

# Federal – Aid Highways

# Stewardship and Oversight Agreement

between



and



June 1, 2015

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TITLE 23, UNITED STATES CODE

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**STEWARDSHIP AND OVERSIGHT AGREEMENT  
ON PROJECT ASSUMPTION AND PROGRAM OVERSIGHT  
BY AND BETWEEN  
FEDERAL HIGHWAY ADMINISTRATION, PENNSYLVANIA DIVISION  
AND THE  
COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION**

**SECTION I. BACKGROUND AND INTRODUCTION**

The Federal Highway Administration (FHWA) and the Pennsylvania Department of Transportation (PennDOT) hereby enter into this Stewardship & Oversight Agreement (S&O Agreement) for the purpose of administering the Federal-aid Highway Program (FAHP) in Pennsylvania. This Agreement clarifies the stewardship and oversight roles and responsibilities of both the FHWA and PennDOT in implementing the FAHP. The Agreement is intended to result in the efficient and effective management of public funds and to ensure that the FAHP is delivered consistent with laws, regulations, policies, and good business practice in Pennsylvania.

The FAHP is a federally-assisted program of State-selected projects. FHWA and the State Departments of Transportation have long worked as partners to deliver the FAHP in accordance with Federal requirements. In enacting 23 U.S.C. 106(c), as amended, Congress recognized the need to give the States more authority to carry out project responsibilities traditionally handled by FHWA. Congress also recognized the importance of a risk-based approach to FHWA oversight of the FAHP, establishing requirements in 23 U.S.C. 106(g). This Agreement defines select stewardship and approval roles for Federal-aid design and construction projects in Pennsylvania, and sets forth the roles and responsibilities of FHWA and PennDOT with respect to Title 23 project approvals and related responsibilities, and FAHP oversight activities.

The scope of FHWA responsibilities, and the legal authority for PennDOT assumption of FHWA responsibilities, developed over time. The U.S. Secretary of Transportation delegated responsibility to the Administrator of FHWA for the FAHP under Title 23 of the United States Code, and associated laws. (49 CFR 1.84 and 1.85) The following legislation further outlines FHWA's responsibilities:

- Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991;
- Transportation Equity Act for the 21st Century (TEA-21) of 1998;
- Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005; and
- Moving Ahead for Progress in the 21st Century Act (MAP-21) of 2012 (P.L. 112-141).

FHWA may not assign or delegate its decision-making authority to a State Department of Transportation unless authorized by law. Section 106 of Title 23, United States Code (Section

106), authorizes the State to assume specific project approvals. For projects that receive funding under Title 23, U.S.C., and are on the National Highway System (NHS) including projects on the Interstate System, the State may assume the responsibilities of the Secretary of the U.S. Department of Transportation under Title 23 for design, plans, specifications, estimates, contract awards, and inspections with respect to the projects unless the Secretary determines that the assumption is not appropriate. (23 U.S.C. 106(c)(1)) For projects under Title 23, U.S.C. that are not on the NHS, the State shall assume the responsibilities for design, plans, specifications, estimates, contract awards, and inspections unless the State determines that such assumption is not appropriate. (23 U.S.C. 106(c)(2))

For all other project activities which do not fall within the specific project approvals listed in Section 106 or are not otherwise authorized by law, the FHWA may authorize PennDOT to perform work needed to reach the FHWA decision point, or to implement FHWA's decision. However such decisions themselves are reserved to FHWA.

The authority given to PennDOT under Section 106(c)(1) and (2) is limited to specific project approvals listed herein. Nothing listed herein is intended to include assumption of FHWA's decision-making authority regarding Title 23, U.S.C. eligibility or Federal-aid participation determinations. The FHWA always must make the final eligibility and participation decisions for the Federal-aid Highway Program.

Section 106(c)(3) requires FHWA and PennDOT to enter into an agreement relating to the extent to which PennDOT assumes project responsibilities. This S&O Agreement includes information on specific project approvals and related responsibilities, and provides the requirements for FHWA oversight of the FAHP (Oversight Program), as required by 23 U.S.C. 106(g).

## **SECTION II. INTENT AND PURPOSE**

The intent and purpose of this S&O Agreement is to document the roles and responsibilities of the FHWA's Pennsylvania Division Office and PennDOT with respect to project approvals and related responsibilities, and to document the methods of oversight which will be used to efficiently and effectively deliver the FAHP.

The purpose is to ensure adequate oversight for validating the obligation and expenditure of Federal funds. On the broader program level, this S&O Agreement acknowledges that FHWA and PennDOT are responsible for the effective and efficient use of Federal funds.

The Project Action Responsibility Matrix, Attachment A to this S&O Agreement and as further described in Section VIII of this S&O Agreement, identifies FHWA FAHP project approvals and related responsibilities State DOT assumes from FHWA on a program-wide basis pursuant to 23 U.S.C. 106(c) and other legal authorities. Upon execution of this agreement, Attachment A shall be controlling and except as specifically noted in Attachment A, no other agreements, attachments, or other documents shall have the effect of delegating or assigning FHWA approvals to State DOT on a program-wide basis under 23 U.S.C 106 or have the effect of altering Attachment A.

**REFER TO DOCUMENT TITLED “PROCEDURES FOR PROJECTS OF DIVISION INTEREST (PoDI) AND PENNDOT PROJECT OVERSIGHT IDENTIFICATION” FOR IDENTIFICATION OF PROJECTS OF FHWA DIVISION INTEREST AND PENNDOT OVERSIGHT PROJECTS.** On an annual basis, projects of division interest (PoDI) will be determined jointly by the FHWA and PennDOT, for stewardship and oversight activities.

### **SECTION III. ASSUMPTION OF RESPONSIBILITIES FOR FEDERAL-AID PROJECTS ON THE NATIONAL HIGHWAY SYSTEM**

A. PennDOT *may assume* the FHWA’s Title 23 responsibilities for design; plans, specifications, and estimates (PS&E); contract awards; and inspections, with respect to *Federal-aid projects on the National Highway System (NHS)* if both PennDOT and FHWA determine that assumption of responsibilities is appropriate. PennDOT may not assume responsibilities for high risk category interstate projects (23 U.S.C. 106(c)4). High risk categories are discussed in section IX of this guidance.

Refer to Section IV of this agreement for Assumptions of Responsibility for Federal-aid Projects Off of the National Highway System (non-NHS).

Refer to Section VI of this agreement for Areas of Assumption under 23 USC 106(c).

B. Approvals and related activities for which PennDOT has assumed responsibilities as shown in **Appendix A** will apply program wide unless project specific actions for which FHWA will carry out the approval or related responsibilities are documented in accordance with the FHWA Project of Division Interest/Project of Corporate Interest Guide (FHWA PoDI/PoCI Guide) located at: <http://www.fhwa.dot.gov/federalaid/stewardship/>

Refer to document titled “Procedures for Projects of Division Interest (PoDI) and PennDOT Project Oversight Identification” for additional information.

See Section VII for Federal approvals and related responsibilities that may not be assumed by PennDOT.

C. The State DOT may not assume responsibilities for Interstate projects that are in high risk categories. (23 U.S.C. 106(c)(1))

D. PennDOT is to exercise any and all assumptions of the Secretary responsibilities for Federal-aid projects on the NHS in accordance with Federal laws, regulations and policies.

It is agreed that PennDOT’s assumption of certain responsibilities does not preclude FHWA access to and review of Federal-aid projects at any time, and that it does not replace the provisions of Title 23, U.S.C. with respect to the basic structure of the FAHP. FHWA continues to retain overall responsibility for all aspects of Federal-aid programs and, as such, shall be

granted full access to review any aspect or record of a Federal-aid project at any time. In matters concerning questionable eligibility for Federal participation in the programming, development, and construction of Federal-aid projects, PennDOT will consult with FHWA or FHWA may choose to become involved in determining eligibility.

#### **SECTION IV. ASSUMPTION OF RESPONSIBILITIES FOR FEDERAL-AID PROJECTS OFF THE NATIONAL HIGHWAY SYSTEM**

Project selection off the NHS will be risk-based and stewardship and oversight activities will be directed toward addressing the identified risks. This may include retaining certain project approvals or directing stewardship or oversight activities to a specific phase or element of the project. For PoDIs, the scope of a Division’s stewardship and oversight activities, beyond any project approval actions retained by FHWA, will be tailored to the level of risk ascertained by the Division. For Projects of Corporate Interest (PoCIs), the scope of involvement will include the dedication of corporate resources to ensure the successful delivery of the project. Refer to document titled “Procedures for Projects of Division Interest (PoDI) and PennDOT Project Oversight Identification” for additional information.

- A. PennDOT *shall assume* the FHWA’s Title 23 responsibilities for design, PS&Es, contract awards, and inspections, with respect to *Federal-aid projects off the NHS (non-NHS)* unless *PennDOT* determines that assumption of responsibilities is not appropriate. (23 U.S.C. 106(c)(2))
- B. Except as provided in 23 U.S.C.109(o), PennDOT is to exercise the Secretary’s approvals and related responsibilities on these projects in accordance with Federal laws.
- C. PennDOT, in its discretion, may request FHWA carry out one or more non-NHS approvals or related responsibilities listed as “PennDOT” in **Appendix A** on a program-wide basis. For a project specific request, PennDOT may request FHWA carry out any approval or related responsibility listed in **Appendix A** off the NHS. Such project-specific requests shall be documented in accordance with the FHWA PoDI/PoCI Guide.
- D. Pursuant to 23 U.S.C. 109(o), non-NHS projects shall be designed and constructed in accordance with State laws, regulations, directives, safety standards, design standards, and construction standards.

It is agreed that PennDOT’s assumption of certain responsibilities does not preclude FHWA access to and review of Federal-aid projects at any time, and that it does not replace the provisions of Title 23, U.S.C. with respect to the basic structure of the FAHP. FHWA continues to retain overall responsibility for all aspects of Federal-aid programs and, as such, shall be granted full access to review any aspect or record of a Federal-aid project at any time. In matters concerning questionable eligibility for Federal participation in the programming, development, and construction of Federal-aid projects, PennDOT will consult with FHWA or FHWA may choose to become involved in determining eligibility.

**SECTION V. ASSUMPTION OF RESPONSIBILITIES FOR LOCALLY ADMINISTERED PROJECTS**

PennDOT may permit local public agencies (LPAs) to carry out PennDOT’s assumed responsibilities on locally administered projects. PennDOT is responsible and accountable for LPA compliance with all applicable Federal laws and requirements, and will provide the necessary reviews and approvals of projects that are developed and administered by local agencies to assure compliance with Federal requirements. PennDOT is responsible and accountable for ensuring compliance with Federal–aid requirements on Locally Administered Projects.

**SECTION VI. PERMISSIBLE AREAS OF ASSUMPTION UNDER 23 U.S.C. 106(c)**

FHWA and PennDOT must enter into this Agreement relating to the extent to which PennDOT assumes project responsibilities, as required by 23 U.S.C. 106(c)(3). An assumption of responsibilities under 23 U.S.C. 106(c) may cover only activities in the following areas:

- A. Design, which includes preliminary engineering, engineering, and design-related services directly relating to the construction of a FAHP-funded project, including engineering, design, project development and management, construction project management and inspection, surveying, mapping (including the establishment of temporary and permanent geodetic control in accordance with specifications of the National Oceanic and Atmospheric Administration), and architectural-related services.
- B. PS&E, which represents the actions and approvals required before authorization of construction. The PS&E package includes geometric standards, drawings, specifications, project estimates, certifications relating to completion of right-of-way acquisition and relocation, utility work, and railroad work.
- C. Contract awards, which include procurement of professional and other consultant services and construction-related services to include advertising, evaluating, and awarding contracts.
- D. Inspections, which include general contract administration, material testing and quality assurance, review, and inspections of Federal-aid contracts as well as final inspection/acceptance.
- E. Approvals and related responsibilities affecting real property as provided in 23 CFR 710.201(i) and any successor regulation in 23 CFR Part 710.

