	Chapter 13	PLAN	SP	Monthly within 20 days of the second month following the data collection month
Other Highway Information Responsibilities						
Motor Fuel Review	1-Sep	Every 3 years	1989 HQ Memo	PLAN	SP	Coordinate with Montana State Tax Commission
Heavy Vehicle Use Tax (HVUT)						
Proof of Payment Certification	1-Jul	Annually	23 CFR 669.7	PLAN	SP	Governor approval delegated to Secretary of State
Compliance Review	December 2006 (last)	Every 3 Years	23 CFR 669.21	PLAN	SP	Coordinate with Montana State Tax Commission
MFT Evasion Project Funds Request		When requested	HQ Memo soliciting Appl.	PLAN	SP	Coordinate with Montana State Tax Commission
Civil Rights - HR						
State Internal EEO Affirmative Action Plan (Title VII) Accomplishments and Goals	1-Oct	Annually	23 CFR 230.311	CIVIL	PMA/CR	Courtesy copy to HQ
State Internal EEO (Title VII) Plan Update	1-Oct	Annually	23 CFR 230.311	CIVIL	PMA/CR	Courtesy copy to HQ
Minority Institutes of Higher Education Planned Awards Report		Quarterly	Pres. Exec. Orders 13021 / 13230	CIVIL	FM	Prepared by FPM and submitted to HQ
Minority Institutes of Higher Education Performance Awards Report	1-Nov	Annually	Pres. Exec. Orders 13021 / 13230	CIVIL	FM	Prepared by FPM and submitted to HQ

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
State Employment Practices Report (EEO-4)	1-Aug	Annually	23 CFR 230.311	CIVIL	PMA/CR	Report sent to HQ quarterly for informational purposes and recommendations sent to HQ annually for approval
Americans with Disabilities Act Complaint Reviews		As requested by HQ	Pres. Exec. Order 11246	CIVIL	PMA/CR	Conduct evaluation & mediate for correction if no resolution reached, remand to HQ with report
Americans with Disabilities Act Complaint Review Report	1-Oct	Annually	Pres. Exec. Order 11246	CIVIL	PMA/CR	
Civil Rights Activity Report (Title VI, Limited English Proficiency, Title IX, Persons with Disabilities)	Apr 15/ Jul15/ Oct 15/ Jan15	Quarterly	Pres. Exec. Order 12250	CIVIL	PMA/CR	
OTHER						
Discretionary Funds						
Forest Highways Discretionary Funds		Annually	23 CFR 660.101	PLAN	PDE	Joint approval with MDT, FLHD, Forest Service and TL Team
Innovative Bridge Research and Construction Program Administration	As requested	Annually	23 USC 503(b), Annual Memo from HQ	BB	BE	Submit to HQ
Ferry Boat Discretionary (FBD)		As needed	HQ Memo soliciting Appl.	PLAN	SP	Recommend action to HQ
Interstate Maintenance Discretionary Funding Applications		Annually	HQ Memo soliciting Appl.	PLAN	SP	Recommend action to HQ
National Corridor Planning and Development Program		As needed	HQ Memo soliciting Appl.	PLAN	SP	Recommend action to HQ
Public Lands Highway (PLH)		As needed	HQ Memo soliciting Appl.	PLAN	PDE	Coordinate with Western Federal Lands; recommend action to HQ

Table 2: MDT and FHWA Program Actions and Contact Table

ACTIVITY	DUE DATE	FREQUENCY	Authority	MDT CONTACT	FHWA CONTACT	REMARKS
Scenic Byways Discretionary Funds Application		Annually	HQ Memo soliciting Appl.	PLAN	SP	Coordinate with Governor's Office of Economic Development; recommend action to HQ
Transportation & Community & System Preservation		As needed	HQ Memo soliciting Appl.	PLAN	SP	Coordinate with Governor's Office of Economic Development; recommend action to HQ
Trails & Recreation Program		As needed		FWP	SP	Coordinate with Montana's Fish, Wildlife and Parks (MT FW&P)
ITS Deployment Program		Annually	TEA 21, Section 5208 and 5209 23CFR 940	ITS	ITSRES	Recommend action to HQ