**SECTION VII. FEDERAL APPROVALS AND RELATED RESPONSIBILITIES THAT MAY NOT BE ASSUMED BY PENNDOT**

- A. Any approval or related responsibility not listed in Appendix A cannot be assumed by PennDOT without prior concurrence by FHWA Headquarters. The following is a list of

the most frequently-occurring approvals and related responsibilities that may not be assumed by PennDOT:

1. Civil Rights Program approvals;
  2. Provide pre-approval for preventive maintenance activities outside the scope of the preventive maintenance agreements;
  3. Environmental approvals, except those specifically assumed under other agreements. (23 U.S.C. 326 and 327; programmatic categorical exclusion agreements);
  4. Federal air quality conformity determinations required by the Clean Air Act;
  5. Approval of current bill and final vouchers;
  6. Approval of federally-funded hardship acquisition, protective buying, and 23 U.S.C. 108(d) early acquisition;
  7. Project agreements and modifications to project agreements and obligation of funds (including advance construction);
  8. Planning and programming pursuant to 23 U.S.C. 134 and 135;
  9. Special Experimental Projects (SEP-14 and SEP-15);
  10. Use of Interstate airspace for non-highway-related purposes;
  11. Any Federal agency approval or determination under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended, and implementing regulations in 49 CFR Part 24;
  12. Waivers to Buy America requirements;
  13. Approval of Federal participation under 23 CFR 1.9(b);
  14. Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations, or other contributions applied to a project;
  15. Functional replacement of property;
  16. Approval of a time extension for preliminary engineering projects beyond the 10-year limit, in the event that actual construction or acquisition of right-of-way for a highway project has not commenced;
  17. Approval of a time extension beyond the 20-year limit for right of way projects, in the event that actual construction of a road on the right-of-way is not undertaken;
  18. Determine need for Coast Guard Permit;
  19. Training Special Provision – Approval of New Project Training Programs; and
  20. Any other approval or activity not specifically identified in Appendix A unless otherwise approved by the FHWA, including the Office of Chief Counsel.
- B. For all projects and programs, PennDOT will comply with Title 23 and all applicable 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 (except as provided in 23 U.S.C. 109(o)); Civil Rights including Title VI of the *Civil Rights Act*, and participation by Disadvantaged Business Enterprises; prevailing wage rates; and acquisition of right-of-way, etc.
- C. This S&O Agreement does not modify FHWA’s non-Title 23 program approval and related responsibilities, such as approvals required under the Clean Air Act; National



Environmental Policy Act, Executive Order on Environmental Justice (E.O. 12898), and other related environmental laws and statutes; the Uniform Act; and the Civil Rights Act of 1964 and related statutes.

## **SECTION VIII. PROJECT ACTION RESPONSIBILITY MATRIX**

**Appendix A**, Project Action Responsibility Matrix, to this S&O Agreement identifies FAHP project approvals and related responsibilities. The Matrix specifies which approvals and related responsibilities are assumed by PennDOT under 23 U.S.C. 106(c) or other statutory or regulatory authority, as well as approvals and related responsibilities reserved to FHWA.

## **SECTION IX. HIGH RISK CATEGORIES**

- A. In 23 U.S.C. 106(c), Congress directs that the Secretary shall not assign any approvals or related responsibilities for projects on the Interstate System if the Secretary determines the project to be in a high risk category. Under 23 U.S.C. 106(c)(4)(B), the Secretary may define high risk categories on a national basis, State-by-State basis, or national and State-by-State basis.
  
- B. The Division has determined there are no high risk categories.

## **SECTION X. FHWA OVERSIGHT PROGRAM UNDER 23 U.S.C. 106(g)**

- A. In 23 U.S.C. 106(g), Congress directs that the Secretary shall establish an oversight program to monitor the effective and efficient use of funds authorized to carry out the FAHP. This program includes FHWA oversight of the State's processes and management practices, including those involved in carrying out the approvals and related responsibilities assumed by the State under 23 U.S.C. 106(c). Congress defines that, at a minimum, the oversight program shall be responsive to all areas relating to financial integrity and project delivery.
  
- B. FHWA shall perform annual reviews that address elements of PennDOT's financial management system in accordance with 23 U.S.C. 106(g)(2)(A). FHWA will periodically review PennDOT's monitoring of subrecipients pursuant to 23 U.S.C. 106(g)(4)(B).
  
- C. The FHWA shall perform annual reviews that address elements of the project delivery systems of PennDOT, which elements include one or more activities that are involved in the life cycle of project from conception to completion of the project. The FHWA will also evaluate the practices of PennDOT for estimating project costs, awarding contracts, and reducing costs. 23 U.S.C. 106(g)(2) and (3).
  
- D. To carry out the requirements of 23 U.S.C. 106(g), the FHWA will employ a risk management framework to evaluate financial integrity and project delivery, and balance risk with staffing resources, available funding, and the State's transportation needs. The FHWA may work collaboratively with PennDOT to assess the risks inherent with the

FAHP and funds management, and how that assessment will be used to align resources to develop appropriate risk response strategies.

Techniques the Division and PennDOT may use to identify and analyze risks and develop response strategies include the following:

- Program Assessments;
- FIRE Reviews;
- Program Reviews;
- Certification Reviews;
- Recurring or periodic reviews such as the Compliance Assessment Program (CAP); and
- Inspections of project elements or phases.
- Independent Oversight Program (IOP) reviews

These techniques will be carried out in a manner consistent with applicable Division Standard Operating Procedures or other control documents relating to program assessments, FIRE, program reviews, CAP, etc.

The following techniques and processes will be used to carry out the requirements of 23 U.S.C. 106(g):

1. Risk Assessment- FHWA and PennDOT will tri-annually perform joint risk assessments of various program areas for the purpose of prioritizing its program level oversight activities. This assessment will be jointly reviewed in the other years to determine if the risks identified have been addressed and no additional action is needed. The risk assessment will include identification of risk responses that FHWA and PennDOT will undertake either individually or jointly. The risk response strategies will include identification of program reviews of Federal-aid projects and PennDOT processes. These program reviews will be captured in the Independent Oversight Program.

2. Financial Integrity Review and Evaluation (FIRE) FHWA Order 4560.1C- The FIRE Program is an oversight program to ensure that Federal-aid funds are properly managed and effectively used in accordance with Federal policies, and that safeguards are in place to minimize fraud, waste, and abuse. The FIRE program includes Funds Management, Federal-aid billing, Major projects, Project authorization, Modification and Voucher, and Locally Administered Projects. The FIRE program is a consistent process for identification and prioritization of risk events, and identification of strategies for risk mitigation.

3. The Independent Oversight Program (IOP) - The IOP includes program reviews that are triggered by the joint risk assessment and/or by the performance indicators/measures that suggest a need for improvement, or as identified by general recurring reviews of programs and projects. In general, FHWA will use the IOP process to assess the capability and capacity of PennDOT in those areas where PennDOT has assumed FHWA's responsibilities. The IOP includes formal

procedures for conducting reviews, developing reports, and tracking resolution of findings and recommendations. The reviews are conducted to:

- Assess compliance with Federal requirements.
- Identify opportunities for greater efficiencies and improvements to the program.
- Identify exemplary best practices.
- Identify areas that need attention and make recommendations for improvement.

The number of reviews and the review topics are jointly established annually by FHWA and PennDOT and are based on the results and recommendations of the program assessment which includes a risk assessment analysis. Reviews may be initiated by both FHWA and PennDOT and are designed to include a multidisciplinary team from both agencies. Based on the outcome of the IOP, an action plan may be required to address the recommendations or corrective actions identified in the reviews. The action plan will be jointly monitored until the recommendations and corrective actions have been satisfactorily addressed. At the beginning of each FHWA performance year, FHWA will develop its schedule of reviews for the forthcoming year in coordination with PennDOT.

4. Compliance Assessment Program (CAP) – The CAP is to help provide reasonable assurance that Federal-aid highway projects comply with key federal requirements. The CAP helps provide this assurance by assessing a statistically valid sample of projects such that the results inform the FHWA, with an acceptable level of certainty, of the degree of compliance. The approach is objective, defensible, and will inform the development of Corporate and Unit risk assessments with statistically valid information and data. The CAP is one element of project stewardship and oversight and will supplement and strengthen the agency’s movement toward being more data-driven and risk-based.

E. Program Responsibility Matrix

**Appendix B** to this S&O Agreement is the Program Responsibility Matrix that identifies all relevant FHWA program actions, and Division and PennDOT program contact offices.

F. Manual and Operating Agreements

PennDOT manuals, agreements and other control documents that have been approved for use on Federal-aid projects are listed in **Appendix C** to this S&O Agreement.

G. Non-Title 23 requirements such as the NEPA, and Section 4(f) apply to both NHS and Non-NHS Federal-aid projects, and FHWA will review and approve the applicable actions for all FHWA oversight and PennDOT oversight projects, except for those programmatically delegated to PennDOT, as defined in Appendix A. FHWA will also approve Right-of-Way (ROW) actions related to hardship and protective buying requests under the provisions of 23 CFR. Other Title 23 requirements (e.g., Metropolitan and

Statewide Planning) apply to both NHS and Non-NHS projects. In addition, applicable Title 23 requirements pertaining to contracts (for example, bid proposal content, including Davis Bacon, and DBE) and procurement procedures (competitive bidding, Brooks Act) apply regardless of whether the project is on or off the NHS.

## **SECTION XI. PENNDOT OVERSIGHT AND REPORTING REQUIREMENTS**

The Project Action Responsibility Matrix included in **Appendix A** documents the roles and responsibilities of PennDOT on NHS projects for which PennDOT has assumed Section 106(c) responsibilities for design, PS&E, contract awards, and project inspections. Project actions for which PennDOT assumes defined approval authority in **Appendix A** are not subject to further approvals by FHWA on those specific items, unless PennDOT requests FHWA be involved or FHWA requests involvement for a particular project.

For non-NHS projects, this agreement provides that PennDOT assumes FHWA's specific Section 106(c) responsibilities unless PennDOT determines that such assumption is not appropriate. Additionally, this agreement provides that PennDOT is to exercise the Secretary's responsibilities on non-NHS projects with the expectation that PennDOT's actions will be based on Federal laws. This agreement provides that pursuant to 23 U.S.C. 109(o), non-NHS projects shall be designed and constructed in accordance with State laws, regulations, directives, safety standards, design standards, and construction standards. Documentation will be provided in the project files if PennDOT requests FHWA maintain 106(c) responsibilities on a non-NHS project.

It is agreed that PennDOT's assumption of certain responsibilities does not preclude FHWA access to and review of Federal-aid projects at any time, and that it does not replace the provisions of Title 23, U.S.C. with respect to the basic structure of the FAHP.

Nothing in this Agreement shall affect or discharge any responsibility or obligation of the FHWA under any Federal law other than Title 23, U.S.C. Such other Federal requirements include, but are not limited to, the National Environmental Policy Act (NEPA), Section 4(f) of the Department of Transportation Act of 1966, the Clean Air Act, the Clean Water Act, the Civil Rights Act of 1964, NHPA Section 106, Davis Bacon Act (40 U.S.C.), Brooks Act, Disadvantaged Business Enterprise (DBE) (49 CFR 26), and the Uniform Relocation Assistance and Acquisition Policies Act of 1970 as Amended (i.e., Uniform Act) (49 CFR 24).

### **A. PENNDOT OVERSIGHT AND REPORTING REQUIREMENTS**

As provided for in Federal legislation, certain categories of Federal-aid projects are delegated to PennDOT for oversight responsibility. On PennDOT-oversight projects, PennDOT will act on behalf of the U.S. Secretary of Transportation and FHWA in the development and approval of projects in accordance with the provisions in this Agreement and applicable Federal regulations, with the expectation that it exercises similar judgment based on Federal laws, regulations, and FHWA policies.

The State DOT is responsible for demonstrating to the FHWA how it is carrying out its responsibilities in accordance with this S&O Agreement. In order to fulfill this responsibility, the State DOT will perform its oversight responsibilities in accordance with all the Manuals, Agreements and Operating Procedures contained in **Appendix C** of this Agreement.

## **B. PENNDOT OVERSIGHT OF LOCALLY ADMINISTERED PROJECTS**

PennDOT's oversight of LPA's is documented in Publication 740 – *Local Project Delivery Manual (LPDM)*. This manual describes PennDOT's role for communicating, educating, and validating Federal requirements with local public agencies. The processes in Publication 740 detail how PennDOT will provide management for the following:

- Sub-recipient processes for project management, (including staffing), adequate project delivery systems, and sufficient accounting controls.
- Sub-recipient awareness of Federal grant requirements, management of grants and sub-grants, and pass through entity responsibilities.
- Sub-recipient satisfactorily staffed and equipped to cost effectively perform work.
- Sub-recipient inspection to ensure their project is completed in conformance with approved plans and specifications.
- LPAs use of consultants for engineering services.
- Project actions administered in accordance with all applicable Federal laws and regulations.

Additionally, PennDOT understands the following responsibilities:

B.1. PennDOT is required to provide adequate oversight of sub-recipients including oversight of any assumed responsibilities PennDOT delegates to a LPA.

B.2. Pursuant to 23 U.S.C. 106(g)(4), PennDOT shall be responsible for determining that sub-recipients of Federal funds have adequate project delivery systems for locally administered projects and sufficient accounting controls to properly manage such Federal-aid funds. PennDOT is also responsible for ensuring compliance with reporting and other requirements applicable to grantees making sub-awards, such as monthly reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, PL 109-282 (as amended by PL 110-252).

B.3. PennDOT acknowledges that it is responsible for sub-recipient awareness of Federal grant requirements, management of grant awards and sub-awards, and is familiar with and comprehends pass through entity responsibilities (2 C.F.R. 200.331 Requirements for Pass-thru Entities). PennDOT shall carry out these responsibilities using the following actions, programs, and processes:

PennDOT will ensure that sub-recipients are aware of federal requirements through routine project management and delivery. PennDOT Project managers at the District level maintain familiarity and utilize and comply with the new Publication 740 (*Local Project Delivery Manual*). PennDOT also meets routinely with larger sub-recipients to ensure projects are advancing in compliance with procedures. Publication 740 addresses all phases (planning thru construction) including roles and responsibilities, procedures for invoicing, payments to

contractors, records and documentation control, reimbursement agreements, audits, finalization and close-out.

B.4. PennDOT shall assess whether a sub-recipient has adequate project delivery systems and sufficient accounting controls to properly manage projects, using the following actions, programs, and processes:

PennDOT ensures delivery systems and accounting controls are adequate by virtue of complying with Publication 740, which requires PennDOT's review and approval of most elements of each phase of delivery. Publication 740 also includes flowcharts, tables, checklists and sample documents to ensure quality, consistency and compliance is achieved.

The use of PennDOT's Engineering and Construction Management System (ECMS) system and other electronic systems for the delivery of local projects will help ensure compliance with federal regulations. These programs and systems have built in processes that are identical to PennDOT's normal project delivery process. (LPDM Section 3.3)

B.5. PennDOT shall assess whether a 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), by using the following actions, programs, and processes:

Publication 740 *Local Project Delivery Manual* clearly states the roles and responsibilities of both LPAs and PennDOT with regard to staffing skills and experience required to manage Federal Aid projects. (LPDM Section 3.0)

B.6. PennDOT shall assess whether sub-recipient projects receive adequate inspection to ensure they are completed in conformance with approved plans and specifications, by using the following actions, programs, and processes:

The manner in which the LPA plans to keep records and documentation of construction work must be approved by PennDOT. The LPA must adhere to PennDOT Publications and inspection requirements as detailed in Publication 740 *Local Project Delivery Manual*. (LPDM Section 3.6 and 7.2)

B.7. PennDOT shall ensure that when LPAs elect to use consultants for engineering services, the LPA, as provided under 23 CFR 635.105(b), shall provide a full-time employee of the agency to be in responsible charge of the project. PennDOT's process to ensure compliance with this requirement is documented by the following actions, programs, and processes:

Publication 740 *Local Project Delivery Manual* states that the LPA must provide a full-time employee of the agency to be in responsible charge of the project. (LPDM Section 3.0)

B.8. PennDOT shall ensure that project actions will be administered in accordance with all applicable Federal laws and regulations. PennDOT's processes on required approvals on sub-recipient projects are documented in Publication 740 *Local Project Delivery Manual*, Chapter 3. The oversight areas include:

- 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);  
and
- h. Contract administration including PennDOT’s responsibility to approve a sub-recipient to pursue a contract procurement method other than competitive bidding.

B.9. PennDOT’s process for documentation for its oversight activities for LPA-administered projects and findings, and methods to share this information with the FHWA are provided in Publication 740 *Local Project Delivery Manual*.

Eligible public agencies (city, county, township) or other State agencies (Pennsylvania Turnpike Commission (PTC) and other toll facility owners/operators) may be permitted by PennDOT to take project approval actions and administer Federal-aid design and construction projects if they have jurisdiction over the roadway in accordance with 23 CFR 635 – *Construction and Maintenance*. The requesting public agency may develop procedures which modify and/or supplement the procedures contained in this Agreement or otherwise published by PennDOT, as long as the public agency procedures are approved by PennDOT and FHWA, and the agency certifies that it will operate in compliance with them. PennDOT is responsible for providing FHWA with documentation of the results of their quality assurance program relative to oversight activities of other public agencies.

## **SECTION XII. IMPLEMENTATION AND AMENDMENTS**

This Agreement supersedes all previously executed Stewardship and Oversight Agreements between the FHWA and PennDOT. Upon execution, this S&O Agreement will apply immediately to all new Federal-aid projects and all existing Federal-aid projects under design. Federal-aid projects under construction will retain their current oversight designation through completion, unless FHWA and PennDOT mutually agree to change that designation.

- A. This S&O Agreement will take effect as of the effective date of the signature of the FHWA Pennsylvania Division Administrator, who shall sign this S&O Agreement last.
- B. FHWA and PennDOT agree that updates to this Agreement will 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 S&O Agreement occurs;
  - Leadership, or leadership direction, changes at PennDOT or FHWA; or

- Priorities shift as a result of audits, public perception, or changes in staffing at either PennDOT or the Division Office.
- C. FHWA and PennDOT agree that changes may occur to the contents of the Appendices to this S&O Agreement and documents incorporated by reference into the S&O Agreement. Except as provided in paragraph XII.D and E, changes to the Appendices and documents incorporated by reference will not require FHWA and PennDOT to amend this S&O Agreement. The effective date of any revisions to one of these documents shall be clearly visible in the header of the revised document. This Agreement and any revised document shall be posted on the FHWA Pennsylvania Division’s S&O Agreement internet site within five (5) business days of the effective date.
- D. Any changes to the high risk categories must be documented by an amendment to this S&O Agreement.
- E. Any changes to the Project Action Responsibility Matrix must be approved by the FHWA Office of Infrastructure in writing and documented by an amendment to this S&O Agreement.



**EXECUTION BY THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION**

Executed this 11th day of May, 2015.

/s/ Leslie Richards

Signature

Leslie Richards

Secretary of Transportation

**EXECUTION BY THE FHWA PENNSYLVANIA DIVISION OFFICE**

Executed this 26th day of May, 2015.

/s/ B. Renee Sigel

Signature

B. Renee Sigel

Division Administrator

**-THIS PAGE IS FOR COMMONWEALTH OF PENNSYLVANIA USE ONLY-**

APPROVED AS TO LEGALITY  
AND FORM

PRELIMINARILY APPROVED

BY     /s/     5/12/2015  
for Chief Counsel                      DATE

BY     /s/     5/7/2015  
Assistant Counsel                      DATE

BY     /s/     5/12/2015  
Deputy General                      DATE  
Counsel

BY     /s/     5/19/2015  
Deputy Attorney                      DATE

FUNDS COMMITMENT DOCUMENT # \_\_\_\_\_  
CERTIFIED FUNDS AVAILABLE UNDER  
SAP NO. \_\_\_\_\_  
SAP COST CENTER \_\_\_\_\_  
GL ACCOUNT \_\_\_\_\_  
AMOUNT \_\_\_\_\_  
BUDGET PERIOD 2014

BY   N/A    
for Comptroller Operations              DATE

**APPENDIX A – PROJECT ACTION RESPONSIBILITY MATRIX**

The following matrix identifies Federal-aid highway program (FAHP) project approvals and related responsibilities on a program-wide basis. The matrix specifies which actions are assumed by the State under the provisions of 23 U.S.C. 106(c) or other statutory or regulatory authority, as well as those which are reserved to FHWA. Projects classified as PoDI<sup>1</sup> projects are not covered by the matrix, as those projects will be governed by a separate PoDI plan that specifies FHWA and State responsibilities for the project.

Actions marked with an asterisk (“FHWA\*or PennDOT\*”) are those that FHWA has retained or require FHWA concurrence but that could have been assumed by the State through FHWA discretion (on the NHS) or by right (off the NHS). Projects requiring those actions are PoDI projects because of FHWA’s retained authority or concurrence. Those projects will be governed by a separate PoDI Plan.

The State DOT is responsible for ensuring all individual elements of the project are eligible for FAHP funding, but all final eligibility and participation determinations are retained by FHWA.

<sup>1</sup> *The following are considered PoDI projects: Major Projects (>\$500M); Appalachian Development Highway Projects; TIGER Discretionary Grant Projects; NHS Projects with Retained FHWA Project Approval; Non-NHS Projects with Retained FHWA Project Approval; and Projects Selected by FHWA for Risk-based Stewardship & Oversight. Regardless of retained project approval actions, any Federal-aid Highway Project either on or off the NHS that the Division identifies as having an elevated level of risk can be selected for risk-based stewardship and oversight and would then be identified as a PoDI. Please see “Projects of Division Interest (PoDI)/Projects of Corporate Interest (PoCI) Guidance (available at <http://www.fhwa.dot.gov/federalaid/stewardship/>)*

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> (Excluding PoDIs, which are subject to separate PoDI Plans)		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
Ensure project in Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP)	PennDOT	PennDOT
Identify proposed funding category	PennDOT(1)	PennDOT(1)
Obligate funds/approve Federal-aid project agreement, modifications, and project closures (project authorizations) (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Authorize current bill (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Review and Accept Financial Plan and Annual Updates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Review Cost Estimates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Develop Financial Plan for Federal Projects between \$100 million and \$500 million.[23 U.S.C. 106(i)]	PennDOT	PennDOT
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations. (Note: this action cannot be assumed by PennDOT except under 23 U.S.C. 327)	FHWA(2)	FHWA(2)
Categorical Exclusion approval actions (Note this action cannot be assumed by PennDOT except	FHWA(2)	FHWA(2)

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> <b>(Excluding PoDIs, which are subject to separate PoDI Plans)</b>		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
through an assignment under 23 U.S.C. 326 or 327, or through a programmatic agreement pursuant to Section 1318(d) of MAP-21 and 23 CFR 771.117(g))		
Consultant Contract Selection	PennDOT(3)	PennDOT(3)
Sole source Consultant Contract Selection	PennDOT(3)	PennDOT(3)
Approve hiring of consultant to serve in a “management” role (Note: this action cannot be assumed by PennDOT) [23 CFR 172.9]	FHWA(4)	FHWA(4)
Approve consultant agreements and agreement revisions (Federal non-Major Projects) [23 CFR 172.9]	PennDOT	PennDOT
Approve consultant agreements and agreement revisions on Federal Major Projects [23 CFR 172.9] (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Approve exceptions to design standards [23 CFR 625.3(f)]	PennDOT(5,6)	PennDOT
Interstate System Access Change [23 USC 111] (Note: this action cannot be assumed by PennDOT)	FHWA	N/A
Interstate System Access Justification Report [23 USC 111] (Note: action may be assumed by PennDOT pursuant to 23 USC 111(e))	FHWA*	N/A
Airport highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104]	PennDOT	PennDOT

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> (Excluding PoDIs, which are subject to separate PoDI Plans)		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
Approve Project Management Plan for Federal Major Projects over \$500 million [23 USC 106(h)] (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Approve innovative and Public-Private Partnership projects in accordance with SEP-14 and SEP-15 (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Provide pre-approval for preventive maintenance activities outside the scope of the preventive maintenance agreement (until FHWA concurs with PennDOT procedures) (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Provide approval of preliminary plans for unusual/complex and other unusual bridges or structures on the Interstate. [23 USC 109(a) and FHWA Policy]	FHWA(7)	N/A
Provide approval of preliminary plans for unusual/complex and other unusual bridges or structures (non-Interstate) [23 USC 109(a) and FHWA Policy]	PennDOT(7)	PennDOT
Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c)]	PennDOT	PennDOT
Approve use of local force account agreements [23 CFR 635.104 & 204]	PennDOT	PennDOT
Approve use of publicly owned equipment [23 CFR 635.106]	PennDOT	PennDOT
Approve the use of proprietary products, processes	PennDOT	PennDOT