Table 3: MDT and FHWA Actions Authority, Full Oversight v. State Delegated

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
SYSTEMS PLANNING AND PROGRAMMING				
Programming				
Verify Eligibility For Proposed Funding Category, MDT Certification		FHWA	FHWA/MDT	
Verify Project In STIP, MDT Certification		FHWA	FHWA/MDT	
Approve Federal-Aid Project Agreement (PR-2)		FHWA	FHWA	
Obligate Funds		FHWA	FHWA	
PROJECT DEVELOPMENT				
Right-Of-Way				
Accept Right-Of-Way Certificate As A Condition Of PS&E Approval	23 CFR 635	MDT	MDT	Informational copy to FHWA (Record keeping and reporting)
Approve Air Space Agreements	23 CFR 710	FHWA	FHWA	FHWA approval on Interstate Project only
Approve Disposal Of Federally Funded Right-Of-Way	23 CFR 710.409	FHWA	FHWA/MDT	FHWA approval on Interstate Project only
Approve Hardship And Protective Buying	23 CFR 7710.307, 503, 509	FHWA	FHWA	
Approve Non-Highway Use And Occupancy	23 CFR 713.203(b)	FHWA	FHWA	

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
Authorize Right-Of-Way Activities	23 CFR 710 Subpart B	FHWA	FHWA	
Control Of Access	23 CFR 620.203(h)	FHWA	FHWA	
Functional Replacement	23 CFR 710.509	FHWA/MDT	MDT	FHWA concurrence with MDT's determination
Junkyard Control	23 CFR 751.25	FHWA	MDT	
Outdoor Advertising Sign Removal Projects	23 CFR 750.307	MDT	MDT	Informational copy to FHWA (Record keeping and reporting)
Request For Credits	23 CFR 710.501	FHWA/MDT	FHWA/ MDT	FHWA approval on Interstate Project only
Request For Direct Federal Acquisition	23 CFR 710.603	FHWA	FHWA	
Request For Federal Land Transfer	23 CFR 710.601	FHWA	FHWA	
Request For Waivers	49 CFR 24.204(b)	FHWA/MDT	FHWA	FHWA approval on Interstate Project only
ROW Relinquishment Request	23 CFR 620(b), 23 CFR 710.401, 23 CFR 710.403	FHWA/MDT	FHWA/MDT	FHWA approval on Interstate Project only
Withholding Of Payments	23 CFR 710.203(c), 23 CFR 1.36	FHWA	FHWA	
Environment				
Certification Of Public Hearings	23 CFR 771.111(h)(2)(vi)	MDT	MDT	Informational copy to FHWA (Record keeping and reporting)
Environmental Mitigation Measures	23 CFR 771.105(d)	FHWA	FHWA	
Project Public Involvement And Interagency Coordination	23 CFR 771.111	MDT	MDT	Informational copy to FHWA (Record keeping and reporting)

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
Wetland Mitigation Measures	23 CFR 777	FHWA	FHWA	
Approval Action CE c list projects	23 CFR 771	MDT	MDT	Informational copy to FHWA (Record keeping and reporting)
Approval Action For CE d list projects	23 CFR 771	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.
Environmental Assessment	23 CFR 771.119, TA 6640.8A	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.
FONSI Or Elevate To An EIS	23 CFR 771.121, TA 6640.8A	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.
Notice Of Intent (NOI)	23 CFR 771.123(a), TA 6640.8A	FHWA	FHWA	
Draft Environmental Impact Statement (DEIS)	23 CFR 771.123, TA 6640. 8A, 23 CFR 771.123 (e)	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.
Final Environmental Impact Statement (FEIS) Legal Sufficiency	23 CFR 771.125(b)	FHWA	FHWA	
Final Environmental Impact Statement (FEIS)	23 CFR 771.125, TA 6640.8A, 23 CFR 771.125 (c)	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.
Record Of Decision (ROD)	23 CRFR 771.127, TA 6640.8A	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.
Re-Evaluations	23 CFR 771.129, TA 6640.8A	FHWA	FHWA	The decision document must also satisfy MEPA; as such, MDT also approves the action.