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> (Excluding PoDIs, which are subject to separate PoDI Plans)		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
[23 CFR 635.411]		
Approve use of warranty specifications (23 CFR 635.413)	PennDOT	PennDOT
Approve pavement design (23 CFR 626)	PennDOT	PennDOT
Concur in use of publicly furnished materials [23 CFR 635.407]	PennDOT	PennDOT
Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work [23 CFR 635.309(b)]	PennDOT*(8)	PennDOT*(8)
Make public interest finding on whether PennDOT may proceed with bid advertisement even though ROW acquisition/relocation activities are not complete for some parcels [23 CFR 635.309(c)(3)]	PennDOT*(8)	PennDOT*(8)
Ensure compliant ROW certificate is in place [23 CFR 635.309(c)]	PennDOT	PennDOT
Approve Hardship and Protective Buying [23 CFR 710.503] (If a Federal-aid project) (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Approve Interstate Real Property Interest Use Agreements [23 CFR 710.405] (Note: this action cannot be assumed by PennDOT)	FHWA	N/A
Approve non-highway use and occupancy [23 CFR 1.23(c)]	FHWA for Interstate PennDOT for Non-Interstate (9)	PennDOT(3)

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015) (Excluding PoDIs, which are subject to separate PoDI Plans)</b>		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
Approve disposal at less than fair market value of federally funded right-of-way, including disposals of access control [23 U.S.C. 156] (Note: this action cannot be assumed by State)	FHWA	FHWA
Approve disposal at fair market value of federally funded right-of-way, including disposals of access control [23 CFR 710.409] (Note: 23 CFR 710.201 authorizes FHWA and PennDOT to agree to scope of property-related oversight and approvals for all actions except those on the Interstate System)	FHWA for Interstate PennDOT for Non-Interstate(3)	PennDOT(3)
Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations or other contributions applied to a project (note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Federal land transfers [23 CFR 710, Subpart F] (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Functional replacement of property [23 CFR 710.509] (Note: this action cannot be assumed by PennDOT)	FHWA	FHWA
Accept Transportation Management Plans (23 CFR 630.1012(b))	PennDOT	PennDOT
Approval of System Engineering Analysis (for ITS) [23 CFR 940.11]	PennDOT	PennDOT
Approve PS&E [23 CFR 630.201]	PennDOT	PennDOT
Authorize advance construction and conversions [23 CFR 630.703]	FHWA	FHWA



<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> (Excluding PoDIs, which are subject to separate PoDI Plans)		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
& 709] (Note: this action cannot be assumed by PennDOT)		
Approve utility or railroad force account work [23 CFR 645.113 & 646.216]	PennDOT	PennDOT
Approve utility and railroad agreements [23 CFR 645.113 & 646.216]	PennDOT	PennDOT
Approve use of consultants by utility companies [23 CFR 645.109(b)]	PennDOT	PennDOT
Approve exceptions to maximum railroad protective insurance limits [23 CFR 646.111]	PennDOT	PennDOT
Authorize (approve) advertising for bids [23 CFR 635.112, 309]	PennDOT(10)	PennDOT(10)
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]	PennDOT	PennDOT
Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 &.204]	PennDOT	PennDOT
Approve construction engineering by local agency [23 CFR 635.105]	PennDOT	PennDOT
Approve advertising period less than 3 weeks [23 CFR 635.112]	PennDOT	PennDOT
Approve addenda during advertising period [23 CFR 635.112]	PennDOT	PennDOT
Concur in award of contract [23 CFR 635.114]	PennDOT	PennDOT
Concur in rejection of all bids [23 CFR 635.114]	PennDOT	PennDOT

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> (Excluding PoDIs, which are subject to separate PoDI Plans)		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
Approval of Design-Build Requests-for-Proposals and Addenda [23 CFR 635.112]	PennDOT	PennDOT
Approve changes and extra work [23 CFR 635.120]	PennDOT	PennDOT
Approve contract time extensions [23 CFR 635.120]	PennDOT	PennDOT
Concur in use of mandatory borrow/disposal sites [23 CFR 635.407]	PennDOT	PennDOT
Accept materials certification [23 CFR 637.207]	PennDOT	PennDOT
Concur in settlement of contract claims [23 CFR 635.124]	FHWA*	PennDOT
Concur in termination of construction contracts [23 CFR 635.125]	PennDOT	PennDOT
Waive Buy America provisions [23 CFR 635.410] (Note: this action cannot be assumed by State)	FHWA	FHWA
Final inspection/acceptance of completed work [23 USC 114(a)]	PennDOT	PennDOT
Approval of Disadvantaged Business Enterprise (DBE) Project Contract Goal set by the State DOT under 49 CFR 26.51(d). [49 CFR 26.51(e)(3)]	PennDOT	PennDOT
Acceptance of Bidder's Good Faith Efforts to Meet Contract Goal [49 CFR 26.53] or of Prime Contractor's Good Faith Efforts to Find Another DBE Subcontractor When a DBE Subcontractor is Terminated or Fails to Complete Its Work [49 CFR 26.53(g)] (Note: this action cannot be performed by the FHWA)	PennDOT	PennDOT

<b>PROJECT ACTION RESPONSIBILITY MATRIX (as of June 1, 2015)</b> <b>(Excluding PoDIs, which are subject to separate PoDI Plans)</b>		
<b>ACTION</b>	<b>AGENCY RESPONSIBLE</b>	
	<b>PROJECTS ON THE NHS</b>	<b>PROJECTS OFF THE NHS</b>
Equal Employment Opportunity (EEO) Contract Compliance Review [23 CFR Part 230, Subpart D]).	PennDOT	PennDOT
Training Special Provision – Approval of Project Goal for training slots or hours [23 CFR Part 230, Subpart A]	PennDOT	PennDOT
Training Special Provision – Approval of New Project Training Programs (Note: this action cannot be assumed by State) [23 CFR 230.111(d), (e)]	FHWA	FHWA

**FOOTNOTES:**

\* Actions marked with an asterisk (“FHWA\*or PennDOT\*”) are those that FHWA has retained or require FHWA concurrence but that could have been assumed by the State through FHWA discretion (on the NHS) or by right (off the NHS).

- (1) PennDOT is responsible for ensuring that all individual elements of the project are eligible. FHWA will check that the scope of the project as described in submitted project agreement is eligible for the category of funding sought. All final eligibility and participation determinations are retained by FHWA.
- (2) If there is a 23 U.S.C. 326 or 325 assignment or Programmatic Categorical Exclusion agreement, decisions are handled in accordance with those assignments or agreements.
- (3) PennDOT’s process and modifications to, or variation in process, require FHWA approval.
- (4) FHWA approval is not required for 100% State-funded projects.
- (5) Design criteria in Design Manual, Part 2 (DM-2) meets and in some cases exceeds the criteria in the AASHTO Green Book. For any designs on NHS projects that do not meet the criteria in DM-2, but conform to the minimum criteria in the AASHTO Green Book, a design exception is not required to be approved by FHWA, but will require PennDOT approval. PennDOT approves for State-funded projects
- (6) For all Interstate projects, regardless of funding, PennDOT will submit a copy of approved design exceptions to FHWA.
- (7) Unusual/Complex bridges and structures are those that the Division determines to have unique foundation problems, new or complex designs, exceptionally long spans, exceptionally large foundations, complex hydraulic elements, or that are designed with procedures that depart from currently recognized acceptable practices (i.e., cable-stay, suspension, arch,

segmental concrete, moveable, truss, tunnels, or complex geotechnical walls or ground improvement systems)

(8) FHWA concurrence is required for all conditional ROW certifications.

(9) PennDOT will consult with FHWA for highly unusual circumstances (i.e. extended closures).

(10) PennDOT is still required to submit a fiscal project authorization (4232) for FHWA approval prior to advertisement.

**APPENDIX B – PROGRAM RESPONSIBILITY MATRIX**

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Appropriations, Allotments, Obligations	31 USC 1341(a)(1)(A)& (B); 31 USC 1517(a); 23 USC 118(b), 23 USC 121	As needed	Not Applicable	Office of Chief Financial Officer	Finance	CPDM (Center for Program Management and Development) (Program Center)	State 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.
Approval of Indirect Cost Allocation Plans (ICAPs)	CFR 200 Subpart E ; ASMBC-10	As needed	Not Applicable	Office of Chief Financial Officer	Finance	BFM (Bureau of Fiscal Management)	The State will certify that the ICAP was prepared in accordance with 2 CFR 200 Subpart E.

<sup>1</sup> All actions taken on or after December 26, 2014, shall be governed by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. Part 200 of 2 CFR supersedes 49 CFR Parts 18 and 19, and requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidances); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
FIRE Program Activities	FHWA Order 4560.1C (or as superseded)	Ongoing		Office of Chief Financial Officer	Finance	CPDM/BFM	State will continue to provide oversight and conduct reviews to ensure Federal-aid compliance. FHWA will review and monitor. State responsibilities include multiple tasks in support of risk assessments, conducting reviews and implementation of recommendations.
Audit Coordination/FHWA Financial Statement Audit/State External Audit Reviews/State Internal Audit Reviews	FMFIA, 2 C.F.R. Part 200, Subpart F ; GAAP, CFO Act of 1990; DOT Order 8000.1C	As needed	Not Applicable	Office of Chief Financial Officer	Finance	BFM	State assures corrective action is taken to resolve audit findings and FHWA will monitor activities to ensure implementation.
Improper Payments Review	Improper Payments Information Act of 2002, PL 107-300, Improper Payments Elimination and Recovery Act of	Annually		Office of Chief Financial Officer	Finance	BFM	State will provide all information necessary to document sampled payments and FHWA offices will review and complete appropriate data submittal forms.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
	2010, PL 111-204, Improper Payments Elimination and Recovery Improvement Act of 2012, PL 112-248						
Transfer of Funds between programs or to other FHWA offices or agencies as requested by State	23 USC 126, 23 USC 132, and FHWA Order 4551.1	As needed	Not Applicable	Office of Chief Financial Officer	Finance	CPDM	State will submit requests for transfer and FHWA approves and processes the funding transfers between programs, to other States, to other agencies, and to FHWA HQ, Federal Lands, or Research offices.
Reviews of State Transportation Departments Financial Management Systems - Financial Integrity	23 USC 106(g)(2)(A)	Annually	Not Applicable	Office of Chief Financial Officer	Finance	BFM	23 USC 106(g)(2)(A) states that the Secretary shall perform annual reviews that address elements of the State transportation departments' financial management systems

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
							that affect projects approved under subsection (a).
Review Adequacy of Sub-recipient Project Delivery Systems and Sufficient Accounting Controls to Manage Federal Funds	23 USC 106(g)(4)(A)(i)	As needed	Not Applicable	Office of Chief Financial Officer	Finance	BFM	
Periodic Reviews of States Monitoring of sub-recipients	23 USC 106(g)(4)(B)	As needed	Not Applicable	Office of Infrastructure	Finance	BFM	
Approval of Increased Federal Share Agreement (Sliding Scale)	23 USC 120(b)(2)	As determined by the Federal Share Agreement	Not Applicable	Office of Chief Financial Officer	Finance	BFM	A State must enter into an agreement with FHWA for use of the increased Federal share allowable under this section, which must be reviewed and updated periodically as agreed to in the agreement. States must demonstrate that they are in



Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
							compliance with the statute and the agreement.
Prepare / Review Title VI Plan Accomplishments and Next Year's Goals	23 CFR 200.9(b)(10)	Annually	1-Oct	Office of Civil Rights	Civil Rights	BEO (Bureau of Equal Opportunity)	Division office reviews and comments.
Prepare / EEO Contractor Compliance Plan accomplishments and next year's goals	23 CFR 230, Subpart C, Appendix A, Part I, III	Annually	1-Oct	Office of Civil Rights	Civil Rights	BEO	Division office reviews and comments.
Prepare / Review State Internal EEO Affirmative Action Plan (Title VII) Accomplishments and Goals	23 CFR 230.311	Annually	1-Oct	Office of Civil Rights	Civil Rights	BEO	Courtesy copy to HQ.
Review DBE Program Revisions	49 CFR 26.21(b)(2)	As needed	Not Applicable	Office of Civil Rights	Civil Rights	BEO	Division sends to HCR for review and approval as