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
Section 4(F) Programmatic	23 CFR 774.3(d), TA 6640.8A	FHWA	FHWA	
Section 4(F) De Minimis Determination	23 CFR 774	FHWA	FHWA	
Section 4(F) Individual	23 CFR 774, TA 6640.8A	FHWA	FHWA	
150-Day Statute Of Limitations	MAP-21 1308	FHWA	FHWA	
Section 106 Actions Pursuant To Delegation Letter Of Agreement	36 CFR 800	MDT/FHWA	MDT/FHWA	Informational copy to FHWA (Record keeping and reporting)
Preliminary Design				
Scope Of Work Report	FHWA Order 6640.1A	FHWA	MDT	
Consultant Selection	23 CFR 172	MDT	MDT	FHWA advises consultant selection board as appropriate through attendance at board meetings
Project Design Criteria	23 CFR 625	FHWA	MDT	
Interstate System Access Change	Policy on Access to the Interstate System, FR 74:165, Aug 27, 2009	FHWA	FHWA	
Public Interest Finding With Respect To Airport-Highway Clearance	23 CFR 620.104	FHWA	MDT	Approvals, if any, will be those required by State laws, regulations, policies, and procedures. However, this does not relieve the MDT from responsibility for these areas, nor from compliance with non-Title 23 Federal requirements, which may remain applicable

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
Detailed Design				
Approve Exceptions To Design Standards	23 CFR 625.3(f) 23 CFR 470.107	FHWA	MDT (1,2)	(1) Informational copy to FHWA (Record keeping and reporting) (2) Exceptions for the 16 feet vertical clearance are subject to coordination with the Surface Deployment and Distribution Command (SDDC) for the 61,000 mile national Strategic Highway Network (STRAHNET
Approve Preliminary Plans For Major And Unusual Structures	Implementing Guidance-Project Oversight under Section 1305 of the Transportation Equity Act for the 21st Century (TEA-21) of 1998, FHWA Memo, Aug. 20, 1998	FHWA	MDT	Informational copy to FHWA (Record keeping and reporting)
Approve Retaining Right-Of-Way Encroachments		FHWA	MDT	
Approve Use Of Negotiated Contracts	23 CFR 172.5(a)(1)	FHWA	MDT	
Approve The Use Of Proprietary Products, Processes	23 CFR 635.411	FHWA	MDT	
Approve Use Of Publicly Owned Equipment	23 CFR 635.106	FHWA	MDT	
Concur In Use Of Publicly Furnished Materials	23 CFR 635.407	FHWA	MDT	
Federal Aid Project Modification	23 CFR 630.110	FHWA	MDT	

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
PS&E And Advertisement				
Approve Consultant Agreements	23 CFR 172.7 - 172.9	MDT	MDT	
Approve Exceptions To Maximum Railroad Protective Insurance Limits	23 CFR 646.111	FHWA	MDT	
Approve Hiring Of Consultant To Serve In A "Management" Role	23 CFR 172.9	FHWA	FHWA	
Approve Plans, Specifications And Estimates	23 CFR 630.205, 23 USC 106	FHWA	MDT	
Approve Use Of Consultants By Utility Companies	23 CFR 645.109(b)	FHWA	MDT	
Approve Utility And Railroad Agreements	23 CFR 645.113 & 646.216	FHWA	MDT	
Authorize Advance Construction And Conversions	23 CFR 630.703 & 709	FHWA	FHWA	
Authorize Advertising For Bids	23 CFR 635.112	FHWA	FHWA	FHWA authorizes all projects in the FMIS before advertisement
Authorize Utility Or Railroad Force Account Work	23 CFR 645.113 & 646.216	FHWA	MDT	
Design Exceptions	23 CFR 625.3	FHWA	MDT	
Exempt Bridge From Coast Guard Permit Requirements	23 CFR 650.805	FHWA	FHWA	
Value Engineering Procedures	23 CFR 627, FHWA Order 1311.1A	MDT	MDT	Ensure the State DOTs have VE programs that fulfill the requirements of Paragraph 5a of this directive (Order 1311.1A), and support in the development and conduct of their programs.

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
Construction				
Accept Materials Certification	23 CFR 637.207	FHWA	MDT	
Approve Addenda During Advertising Period	23 CFR 635.112	FHWA	MDT	
Approve Advertising Period Less Than Three Weeks	23 CFR 635.112	FHWA	FHWA	
Approve Changes And Extra Work	23 CFR 635.120	FHWA	MDT	
Approve Construction Engineering By Local Agency	23 CFR 635.105	FHWA	MDT	
Approve Contract Time Extension	23 CFR 635.120 & 121	FHWA	MDT	
Approve Cost Effectiveness And Emergency Determinations For Contracts Awarded By Other Than Competitive Bidding	23 CFR 635.104 & 204	FHWA	FHWA	
Authorization To Advertise And Approve Project Agreements	23 CFR 635.309, 23 CFR 630 subpart A	FHWA	MDT	
Buy America Waiver	23 CFR 635.410, Submit to HQ	FHWA	FHWA	
Concur In Award Of Contract	23 CFR 635.114	FHWA	MDT	Informational copy to FHWA (Record keeping and reporting)
Concur In Rejection Of All Bids	23 CFR 635.114	FHWA	MDT	Informational copy to FHWA (Record keeping and reporting)
Concur In Settlement Of Contract Claims	23 CFR 635.124	FHWA	MDT	Informational copy to FHWA (Record keeping and reporting)
Concur In Termination Of Contracts	23 CFR 635.125	FHWA	MDT	Informational copy to FHWA (Record keeping and reporting)

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
Concur In Use Of Mandatory Borrow/Disposal Sites	23 CFR 635.407	FHWA	MDT	
Federal Aid Project Modification	23 CFR 630.110	FHWA	MDT	Pertains to increases or decreases in authorized amounts through the project agreement.
Final Inspection/Acceptance Of Completed Work	23 USC 114(a)	FHWA	MDT	
Force Account Waiver	23 CFR 635 Subpart B	FHWA	MDT	
Incentive/Disincentive Amount Justification	23 CFR 635.127	FHWA	MDT	
Use of Innovative Contracting Requirements	SEP 14 & 15	FHWA	FHWA	
Subcontracting Requirements	23 CFR 635.116(b)	FHWA	MDT	Programmatic adoption through standard specifications and contracts.
Warranties	23 CFR 635.413	FHWA	FHWA (NHS) MDT (non-NHS)	To be approved with PS&E for full oversight; for state delegated NHS projects, MDT to seek prior approval to incorporate in the PS&E.
Research				
Use of Experimental Features	FAPG Ch. 6, Sect G 6042.4	FHWA	MDT	
ADMINISTRATION				
Financial Management				

Approval Action	Reference	Project Approval Authority		Comments/Notes
		Full Oversight	State Delegated	
1.9 Waiver	23 CFR 1.9	FHWA	FHWA	FHWA may not participate in any costs which are not incurred in conformity with applicable requirements; however, FWHA may upon request approve participation in accordance with 23 CFR 1.9
OTHER				
Emergency Relief (ER) Detailed Damage Inspection Reports	23 CFR 668, 23 USC 120 and 125	FHWA	FHWA	

CONTROL DOCUMENTS

The following list of manuals, guidelines or procedures have been accepted by FHWA for use to develop Federal-aid projects:

1. Project Development Process (Including Public Involvement In The Development of Projects And Title VI Requirements As Related To Minority Group Participation)

Procedures for project development and public involvement areas provided in the following:

- Road Design Manual, Traffic Engineering Manual, Consultant Services Manual
- Environmental Manual
- Statewide Transportation Planning and Programming Public Involvement Process
- Work Zone Safety and Mobility Guidelines
- Design Build Guidelines
- Value Analysis Program Manual
- Local Agency Guidelines Manual
- Federal-Aid Program Maintenance Manual

2. Application of Appropriate Design Standards, Construction Standards and Contract Administration

Appropriate design and construction standards are provided by the application of the following:

- Road Design Manual (geometric design standards for new construction and reconstruction)
- Guidelines for Nomination and Development of Pavement Projects
- MDT Structures Manual
- Pavement Policy Manual
- Traffic Engineering Manual
- MDT Standard Specifications for Road and Bridge Construction
- Geotechnical Engineering Manual
- Right-of-Way Manual
- Construction Administration Manual
- Drainage Manual
- Federal-Aid Program Maintenance Manual

3. Quality Control/Quality Assurance of Construction and Materials

The quality of construction is assured through the application of the following:

- Standard Specifications for Road and Bridge Construction with applicable Standard Special Provisions and Supplemental Specifications
- Field Test Manual
- Project Office Manual
- Field Computation Guidebook
- Quality Assurance Manual
- Finals Unit Manual
- Approved Construction Materials
- Construction Manual
- Materials Manual

MDT Districts are responsible for managing construction projects and operations according to policies and procedures; Construction Specifications, Construction Manual. The Quality Assurance program provisions, including review frequencies and compliance levels, Quality Assurance Manual. Compliance is determined and information obtained to determine performance levels. Specific training is developed to achieve compliance. Deficiencies are addressed according to severity as specified in MDT's guidance.