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Prepare / DBE Uniform Awards and Commitment Report	49 CFR 26, Appendix B	Semi-Annual	June 1st December 1st	Office of Civil Rights	Civil Rights	BEO	Division Office reviews and sends to HCR
Prepare / Annual Analysis and Corrective Action Plan (if necessary)	49 CFR 26.47(c)	Annual (as necessary)	December 31st	Office of Civil Rights	Civil Rights	BEO	Division Office approves sends copy to HCR
Prepare / State DBE Program Goals	49 CFR 26.45(f)(1)	Triennial	August 1st	Office of Civil Rights	Civil Rights	BEO	Division reviews and approves; HCC provides legal sufficiency review and approval sends copy to HCR
Prepare / Review On-the-Job-Training (OJT) goals & accomplishments	23 CFR 230.111(b)	Annually	TBA	Office of Civil Rights	Civil Rights	BEO	Division office reviews and comments.
Approval of OJT and DBE Supportive Services fund requests	23 CFR 230.113 & 23 CFR 230.204	Annual	TBA	Office of Civil Rights	Civil Rights	BEO	Division recommends approval submits to HCR for final approval
Return of any unused discretionary grant program funding	23 CFR 230.117(2)	Annual	TBA	Office of Civil Rights	Civil Rights	BEO	Division works with HCR and CFO
Prepare / Review of Report on Supportive Services (OJT & DBE)	23 CFR 230.113(g), 230.121(e), 230.204(g)(6)	Quarterly		Office of Civil Rights	Civil Rights	BEO	Division office reviews and comments.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Prepare / Review Annual Contractor Employment Report (Construction Summary of Employment Data (Form PR-1392)	23 CFR 230.121(a); Appendix D to Subpart A, Part 230, General Information and Instructions	Annually	1-Dec	Office of Civil Rights	Civil Rights	BEO	Recommendation sent to HQ for approval.
Prepare / Review State DOT Employment Statistical Data (EEO-4)	23 CFR, Subpart C, Appendix A	Biannual	1-Dec	Office of Civil Rights	Civil Rights	BEO	Report sent to HQ quarterly for informational purposes and recommendation sent to HQ annually for approval.
Prepare / Review Annual Federal Projected Awards Reports - Historically Black Colleges & Universities/Tribal Colleges & Universities/Hispanic Serving Institutes, American Indian Alaskan Native, Asian Pacific & American Islander.	Presidential Executive Orders: 13230, 13256,13270, 13361, 13515	Annual	TBA	Office of Civil Rights	Civil Rights	BEO	Divisions submit data to HCR who prepares report for DOCR
Prepare / Review ADA Complaint	28 CFR 35.190	As needed	Not Applicable	Office of Civil Rights	Civil Rights	BEO	Division office reviews, FHWA HQ

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Reports of Investigation							approves and issues finding.
Review Americans with Disabilities Act (ADA) /Sec. 504 Program Plan accomplishments and next year's goals	49 CFR 27.11(c), EO 12250	Annually	1-Oct	Office of Civil Rights	Civil Rights	BEO	Division office reviews and comments.
Return of unexpended funds used for Summer Transportation Institutes	23 CFR 230.117(2)	Annual	August 30; however, State procurement rules may govern	Office of Civil Rights	Civil Rights	BEO	Divisions work with HCR and CFO
Prepare / Review Request for National Summer Transportation Institute (NSTI) Proposals (SOWs)	23 USC 140(b)	Annual	TBA	Office of Civil Rights	Civil Rights	BEO	Divisions recommend approval. HCR gives final approval
Prepare / Review NSTI Report (questionnaire)	23 USC 140(b)	Annual	October 15th	Office of Civil Rights	Civil Rights	BEO	Divisions provide to HCR
Receipt of State Consultation Process with Tribal Governments	23 CFR 450.210(c)	As needed	Not Applicable	Office of Federal Lands Highway		BOPD (Bureau of Project Delivery)	Informational Purposes.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Approval of Contracting Procedures for Consultant Selection	23 CFR 172.5 & 172.9	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval.
Determination of High Risk Categories - Limitation on Interstate Projects	23 USC 106(c)(4)(B)	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	Office of Program Administration determines national categories and must concur on any State designations.
Approval of State 3R Program	23 CFR 625.4(a)(3), 23 USC 109(n)	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval.
Verify adoption of Design Standards (National Highway System, including Interstate)	23 CFR 625, 23 USC 109(b), 23 USC 109(c)(2), 23 USC 109(o)	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA HQ regulatory action to adopt NHS standards.
Approval of preliminary plans of Major and Unusual Bridges on the Interstate Highway System	(M1100.A)	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	Director of HIBT has approval of preliminary plans of Major and Unusual Bridges on the Interstate Highway System (M1100.A)
Approval of State Standard Specifications	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Verify State Design Exception Policy complies with FHWA Policy	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval.
Approval of State Standard Detail Plans	23 CFR 625.3	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval.
Approval of Pavement Design Policy	23 CFR 626.3	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	FHWA Division Office Approval.
Review of Value Engineering Policy and Procedures	23 CFR 627.1(b)&(c), 23 CFR 627.7 FHWA Order 1311.1B	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Review.
Review of Value Engineering Annual Report	23 CFR 627.7, FHWA Order 1311.1B	Annual	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office collects, reviews, and submits to HQ for review and reporting.
Review and Approval of Interstate Access Requests	23 USC 111, 23 CFR 710, 74 FR 43743-43746 (Aug. 27, 2009)	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office approval with concurrence from HQ on more complex access requests.
Approval of Liquidated Damages Rate for CELDs	23 CFR 635.127	Every 2 years	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Approval of Quality Assurance Program	23 CFR 637.205	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Assure Central Laboratory accredited by AASHTO Accreditation Program or FHWA approved comparable program	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Assure Non-STD designated lab performing Independent Assurance sampling and testing accredited by AASHTO Accreditation Program or FHWA approved	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
comparable program							
Assure Non-STD designated lab used in dispute resolution accredited by AASHTO Accreditation Program or FHWA approved comparable program	23 CFR 637.209	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Review Independent Assurance Annual Report	23 CFR 637.207	Annually	1-Mar	Office of Infrastructure	Technical Services Team	BOPD	State administers, with programmatic agreement by the Division Office, as part of their materials testing and construction quality assurance/acceptance program.
Assure Labor Compliance - Prevailing Wage Rate	23 USC 113	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Review and Approval



Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Determination of Eligible Preventive Maintenance Activity - Cost-Effective Means of Extending Useful Life Determination	23 USC 116(e)	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval
Approval of Utility Agreement / Alternate Procedure	23 CFR 645.119	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval
Approval of Utility Accommodation Policy	23 CFR 645.215, 23 USC 109(I), 23 USC 123	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	FHWA Division Office Approval
Review Bridge Construction, Geotechnical, and Hydraulics	23 CFR 650	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	
Review Plans of Corrective Action established to address NBIS compliance issues	23 CFR 650, 23 USC 144	Annually		Office of Infrastructure	Technical Services Team	BOPD	Division office performs annual compliance review and reports results to HQ.
Review NBI Data Submittal	23 CFR 650 Subpart C, Annual Memo from HQ, 23 USC 144	Annually	1-Apr	Office of Infrastructure	Technical Services Team	BOPD	Division resolve errors with States; States submit to HQ.
Review structurally deficient bridge construction Unit	23 USC 144	Annually	1-Apr	Office of Infrastructure	Technical Services Team	BOPD	Submit to HQ.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Cost submittal							
Review Section 9 of the Rivers and Harbors Act Submittals (Bridge Permits)	23 CFR 650 Subpart H; 33 CFR 114 & 115	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	
Approval for reduction of expenditures for off-system bridges	23 USC 133(g)(2)(B)	As needed	Not Applicable	Office of Infrastructure	Technical Services Team	BOPD	The FHWA Administrator may reduce the requirement for expenditures for off-system bridges if the FHWA Administrator determines that the State has inadequate needs to justify the expenditure.
Determination on Adequacy of State's Asset Management Plan	23 USC 119(5)	Annually beginning second fiscal year after establishment of the process		Office of Infrastructure	Technical Services Team	BOMO	
Certification and Recertification of States Process for Development of State Asset	23 USC 119(6)	Recertification every four years after establishment of the process		Office of Infrastructure	Technical Services Team	BOMO	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Management Plan							
Review Reporting on Performance Targets	23 USC 150(e)	Beginning four years after enactment of MAP-21 and biennially thereafter		Office of Infrastructure	Technical Services Team	CPDM	
Review National Highway System Performance Achievement Plan for Actions to achieve the targets (when State does not achieve or make significant progress toward achieving)	23 USC 119(7)	Required if State does not achieve targets (or significant progress) for 2 consecutive reports		Office of Infrastructure	Technical Services Team	CPDM	
States and sub-recipient failure to maintain projects - Notice and withholding Federal-aid Funds	23 USC 116(d)	As needed	Not Applicable	Office of Infrastructure	Division Administrator	CPDM	
Emergency Relief (ER) Damage	23 CFR 668 23 USC 120 and 125	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOMO	Perform with State.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Assessments and Reports							
Toll Credit and Maintenance of Effort (MOE) Calculation and Agreement	23 USC 120(i)	Annually		Office of Infrastructure	Finance Team	CPDM (Center for Program Development and Management)	State will calculate the amount of eligible toll credit and submit for approval. FHWA will review and approve the request.
Local Public Agency (LPA) Oversight	2 CFR 200.331 ; 23 USC 106(g)(4)	As needed	Not Applicable	Office of Infrastructure	Operations Team	BOPD	States are responsible to ensure that LPAs are aware of all the applicable Federal-aid Program requirements; States are responsible to ensure monitoring and oversight to assure compliance with Federal requirements. 23 USC further reinforces stressing accountability on “project delivery systems” and “accounting controls.”

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Approval to Sell, Lease or Otherwise Dispose of a Ferry Purchased with Federal-aid Funds	23 USC 129 (c)(6)	As needed	Not Applicable	Office of Infrastructure	Operations Team	CPDM	Division Office reviews and submits for Office of Program Administration for Administrator Approval
Territorial Highway Program - Approval of Territory Agreement	23 USC 165(c)(5)	Reviewed and Revised as needed every two years		Office of Infrastructure	N/A	N/A	
TIFIA Credit Program	23 USC 601-609	As needed	Not Applicable	Office of Innovative Program Delivery	Finance Team	CPDM	Project sponsors submit requests for credit assistance to the TIFIA JPO for review; approval by the Secretary
GARVEEs	23 USC 122; GARVEE Guidance 3/14	As needed	Not Applicable	Office of Innovative Program Delivery	Finance Team	CPDM	MOUs strongly suggested for each GARVEE issue. FM contacts OIPD for review/concurrence before final approval
State Infrastructure Banks	NHS Act Section 308; 23 USC 610; SIB Guidance 3/14	Annual Report	Not Applicable	Office of Innovative Program Delivery	Finance Team	CPDM	Division sends copy of report to OIPD. SIB submits annual report to Division Office.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Section 129 Tolling Authority Requests	23 USC 129(a)	As needed	Not Applicable	Office of Innovative Program Delivery	Finance Team	TBD	At the option of the project sponsor, may execute a Tolling Eligibility MOU with the Division Office; HIN coordinates FHWA HQ review
Section 166 HOV/HOT Lanes Tolling Authority Requests	23 USC 166(d)	As needed	Not Applicable	Office of Innovative Program Delivery	Finance Team	TBD	At the option of the project sponsor, may execute a Tolling Eligibility MOU with the Division Office; HIN coordinates FHWA HQ review
Value Pricing Pilot Program Tolling Authority Requests	ISTEA Section 1012(b)	As needed	Not Applicable	Office of Innovative Program Delivery	Technical Services Team	TBD	Requests submitted to HIN to coordinate review; approval by the Administrator
Interstate System Reconstruction and Rehabilitation Pilot Program Tolling Authority Requests	TEA-21 Section 1216(b)	As needed	Not Applicable	Office of Innovative Program Delivery	Technical Services Team	TBD	Applications submitted to HIN to coordinate review; approval by the Administrator
Annual Audit of Toll Facility Records and Certification of Adequate Maintenance - Report Submittal	23 USC 129(a)(3)(B); TEA-21 Section 1216(b)(5)(B); SAFETEA-LU Section	Annually		Office of Innovative Program Delivery	Finance Team	TBD	Division Office to receive the reports.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
	1604(b)(3)(A); ISTEA Section 1012(b)(3)						
Project Management Plan (Major Projects)	23 U.S.C. 106(h)(2)	Prior to first federal authorization of construction funds for a Major Project	Not Applicable	Office of Innovative Program Delivery	Operations Team. Division Office will conduct concurrent review with HQ Office of Innovative Program Delivery.	PennDOT or Project Sponsor will prepare and submit Project Management Plan.	Division Office will provide approval after receiving concurrence from HQ Office of Innovative Program Delivery.
Financial Plan (Major Projects)	23 U.S.C. 106(h)(3)	Prior to first federal authorization of construction funds for a Major Project and then annually.	Annually as noted in the approved Initial Financial Plan	Office of Innovative Program Delivery	Operations Team. Division Office will conduct concurrent review with HQ Office of Innovative Program Delivery.	PennDOT or Project Sponsor will prepare and submit annual Financial Plans.	Division Office will provide approval after receiving concurrence from HQ Office of Innovative Program Delivery.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Financial Plan (Other Projects)	23 U.S.C. 106(i)	Prior to first federal authorization of construction funds for an Other Project and then annually.	Annually as noted in the approved Initial Financial Plan	Office of Innovative Program Delivery	Operations Team. Division Office will review and approve Financial Plans for Other Projects in accordance with its stewardship and oversight agreement with the State DOT or Project Sponsor.	PennDOT or Project Sponsor will prepare and submit annual Financial Plans to the Division Office, only upon request.	Other Projects are defined as projects with an estimated total cost of \$100 million or more that have not been designated as Major Projects.
Review Designation and Re-designation of Primary Freight Network	23 USC 167(d)	One year after enactment of MAP-21 and every ten years thereafter		Office of Operations	Program Development Team	CPDM	Under development, initial PFN designation scheduled for Spring 2014 completion.
Review Development and Update of National Freight Strategic Plan	23 USC 167(f)	Three years after enactment of MAP-21 and every five years		Office of Operations	Program Development Team	CPDM	OST lead



Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
		thereafter					
Review Freight Transportation Conditions and Performance Report	23 USC 167(g)	Two years after enactment of MAP-21 and every two years thereafter		Office of Operations	Program Development Team	CPDM	OST lead
Review HOV Operations Report for Tolled Use and Low-Emission and Energy-Efficient Vehicle Use	23 USC 166(d)	Annually		Office of Operations	Technical Services Team	TBD	
Congestion Partnerships Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations	Technical Services Team	BOMO	Complete with partners and forward to HQ.
Traffic Incident Management Self-Assessment	Annual Memo from HQ	Annually	1-Jul	Office of Operations	Technical Services Team	BOMO	Complete with partners and forward to HQ.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Work Zone Self-Assessment	Annual Memo from HQ	Annually	7/1/2013, This project is currently on hiatus and has not been determined whether it will be reestablished or not.	Office of Operations	Technical Services Team	BOMO	Complete with partners and forward to HQ.
Approval of State-Prepared Manual on Uniform Traffic Control Devices - State Traffic Control Manuals	23 CFR 655.603, 23 USC 109(d)	As needed	Not Applicable	Office of Operations	Technical Services Team	BOMO	
Review Vehicle Size & Weight Enforcement Plan	23 CFR 657.11, 23 USC 127	Annually	1-Oct	Office of Operations	Program Development Team	BOMO	
Review Vehicle Size & Weight Enforcement Certification	23 CFR 657.13, 23 USC 141	Annually	1-Jan	Office of Operations	Program Development Team	BOMO	
Approval of National Network Modifications	23 CFR 658.11	As needed	Not Applicable	Office of Operations	Program Development Team	BOMO	
Intelligent Transportation	23 CFR Part 940	As needed	Not Applicable	Office of Operations	Technical Services	BOMO	











Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Air Quality Conformity Determination on LRTP in Non-attainment and Maintenance Areas	23 CFR 450.322(d)	Concurrent with LRTP updates at least every 4 years and as needed on amendments	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	CPDM	After receipt of MPO determination; Joint FHWA and FTA determination; In consultation with the Environmental Protection Agency (EPA).
Review of Transportation Improvement Program (TIP)	23 CFR 450.300(a); 23 CFR 450.324(b); 23 CFR 450.328(a), 23 USC 134(j)(1)(D)	Prior to Program Period	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	CPDM	No succinct Federal approval action is required for the TIP. FHWA/FTA approval of the TIP is through the STIP approval process.
Review of TIP Amendments	23 CFR 450.324(a); 23 CFR 450.328(b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	CPDM	No succinct Federal approval action is required for the TIP. FHWA/FTA approval of the TIP is through the STIP approval process.
Approval of Air Quality Conformity Determination on TIP	23 CFR 450.326; 23 CFR 450.328	At least every 4 years, or when the TIP has been modified (unless exempt)	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	CPDM	Applies to non-attainment and maintenance areas only. After receipt of MPO determination, joint determination with FTA (in



Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
		projects)					cooperation with EPA).
Federal Finding of Consistency of Planning Process with Section 134 and 135	23 CFR 450.218(b); 23 CFR 450.334(a)	Concurrent with (S)TIP submittal	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	CPDM	At least every four years, joint finding with FTA when TIP is submitted.
In Metropolitan Planning Areas, Review of State and MPO Self-certification that Planning Process is in Accordance with Applicable Requirements	23 CFR 450.334 (a), 23 CFR 218(a)	Annually or concurrent with the STIP/TIP cycle	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	CPDM	Required for all MPO's. May be included in the STIP, TIP, or UPWP, at least every 4 years.
In TMA's, Certification that Planning Process is in Accordance with Applicable Requirements	23 CFR 450.334(b), 23 USC 134(k)(5)	Every 4 years		Office of Planning, Environment & Realty	Program Development Team	CPDM	Joint FHWA and FTA Certification.
Approval of Federal-Aid Urban Area Boundaries	23 CFR 470.105 (a), 23 USC 101(a)(33)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOMO	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Approval of Revision of Functional Classification	23 CFR 470.105 (b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOMO	
Approval by Administrator of Interstate Additions & Revisions	23 USC 103(c)(1)(D), 23 CFR 470.111, 23CFR 470.115 (a)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOMO	Approval by HQ – Administrator.
Approval by Office Director of National Highway System (NHS) Additions and Revisions	23 USC 103(b)(3), 23 CFR 470.113 and 470.115(a)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOMO	Approved by HQ - Office Director.
Review of CMAQ Annual Report	CMAQ Guidance Memo October 31, 2006	Annually	1-Mar	Office of Planning, Environment & Realty	Program Development Team	CPDM	Division provides information on CMAQ projects including: amount of obligation, project description and location, and air quality benefits. The report must be submitted via the web-based CMAQ Tracking System.
Transportation Planning Excellence Awards		Annually	1-Feb	Office of Planning, Environment & Realty	Program Development Team	BPR	Call for entries for the FHWA FTA Transportation Planning and

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
							Excellence Awards.
Approval of Local Technical Assistance Program (LTAP) Centers Work Plan and Budget	FHWA LTAP Field Manual	Annually	31-Mar	Office of Planning, Environment & Realty	Operations Team or Program Development Team	BPR	FHWA HQ approval.
Approval of Public Involvement Program Procedures	23 CFR 771.111(h), 23 USC 128	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of NEPA Procedures, including Section 4(f)	23 CFR 771; 23 CFR 774; SAFETEA-LU 6007 & 6009, 23 USC 109(h)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Noise Policies	23 CFR 772.7, 772.9, and 772.13, 23 USC 109(i)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	FHWA approves State' noise abatement policy.
EIS Status Updates	FHWA Strategic Goal - EIS Timeliness	Quarterly	(Fiscal Year - Oct, Jan, Apr, Jul)	Office of Planning, Environment & Realty	Program Development Team	BOPD	Monitor time required to complete EIS's. Determine projects which have exceeded recommended timeline (3 years). Identify projects

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
							which should be listed as dormant. Submit to HEPE.
Endangered Species Act Cost Report		Annually	1-Mar	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Exemplary Ecosystem Initiatives Applications		Annually	1-Apr	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Acquisitions, Appraisals, and Relocations Program and Procedures	49 CFR Part 24, The UA	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Early Acquisitions	23 CFR 710.501	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Local Public Agency Oversight	49 CFR 24.4(b); 23 CFR 710.201	As needed	Not Applicable	Office of Planning, Environment & Realty	Operations Team	BOPD	
Approval of Highway Facility	23 CFR 620.203	As needed	Not Applicable	Office of Planning,	Program Development	BOPD	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Relinquishment				Environment & Realty	Team		
Approval of ROW Disposal Authorization Request	23 CFR 710.409	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team and Operations Team	BOPD	
Approval of ROW Operations Manual (Organization, Policies and Procedures), Updates, and Certification	23 CFR 710.201	January 1, 2001 and every 3 years thereafter or as required by changes in State law or Federal regulation or law	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Exception to Charging Fair Market Value	23 CFR 710.403 and 23 CFR 710.409	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Interstate Real Property Use Agreements	23 CFR 710.405	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Request for Federal Land	23 CFR 710.601	As needed	Not Applicable	Office of Planning,	Program Development	BOPD	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Transfer				Environment & Realty	Team		
Approval of Request for Direct Federal Acquisition	23 CFR 710.603	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Outdoor Advertising Policies and Procedures, and Regulation and Procedure Approval	23 CFR 750.304, 23 CFR 750.705, 23 USC 131	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Requests to Exempt Certain Nonconforming Signs, Displays, and Devices	23 CFR 750.503	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Railroad Agreement Alternate Procedure	23 CFR 646.220	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Uniform Act Waivers and Waivers from Availability of Comparable Replacement Dwelling before Displacement	49 CFR 24.7, 49 CFR 24.204(b)	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BOPD	Requests reviewed and approved by HEPR Office Director.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Review of Uniform Relocation Assistance & Real Property Acquisition Report -(OMB Form 2125-0030)	49 CFR 24.9c & Appendix B 49 CFR 24.603	Annually	15-Nov	Office of Planning, Environment & Realty	Program Development Team	BOPD	Submitted to FHWA Headquarters (HQ).
Review of Real Property Acquisition Statistical Report	FHWA Order 6540.1	Annually	15-Nov	Office of Planning, Environment & Realty	Program Development Team	BOPD	
Approval of Management Process and Project Selection Procedures and Certification for Research, Development & Technology Transfer Program and Revisions to Process	23 CFR 420.115 and 23 CFR 420.209	As needed	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BPR	FHWA Division Office Approval.
Periodic Review of States Management Process of the Research, Development & Technology Transfer Program	23 CFR 420.209	Periodic	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BPR	FHWA Division Office Periodic Review.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Approval of Performance and Expenditure Reports for SPR Research Work Programs	23 CFR 420.117	No less frequently than annual and no more frequently than quarterly	90 Days After End Of Period	Office of Planning, Environment & Realty	Program Development Team	BPR	FHWA Division Office Approval.
Approval of SPR research reports	23 CFR 420.117	Prior to publication unless prior approval is waved	Not Applicable	Office of Planning, Environment & Realty	Program Development Team	BPR	FHWA Division Office Approval unless waived.
Annual Traffic Reports	Traffic Monitoring Analysis System and Traffic Monitoring Guide reporting	When Published	As needed	Office of Highway Policy information	Program Development Team	BPR	When Published
Approval of Annual Field Review Report	HPMS Field Review Guidelines (June 2001) Continuous Process Improvement Model for HPMS( February 2003)	Annually	1-Nov	Office of Highway Policy information	Program Development Team	BOMO	Review memo to HQ.



Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Approval of Certified Public Road Mileage	23 CFR 460.3(b)	Annually	1-Jun	Office of Highway Policy information	Program Development Team	BOMO	Each year, the Governor of each State and territory or a designee must certify Public Road Mileage. FHWA division reviews the Mileage and sends to HQ with division review/concurrence. This is reported to NHTSA for Apportionment of Safety Funds.
Approval of HPMS Data Submittal	23 CFR 420.105(b), HPMS Field Manual	Annually	15-Jun	Office of Highway Policy information	Program Development Team	BOMO	State DOT sends directly to Division Office and HQ.
Highway Statistics Reports	Guide to Reporting Highway Statistics			Office of Highway Policy information	Finance Team	BPR	State DOT of Division Office sends directly to HQ.
Motor Fuels Report	A Guide to Reporting Highway Statistics, Chapter 2	Due 60 days after end of each reporting month		Office of Highway Policy information	Finance Team	TBD	
Vehicles and Drivers (561, 562, 566, and	A Guide to Reporting	1-Apr	1-Apr	Office of Highway	Finance Team	TBD	

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
571)	Highway Statistics, Chapters 3, 4, 5, and 6			Policy information			
Finance (531, 532, 541, 542, and 543 (optional))	A Guide to Reporting Highway Statistics, Chapters 8 and 9	1-Apr	1-Apr	Office of Highway Policy information	Finance Team	TBD	
Transportation Bond Referendums	A Guide to Reporting Highway Statistics, Chapter 9	When Published	When Published	Office of Highway Policy information	Finance Team	TBD	
State DOT / Toll Authority Audits and Published Annual Reports and Form 539 (optional)	A Guide to Reporting Highway Statistics, Chapter 10	When Published	When Published	Office of Highway Policy information	Finance Team	TBD	Annually, Due as soon as available.
Finance (536)	A Guide to Reporting Highway Statistics, Chapter 11	30-Sep	30-Sep	Office of Highway Policy information	Finance Team	BFM	Biennially for odd-numbered years. Due nine months after end of reporting year
Finance (534)	A Guide to Reporting Highway Statistics, Chapter 12	15-May	15-May	Office of Highway Policy information	Finance Team	BFM	Annually for State, Biennially for local