The economy of construction is assured through the Department's competitive bidding procedures and through value engineering policies.

4. Economic, Social and Environmental Impacts

Minimization of adverse economic, social, and environmental impacts is accomplished through adherence to the procedures in the following MDT guidance:

- Public Involvement Handbook
- Environmental Manual
- Traffic Noise Analysis and Abatement Policy
- Road Design Manual

5. Equal Employment Opportunity

The Department's policy with respect to equal employment opportunity and non-discrimination is as provided in the following:

- Executive Order 1988.1, Affirmative Action and Contract Compliance
- Executive Order 11246 (as amended), Notice of Requirements for Affirmative Action to ensure Equal Employment Opportunity
- Title 23 U.S.C., Subchapter C – Civil Rights, Part 230External Programs
- Right-of-Way Manual
- CC-4297, Nondiscrimination and Equal Employment Clauses for all contracts
- CC-4297A, Nondiscrimination Clause
- DBE Program Manual
- EEO Program Manual

The number of highway construction trainees and their training program is controlled by MDT and conforms to Federal requirements.

MDT is firmly committed to fulfilling our goals for participation of DBE's in all contracts and projects involving Federal-aid funds. Our DBE Program is administered in accordance with 49 CFR Part 26.

6. Competitive Bidding and Payment of Prevailing Wage Rates on Construction Contracts

Competitive bidding procedures are provided in Departmental policy letters and conform to Federal requirements. Procedures governing the payment of prevailing wage rates on construction contracts are included in the Construction Administration Manual.

7. Design and Construction Claim Settlements

Design claim settlements will be processed in accordance with Consultant Services Procedures and per the agreed upon FHWA/MDT procedures. Construction claim settlements will be processed in accordance with MDT's Standard Specifications and procedures identified within the MDT Construction Administration Manual.

8. Federal-aid Contract Provisions

- Engineering Contracts – The Department provides the required Federal-aid contract provisions as prescribed in 23 CFR, Part 172 – Administration of Engineering and Design Related Contracts.
- Construction Contracts – The Department provides the required Federal-aid contract provisions as prescribed in 23 CFR, Part 633, Subparts A and B – Required Contract Provisions.

9. Retention of Records

MDT retains records on Federal-aid projects in accordance with 49 CFR Part 18 – Uniform Administrative Requirements for Grants and

Cooperative Agreements to State and Local Governments (The Common Rule). Involved local governments and other third party contractors are also required to retain records as specified above.

10. State Transportation Improvement Program

In conformance with the requirement of 23 CFR 450, the Department will submit to the FHWA and the Federal Transit Administration (FTA) the Statewide Transportation Improvement Program (STIP) of projects which it intends to implement over the succeeding four year period. The STIP will be updated every four years; MDT typically updates the STIP annually. It will include all approved Metropolitan Planning Organization (MPO) and Transportation Improvement Programs (TIPs). Amendments and administrative actions to the STIP and to the metropolitan and rural TIPs can occur at any time during the life of these documents. Only after the STIP or its amendments are approved by the FHWA and/or the FTA can federal funds be obligated for individual transportation projects included in the document.

11. Local Agency Procedures

Administration of Federal-aid projects shall be in accordance with MDT's current version of "Local Agency Guidelines" and any revision thereto; locally administered transportation enhancement projects will be governed by the CTEP Manual.

12. Federal-Aid Financial Procedures

a. Electronic Data Transfer (EDT)

Current electronic data transfer techniques will be utilized wherever appropriate. When MDT desires to initiate formal authorization of a project, the critical fiscal data will be uploaded directly from MDT to the FHWA FMIS Warehouse. Simultaneously, MDT will submit a request for authorization to the Division Office as set forth below.

b. Project Authorization and Project Agreement

A signed MDT Request for Authorization will be submitted to FHWA for all Federal-aid projects in the FMIS.

MDT will electronically verify that the fiscal authorization has occurred by reviewing the FMIS transaction and EDT status logs.

MDT will assure that necessary environmental studies, STIP approval, Right-of-way and utility certification have occurred prior to submitting any request for authorization.

MDT agrees and is bound by all the provisions contained in 23 CFR 630.112. The project specific data contained in the Request for Authorization is sufficient for FHWA to place all projects under Project Agreement at the time of authorization; no further FHWA

Project Agreement or MDT Agreement Estimate is required. MDT's Request for Authorization will serve as a concurrent request to place the project under Project Agreement in FHWA's FMIS system.

When project funding adjustments are required due to bid adjustments or cost overruns/underruns, MDT will submit a signed Request for an Amended Project Authorization with supporting information necessary for FHWA to adjust the Project Agreement amount. All funding adjustments must be supported by an estimate maintained in MDT's files for all phases being requested.

Inactive Federal-aid Project Review: The Division Office shall work with the state 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 State will review inactive projects for which no expenditure has been charged against federal funds within a period of 12 months with unexpended Federal obligations to reflect the current cost estimate and determine the validity of the obligated amount. The State shall revise obligations which are not adequately supported with justification for the project inactivity.
FHWA may exercise authority to de-obligate projects as would be consistent with 23 CFR 630.106.

13. Planning Activities

Title 23 U.S.C. specifies that the planning functions cannot be delegated to the State Department of Transportation. FHWA retains authority for all Federal responsibilities for planning and programming specified in 23 U.S.C. 134 and 135. In addition, this also applies to the Federal air quality conformity determinations required by the Clean Air Act. However, for all delegated programs or projects, MDT shall oversee and ensure compliance with the metropolitan and statewide planning requirements, including but not limited to: project eligibility for the proposed funding source, fiscal constraint, air quality conformity, public involvement, STIP, and long range transportation plans requirements.

COORDINATION OF MANUAL UPDATES

The following outlines expectations for FHWA involvement in MDT's processes to update manuals or procedures:

1. Materials Manual
    a. FHWA reviews and approve changes as they are submitted periodically, with a separate summary rollup and approval annually; the annual action constitutes approval of the Quality Assurance Program as required at 23 CFR 637.205a and 23 CFR 637.207.
2. Right of Way Manual
    a. Notification of changes provided to FHWA ROW specialist before publication, with an opportunity review and provided comments
    b. Every 5 years MDT must provide a certification to FHWA ROW specialist.
3. Geotechnical Manual
    a. Summary of changes distributed to FHWA materials specialist annually with opportunity to review and provide comments
4. Road Design Manual
    a. Notifications of changes provided to FHWA design specialist before publication, with an opportunity review and provide comments.
    b. Any changes to roadway design standards for new and reconstruction on the NHS requires FHWA approval.
5. Bridge (Montana Structure Manual and Bridge Design Standards)
    a. Summary of changes to either manual distributed to FHWA structures specialist annually with opportunity to review and provide comments
6. Consultant Services Manual
    a. Notification of major changes provided to FHWA consultant services specialist before publication, with an opportunity review and provided comments; provide summary of minor changes before or after publication.
    b. Changes to selection or administration procedures that directly relate to the requirements of 23 CFR 172 – Administration of Engineering and Design Related Service Contracts – must receive prior FHWA approval.
7. Traffic Engineering Manual
    a. Notification of changes provided to FHWA design specialist before publication, with an opportunity to review and provide comments.
8. Environmental Manual
    a. Notification of changes provided to FHWA environmental program specialist before publication, with an opportunity to review and provide comments.
9. Maintenance in Federal Aid
    a. Notification of changes provided to FHWA maintenance program specialist before publication, with an opportunity to review and provide comments.

10. Construction Administration Manual
    a. Notification of changes provided to FHWA field operations engineer before publication, with an opportunity to review and provide comments.
11. Hydraulics Manual (adopted AASHTO manual with changes to chapters 7, 9, 10 and 13)
    a. Notification of changes provided to FHWA structures specialist annually, with an opportunity to review and provide comments.
12. Community Transportation Enhancement Program
    a. Notification of changes provided to FHWA local programs specialist before publication, with an opportunity to review and provide comments.
    b. Changes to selection or administration procedures that directly relate to the requirements of 23 CFR 172 – Administration of Engineering and Design Related Service Contracts – must receive prior FHWA approval.
13. Local Agency Guidelines Manual
    a. Notification of changes provided to FHWA local programs specialist before publication, with an opportunity to review and provide comments.
    b. Changes to selection or administration procedures that directly relate to the requirements of 23 CFR 172 – Administration of Engineering and Design Related Service Contracts – must receive prior FHWA approval.