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Highway Finance and Tax Legislation	A Guide to Reporting Highway Statistics, Chapter 13	When Published	When Published	Office of Highway Policy information	Finance Team	BFM	
State DOT Budgets and Published Annual Reports	A Guide to Reporting Highway Statistics, Chapter 13	When Published	When Published	Office of Highway Policy information	Finance Team	TBD	
Motor Fuel Oversight Review	July 24, 2001 HQ Memo	Initial baseline reports no later than December 31, 2003		Office of Highway Policy information	Finance Team	TBD	Annual progress reports and statement of verification by June 30. Submitted via UPACS.
Review of Biennial - Toll Facilities in the United States	23 CFR 450.105(b) HPMS Field Manual	Biennially - Odd Years	June 15 (Odd Years)	Office of Highway Policy information	Finance Team	TBD	Division Office sends to HQ.
State Highway Maps (Tourist)		When Published	When Published	Office of Highway Policy information	Admin Team	BPR	Two copies to each Division Office and 100 copies to HQ.
Traffic Flow Maps		When Published		Office of Highway Policy information	Program Development Team	BPR	When Published.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Vehicle Classification Data	MAP-21, HPMS Field Manual, Traffic Monitoring Guide	15-Jun	15-Jun	Office of Highway Policy information	Program Development Team	TBD	Part of Annual HPMS submittal.
Highway Use Tax Evasion Grant Awards	23 USC 143	Annual	Not Applicable	Office of Highway Policy information	Finance Team	TBD	FHWA along with the Internal Revenue Service will review applications and select awardees for projects designed to reduce or eliminate fuel tax evasion. FHWA will also review annual progress reports on projects.
Heavy Vehicle Use Tax (HVUT) – Certification of verifying proof-of-payment of HVUT	23 CFR 669	Annual	1-Jan	Office of Highway Policy information	Finance Team	TBD	Each year, the Governor of each State, or a designee must certify that the State is verifying that the HVUT has been paid before they issue or renew registrations on vehicles over 55,000 lbs. The HVUT program is administered by the Internal Revenue

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
							Service.
Heavy Vehicle Use Tax (HVUT) – Triennial review of State program	23 CFR 669.21	Triennial	Not Applicable	Office of Highway Policy information	Finance Team	TBD	Every 3 years, the local Division Office will perform a review of the State process for verifying that the HVUT has been paid before a registration can be issued or renewed for vehicles over 55,000 lbs. The HVUT program is administered by the Internal Revenue Service.
Permanent ATR Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Highway Policy information	Program Development Team	BPR	Submit monthly, within 20 days after the close of the month for which the data were collected.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Continuous Automatic Vehicle Classifier Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Highway Policy information	Program Development Team	BPR	Send up to one week of data per quarter
Weight and Vehicle Classification Data Collected at Weigh-in-motion sites	Heavy Vehicle Travel Information System Field Manual	15-Jun	As needed	Office of Highway Policy information	Program Development Team	BPR	WIM data collected at non-continuous sites during a year should be submitted by June 15 of the following year. If continuous WIM data are available, then up to one week of data per quarter.
Approval of MAP-21 compliant SHSP update within the legislatively required timeframe.	23 U.S.C. 148 (d)(2)(B)	Non Recurring	By Aug. 1 of the fiscal year after the HSIP final rule is established	Office of Safety	Technical Services Team	TBD	FHWA Division Offices provide copy of SHSP process approval letter to HQ.
Highway Safety Improvement Program (HSIP) and Railway-Highway Crossing Program (RHCP) Reports	23 USC 148(h), 23 CFR 924.15	Annually	31-Aug	Office of Safety	Technical Services Team	TBD	As per MAP-21 guidance, reports are due to FHWA Division Office by August 31st and to the Office of Safety by September 30.

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
Transportation Performance Management (TPM) for Safety	23 USC 150, 23 USC 134, 23 USC 135, 23 USC 148(i)	Annually	31-Aug	Office of Safety	Technical Services Team	TBD	Per MAP-21, States and MPOs must set targets for established measures. Targets must be assessed for achievement
Review Drug Offender Driver's License Suspension Law & Enforcement Certification (Section 159)	23 USC 159 23, CFR 192.5	Annually	1-Jan	Office of Safety	Technical Services Team	TBD	Certifications due to the Division Office by January 1.
Section 154/164 Compliance Status - Funds Reservation	23 USC 154 and 23 USC 164	Annually	30-Oct	Office of Safety	Technical Services Team	TBD	States must submit a Shift letter to the Division Office by Oct. 30 indicating how to apply the penalty. New penalty states have additional time. The Office of Safety processes the compilation of information in a memo to the CFO.
Review Safety Belt Compliance Status	23 USC 153, 23 CFR 1215.6	Annually	Annually	Office of Safety	Technical Services Team	TBD	NHTSA

Activity	Authority	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Responsible Program Office	State DOT Responsible Program Office	Remarks
High Risk Rural Roads (HRRR) Special Rule	23 USC 148(g)(1)	Annually	Annually	Office of Safety	Technical Services Team	TBD	After the final FARS and HPMS data are available, FHWA HQ will inform the States if the HRRR Special Rule applies for the following FY.
Older Drivers and Pedestrians Special Rule	23 USC 148 (g)(2)	Annually	31-Aug	Office of Safety	Technical Services Team	TBD	States should include in their annual HSIP reports (due August 31st) the calculations performed, verifying whether the Older Driver Special Rule applies in the State. If the Special Rule applies to a State in a given year, the State must include in its subsequent SHSP strategies to address the increases in the fatality and serious injury rates for drivers and pedestrians over the age of 65.
FHWA Emergency Preparedness Program	Executive Order 12656 and FHWA Order 1910.2C	As needed	Not Applicable	Office of Operations	Operations Team	BOMO	National Programs.





## APPENDIX C – MANUALS AND OPERATING AGREEMENTS

The FHWA/PennDOT Stewardship and Oversight Agreement (Agreement) presents the current procedures for the administration of the Federal-aid Highway program in Pennsylvania. The general intent of the Agreement is to delegate much of FHWA’s approval authority to PennDOT for certain preliminary engineering, construction contract administration, and right-of-way activities on or related to 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 are established in PennDOT Design Manuals and Environmental Handbooks. These guidelines are provided in the following:

- a. *Design Manual, Part 1, Transportation Program Development and Project Delivery Process* (Pub. 10) (includes DM-1, 1A, 1B, 1C, and 1X).
- b. *Highway Occupancy Permits (Pub 282)*.
- c. *Project Level Public Involvement Handbook* (Pub. 295).
- d. Recreational Trails Program Programmatic Agreement between PennDOT, DCNR, and FHWA dated March 2005.
- e. Scenic Byways Guidance (<http://www.bywaysonline.org/>).
- f. Pennsylvania Act 120 of 1970 (This Act requires the Department of Transportation to prepare and submit a fiscally constrained multi-modal program of transportation improvements which it recommends be undertaken during the next 12 years to the State Transportation Commission every two years.)
- g. *Publication 740 Local Project Delivery Manual*
- h. *Right-of-Way Manual (Pub. 378) Relocation Program from the Conceptual Stage Until Initiation of Negotiations for the Project*, Chapter 4.02.

### 2. **Application of Appropriate Design and Construction Standards**

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

- a. *Manual on Uniform Traffic Control Devices (MUTCD)*.
- b. *Design Manual, Part 2, Highway Design* (Pub. 13M).
  - Design criteria in Design Manual, Part 2 (DM-2) meets and in some cases exceeds the criteria in the AASHTO Green Book. For any designs on NHS projects that do not meet the criteria in DM-2, but conform to the minimum criteria in the AASHTO Green Book, a design exception is not required to be approved by FHWA, but will require Bureau of Project Delivery (BOPD) approval.
- c. *Design Manual, Part 3, Plans Presentation* (Publication 14M).
- d. *Design Manual, Part 4, Structures (2 Volumes)*, (Pub. 15M), includes preventative maintenance eligible activities.
- e. *Design Manual, Part 5, Utility Relocation* (Publication 16M).

- f. *Standards for Roadway Construction, Series RC-1M – RC-100M* (Pub. 72M).
- g. *Standards for Bridge Design, BD-600M Series* (Pub. 218M).
- h. *Standards for Bridge Construction, BC-700M Series* (Pub. 219M).
- i. Pavement Policy Manual (Pub. 242), includes preventative maintenance eligible activities
- j. *Traffic Control – Pavement Markings and Signing Standards, TC-8600 and TC-8700 Series* (Pub. 111M).
- k. *Traffic Standards - Signal, TC-8800 Series* (Pub. 148).
- l. *Traffic Signal Design Handbook* (Pub. 149).
- m. *Handbook of Approved Signs* (Pub. 236M).
- n. *Guidelines for the Design of Local Roads and Streets* (Pub. 70M).
- o. *Title 67 – Transportation, PA Code - Pennsylvania Department of Transportation - Rules and Regulations.*
- p. *Specifications* (Pub. 408) with applicable Bulletins.
- q. *Plans, Specifications and Estimate Package Delivery Process Policies and Preparation Manual* (Pub. 51).
- r. *Geotechnical Engineering Manual* (Pub. 293).
- s. *Right-of-Way Manual* (Pub 378).
- t. *Grade Crossing Manual* (Pub 371).

PennDOT will apply design and construction standards for new construction, reconstruction, resurfacing (except maintenance resurfacing), restoration, or rehabilitation of highways on the NHS in accordance with 23 CFR Part 625 – *Design Standards for Highways*.

### **3. PennDOT’s Highway and Railroad Safety Programs**

PennDOT will administer a Highway Safety Improvement Program on a continuing basis according to 23 CFR Part 924 – *Highway Safety Improvement Program*.

PennDOT will apply design and construction standards for new construction, reconstruction, resurfacing (except maintenance resurfacing), restoration, or rehabilitation of highways on the NHS in accordance with the standards listed in Item 2 above, the *Grade Crossing Manual* (Pub. 371), and in accordance with 23 CFR Part 625 – *Design Standards for Highways*.

PennDOT will administer a federal-highway railroad grade crossing safety program, and other associated railroad crossing projects, on a continuing basis and in compliance with 23 CFR Part 646 – Railroads, 23 CFR Part 140 - Reimbursement, subpart I – Reimbursement for Railroad Work, 23 CFR Part 172 - Administration of Engineering and Design Related Service Contracts and 23 CFR Part 924 - Highway Safety Improvement Program.

### **4. Quality Control/Quality Assurance of Construction and Materials**

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

- a. *Specifications* (Pub. 408) with applicable Bulletins.
- b. *Field and Laboratory Testing Manual* (Pub. 19).
- c. *Project Office Manual* (Pub. 2).
- d. *Quality Assurance Manual* (Pub. 25).
- e. *Finals Unit Manual* (Pub. 11).
- f. *Approved Construction Materials, Bulletin 15* (Pub. 35).
- g. *Construction Manual* (Pub. 8).

PennDOT Engineering Districts are responsible for managing construction projects and operations according to policies and procedures detailed in Pub. 408 - *Specifications*, and Pub. 8 - *Construction Manual*. The Districts are held accountable for a level of performance through a Quality Assurance program administered by the Bureau of Project Delivery, Innovation and Support Services Division. The Quality Assurance program provisions, including review frequencies and compliance levels, are specified in Pub. 25 - *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 Pubs. 8 - *Construction Manual* and 25 - *Quality Assurance Manual*.

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

## 5. **Signing, Pavement Marking and Traffic Control Devices**

Provisions for adequate signing, pavement marking, and traffic control devices are provided through application of the following PennDOT's publications and according to the Manual on Uniform Traffic Control Devices:

- a. *Temporary Traffic Control Guidelines* (Pub. 213).
- b. *Official Traffic Control Devices* (Pub. 212).
- c. *Traffic Signal Design Handbook* (Pub. 149).
- d. *Pennsylvania's Traffic Calming Handbook* (Pub. 383).
- e. *Guide to Roundabouts* (NCHRP 672).
- f. *Traffic Engineering Manual* (Pub. 46).
- g. *Traffic Control – Pavement Markings and Signing Standards* (Pub.111M).
- h. *Traffic Standards – Signals* (Pub. 148).
- i. *Handbook of Approved Signs* (Pub. 236M).
- j. *Intelligent Transportation Systems Design Guide* (Pub. 646).

## 6. **Economic, Social and Environmental Impacts**

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

- a. *Project Level Public Involvement Handbook* (Pub. 295).
- b. *Design Manual, Part 1B, Post TIP NEPA Procedures* (Pub. 10).

- c. *Agricultural Resources Evaluation Handbook* (Pub. 324).
- d. *Project Level Air Quality Handbook* (Pub. 321).
- e. *Needs Study Handbook* (Pub. 319).
- f. *Geotechnical Waste Management* (Pub. 292).
- g. *Waste Site Evaluation Procedures Handbook*(Pub. 281).
- h. *Wetland Resources Handbook* (Pub. 325).
- i. *Project Level Highway Traffic Noise Handbook* (Pub. 24).
- j. *Section 4(f) Handbook* (Pub. 349).
- k. *Community Impact Assessment Handbook* (Pub 217).
- l. *Tribal Consultation Handbook* (Pub. 591).
- m. *Threatened and Endangered Species Desk Reference* (Pub. 546).
- n. *Indirect and Cumulative Effects Desk Reference* (Pub. 640).
- o. *Right-of-Way Manual* (Pub. 378), Relocation Program from the Conceptual Stage until Negotiations for the Project, Chapter 4.02.
- p. Every Voice Counts, PennDOT’s Environmental Justice Guidance.

**7. Equal Employment Opportunity**

PennDOT’s policy with respect to equal employment opportunity and non-discrimination is as provided in the following:

- a. Executive Order 1988.1, Affirmative Action and Contract Compliance.
- b. Executive Order 11246 (as amended), Notice of Requirements for Affirmative Action to ensure Equal Employment Opportunity.
- c. Title 23 U.S.C., Subchapter C - *Civil Rights*, Part 230 *External Programs*.
- d. *Right-of-Way Manual* (Pub 378).
- e. CC-4297, Nondiscrimination and Equal Employment Clauses for all contracts.
- f. CC-4297A, Nondiscrimination Clause.
- g. *Conducting Business with the Pennsylvania Department of Transportation* (Pub. 4).

The number of highway construction trainees and their training program is controlled by PennDOT Strike-Off Letters and conforms to Federal requirements.

PennDOT is firmly committed to fulfilling its goals for participation of DBE’s in all contracts and projects involving Federal-aid funds. The DBE Program will be administered in accordance with 49 CFR Part 26 – *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*.

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

Competitive bidding procedures are provided in PennDOT policy letters and will conform to Federal requirements. Procedures governing the payment of prevailing wage rates on construction contracts are included in PennDOT Publication 408 - *Specifications* and in PennDOT Publication 2 - *Project Office Manual*.

**9. Design and Construction Claim Settlements**

Design claim settlements will be processed in accordance with procedures identified in Publication 93 - *Policy and Procedures for the Administration of Consultant Agreements*.

Construction claim settlements will be processed in accordance with Publication 2 - *Project Office Manual*.

**10. Federal-Aid Procurement and Contract Provisions**

- a. Consultant Agreements – PennDOT provides the required Federal-aid procurement and administration of Consultant Agreements as prescribed in 23 CFR, Part 172 – *Administration of Engineering and Design Related Service Contracts* through PennDOT Publication 93- *Policy and Procedures for the Administration of Consultant Agreements*, Publication 442 – *Specification for Consultant Agreements*, and ECMS *Standard Agreement Provisions and Attachments*.
- b. Engineering Contracts - PennDOT provides the required Federal-aid contract provisions as prescribed in 23 CFR, Part 172 - *Administration of Engineering and Design Related Contracts* as prescribed in Publication 93 - *Policy and Procedures for the Administration of Consultant Agreements*, Publication 442 – *Specification for Consultant Agreements* , and ECMS *Standard Agreement Provisions and Attachments*.
- c. Construction Contracts - PennDOT provides the required Federal-aid contract provisions as prescribed in 23 CFR, Part 633, Subparts A and B - *Required Contract Provisions* and 23 CFR 635 – *Construction and Maintenance*, Subpart A – *Contract Procedures*, through ECMS and in Publication 51 – *Plans, Specifications and Estimate Package Delivery Process Policies and Preparation Manual*.
- d. Non-competitive Procurement - PennDOT provides the required Federal-aid procurement requirements as prescribed in 23 CFR 635 – *Construction and Maintenance*, Subpart B – *Force Account Construction* in Publication 408 – *Specifications*.

**11. Retention of Records**

PennDOT retains records on Federal-aid projects in accordance with 2 CFR 200.333 Retention requirements for records. Involved local governments and other third party contractors are also required to retain records as specified above.

**12. State Transportation Improvement Program**

In conformance with the requirement of 23 CFR 450 – *Planning Assistance and Standards*, PennDOT 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 two years, and will include all approved Metropolitan Planning Organization (MPO) and Rural Planning Organization (RPO) Transportation Improvement Programs (TIP's). 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 that are shown in the current Federal fiscal year in the STIP and included in the document.

**13. Local Agency Procedures**

Administration of Federal-aid projects shall be in accordance with PennDOT's current version of Publication 740 *Local Project delivery Manual*, and any revision thereto.

PennDOT has the oversight responsibility for the design and construction of all Federal-aid projects, and is not relieved of such responsibility by authorizing performance of the work by or under the supervision of a county, city, or other Local Public Agency (i.e. Local Project Sponsor). When work is to be performed under a contract awarded by a Local Public Agency, PennDOT has the responsibility of ensuring that all Federal requirements, including those prescribed in 23 CFR Part 635 – *Final Rule General Material Requirements*, have been met.

Right-of-Way Activities - PennDOT must monitor local public agency right-of-way activities as required by 23 CFR 710.201. - *State Responsibilities* as defined in Publication 740 *Local Project Delivery Manual*.

Consultant Agreements - PennDOT provides the required Federal-aid procurement and administration of Consultant Agreements as prescribed in 23 CFR, Part 172 through PennDOT Publication 93, Publication 442 and *ECMS Standard Agreement Provisions and Attachments*.

Quality Assurance - As part of the IOP process, Central Office in conjunction with FHWA will include a sampling of LPA projects for quality assurance audits.

**14. Federal-Aid Financial Procedures**

- a. Electronic Data Transfer - Current electronic data transfer techniques will be utilized wherever appropriate. When PennDOT desires to initiate formal authorization of a project, the critical fiscal and other necessary data required for authorization will be uploaded directly from PennDOT to the FHWA Fiscal Management Information System (FMIS) Warehouse.

**Project Oversight Designation Requirement in the FMIS**

**PoDI/State Administered** – Projects of Division Interest that are administered by the State DOT. If specific 106(c) responsibilities are assumed by the State DOT, the responsibilities assumed should be noted in the project description and/or remarks fields. (Projects where all six 106(c) responsibilities are retained by FHWA would

need no such notation.) These are projects where FHWA will review and approve actions pertaining to one or more of the following (design; plans, specifications, and estimates; contract awards; and project inspections) and may also include additional areas of focus by the division.

**PoDI/Locally Administered** – Projects of Division Interest that are locally administered. If specific 106(c) responsibilities are assumed by the State DOT, the responsibilities assumed should be noted in the project description and/or remarks fields. (Projects where all six 106(c) responsibilities are retained by FHWA would need no such notation.) These are projects where FHWA will review and approve actions pertaining to one or more of the following (design; plans, specifications, and estimates; contract awards; and project inspections) and may also include additional areas of focus by the division.

**Assumed/State Administered** – Projects where *responsibility for all six Section 106(c) items* is assumed by the State DOT and the project is administered by the State DOT. These are projects where the State DOT has assumed responsibility for review and approval actions pertaining to all of the following: design; plans, specifications, and estimates; contract awards; and project inspections.

**Assumed/Locally Administered** - Projects where *responsibility for all Section 106(c) items* is assumed by the State DOT and the project is administered by a local agency. These are projects where the State DOT has assumed responsibility for review and approval actions pertaining to all of the following: design; plans, specifications, and estimates; contract awards; and project inspections.

**Other** – There may be situations that do not fit the previous categories. In cases where the project is identified as “Other,” additional details should be provided in the project description and/or remarks fields. Examples could include non-State DOT direct recipients.

- b. Project Authorization and Project Agreement – A signed PennDOT Request for Authorization will be submitted to FHWA for all Federal-aid projects.

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

PennDOT will assure that necessary environmental studies and approvals have occurred prior to submitting any request for authorization.

PennDOT agrees and is bound by all the provisions contained in 23 CFR 630.112 - *Agreement Provisions*. 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 PennDOT Agreement Estimate is required unless there is a modification to the Agreement. PennDOT’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, PennDOT 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 PennDOT's files for all phases being requested.

Inactive Federal-aid Project Review: The FHWA Division Office shall work with PennDOT to conduct and document the results of quarterly reviews of inactive projects in accordance with 23 CFR 630 - *Agreement Provisions, Subpart A, Project Authorizations and Agreements*. Projects that are not properly documented may be subject to de-obligation upon coordination with PennDOT.

- c. Financial Management –. The FIRE program includes Funds Management, Federal-aid billing, Major projects, Project authorization, Modification and Voucher, Locally Administered Projects. The FIRE program is a consistent process for identification and prioritization of risk events, and identification of strategies for risk mitigation. At least one Financial Management process review is conducted through the Independent Oversight Program. Findings are tracked. Any corrective action are communicated to PennDOT, and monitored by FHWA until completed.

- d. Innovative Finance –

**State Infrastructure Bank (SIB)**: The State Infrastructure Bank (SIB) was authorized through the National Highway System Act of 1995 and was established in Pennsylvania in 1997. SIBs are codified in United States legal code Title 23 Highways, Chapter 6 Infrastructure Finance, Section 610.1 Loans generated through the SIB Program Loans from the original principal are subject to federal procedures and periodic review per the Cooperative Agreement signed June 5, 1998. The use of state funds for the SIB is not subject to federal procedures and periodic review.

**Toll Credits**: FHWA will approve the use of toll credits. To receive this approval, PennDOT must provide (1) a certification by the Secretary of Transportation or a designated deputy that the toll authority project outlays meet FHWA soft match requirements as specified in FHWA guidance and 23 CFR, and (2) a certification that the required Maintenance of Effort (MOE) has been met the period of expenditure. FHWA may periodically review a sample of toll authority expenditures (either on-site or through a records review) to assure the projects meet 23 CFR eligibility requirements.

## 15. **Planning Activities**

Title 23 USC - *Highways* 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 USC 134 - *Metropolitan Transportation Planning* and 135 – *Statewide Transportation Planning*. 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, PennDOT 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.

**APPENDIX D – BUSINESS SERVICE STANDARDS**

RESERVED

## **GLOSSARY**

Assumption of Responsibilities – The act of State DOT to accept responsibility for carrying out and approving certain actions in the place of the FHWA. Such actions are to be taken by the State DOT in conformance with Federal laws, regulations, and policies.

Assumed Projects – Federal projects that the State DOT reviews in the place of the FHWA and has the authority to approve certain specified actions pertaining to design; plans, specifications, and estimates; contract awards; and inspections.

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

Control Document – Applicable laws, regulations, standards, policies, and standard specifications approved by FHWA for use 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.

Locally Administered Projects – For the purpose of the S&O Agreement, a Federal-aid project in which an entity other than a traditional State DOT is a sub-recipient and this entity is administering the particular phase being authorized, i.e., Preliminary Engineering, 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. State DOT remains responsible for the local public agency’s compliance on locally administered projects.

Local Public Agency (LPA) – Any organization, other than a traditional State DOT, with administrative or functional responsibilities that 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, an LPA, as defined here, could also include a State entity as well, perhaps even a part of a State DOT. An example could include a Port Authority or Toll Authority that had not traditionally worked with the Federal-aid highway program (FAHP).

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

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 State DOT 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.

Projects of Division Interest (PoDIs) – PoDIs are those projects that have an elevated risk, contain elements of higher risk, or present a meaningful opportunity for FHWA involvement to enhance meeting project objectives. For PoDIs, FHWA has made a risk-based decision to retain project approval actions or conduct stewardship and oversight activities for the project as provided for in 23 USC 106.

Recipient - a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. (2 CFR 200.86)

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

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 FAHP, and identifying an appropriate risk response strategy.

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.

Sub-recipient/sub-grantee – a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency (2 CFR 200.93)

Unit Performance Plan – The annual performance plan prepared by an individual FHWA unit that address unit responsibilities and priorities taking into account the National Performance Objectives and National Initiatives identified in the FHWA's Strategic Implementation Plan (SIP) as well as specific initiatives identified at the unit level based on risk.