



Federal Highway
Administration



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

SECTION I. BACKGROUND AND INTRODUCTION

The Federal-aid Highway Program (FAHP) is a federally-assisted program of State-selected projects. The Federal Highway Administration (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 Stewardship and Oversight (S&O) Agreement sets forth the agreement between the FHWA and the State of Texas Department of Transportation (TxDOT) on the roles and responsibilities of the FHWA and the TxDOT with respect to Title 23 project approvals and related responsibilities, and FAHP oversight activities.

The scope of FHWA responsibilities, and the legal authority for State DOT assumption of FHWA responsibilities, developed over time. The U.S. Secretary of Transportation delegated responsibility to the Administrator of the 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).

The 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 a State DOT 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 the State DOT 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 the State DOT to enter into an agreement relating to the extent to which the State DOT 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 OF S&O AGREEMENT

The intent and purpose of this S&O Agreement is to document the roles and responsibilities of the FHWA's Texas Division Office (FHWA or Division) and the Texas Department of Transportation (TxDOT) 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 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.

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

- A. TxDOT *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 *TxDOT* and *FHWA* determine that assumption of responsibilities is appropriate.
- B. Approvals and related activities for which TxDOT has assumed responsibilities as shown in Attachment A will apply program-wide unless project specific actions for which the Division 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/140328_podipoci.pdf
- C. TxDOT may not assume responsibilities for Interstate projects that are in high risk categories. (23 U.S.C. 106(c)(4))
- D. TxDOT 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.

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

- A. The TxDOT *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 *TxDOT* 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), TxDOT is to exercise the Secretary's approvals and related responsibilities on these projects in accordance with Federal laws.
- C. TxDOT, in its discretion, may request FHWA carry out one or more non-NHS approvals or related responsibilities listed as "TxDOT" in Attachment A on a program-wide basis. For a project specific request, TxDOT may request FHWA carry out any approval or related responsibility listed in Attachment 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.

SECTION V. ASSUMPTION OF RESPONSIBILITIES FOR LOCALLY ADMINISTERED PROJECTS

The TxDOT may permit local public agencies (LPAs) to carry out TxDOT's assumed responsibilities on locally administered projects. TxDOT is responsible and accountable for LPA compliance with all applicable Federal laws and requirements.

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

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 THE STATE DOT

- A. Any approval or related responsibility not listed in Attachment A cannot be assumed by the State 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 TxDOT:
 - Civil Rights Program approvals;
 - Environmental approvals, except those specifically assumed under other agreements. (23 U.S.C. 326 and 327; programmatic categorical exclusion agreements);

- Federal air quality conformity determinations required by the Clean Air Act; for plans (MTP), programs (TIP) and projects
- Approval of current bill and final vouchers;
- Approval of federally-funded hardship acquisition, protective buying, and 23 U.S.C. 108(d) early acquisition;
- Project agreements and modifications to project agreements and obligation of funds (including advance construction);
- Planning and programming pursuant to 23 U.S.C. 134 and 135;
- Special Experimental Projects (SEP-14 and SEP-15);
- Use of Interstate airspace for non-highway-related purposes;
- 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;
- Waivers to Buy America requirements;
- Approval of Federal participation under 23 CFR 1.9(b);
- Provide pre-approval for preventive maintenance project (until FHWA concurs with TxDOT procedures);
- Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations, or other contributions applied to a project;
- Functional replacement of property;
- 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;
- 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;
- Determine need for Coast Guard Permit;
- Training Special Provision – Approval of New Project Training Programs; and
- Any other approval or activity not specifically identified in Attachment A unless otherwise approved by the FHWA, including the Office of Chief Counsel.

B. For all projects and programs, TxDOT 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 Agreement does not modify the 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

Attachment 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 the State 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. The FHWA shall perform annual reviews that address elements of TxDOT's financial management system in accordance with 23 U.S.C. 106(g)(2)(A). FHWA will periodically review TxDOT'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 TxDOT, 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 TxDOT 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 TxDOT 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 TxDOT may use to identify and analyze risks and develop response strategies include the following:

- Program Assessments;
- Financial Integrity Review and Evaluations (FIRE) Reviews;
- Program Reviews;
- Certification Reviews;
- Recurring or periodic reviews such as the Compliance Assessment Program (CAP); and
- Inspections of project elements or phases.

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):

- Program Reviews Policy & Procedures
- Billing Review/Improper Payment Review Process
- Inactive Obligations Management Process
- State Single Audit Findings and Recommendations
- CAP Reviews Policy and Procedures
- Project of Division Interest (PoDI)/Project of Corporate Interest (PoCI) Oversight Plans Development and Implementation Policy and Procedures
- Process Reviews

E. Program Responsibility Matrix

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

F. Manuals and Operating Agreements

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

G. Stewardship and Oversight Indicators

The Division and TxDOT have set Performance Indicators (Indicators). These Indicators are used to set targets, track trends, and implement countermeasures and actions when the data is moving away from the desired target direction. Indicators provide documented evidence that the TxDOT assumption of responsibilities is functioning appropriately. Performance Indicators are reviewed on an annual basis. The Indicators are documented in in Attachment C to this S&O Agreement.

SECTION XI. STATE DOT OVERSIGHT AND REPORTING REQUIREMENTS

A. TxDOT Oversight and Reporting Requirements

TxDOT 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, TxDOT has documented its internal and external controls. The list of TxDOT's operating documents in Attachment C to this S&O Agreement demonstrate that it is appropriately organized and financially capable to deliver FAHP projects in accordance with all applicable laws, rules, and regulations

TxDOT will provide a summary report to the division within two months of the end of the Federal Fiscal Year (i.e. by December 1st) of all significant stewardship and oversight activities conducted during the previous federal fiscal year. This will include a review of Performance Indicators, changes or enhancements to its financial management systems; organizational structure; and methods of financing, delivering, and/or maintaining projects. This will also include all key findings related to delivery of the FAHP from internal, state, or federal audits concluded during the previous year and an action plan highlighting the steps that will be taken to bring any identified deficient elements into compliance.

For projects on which TxDOT has assumed the responsibilities of the Secretary of the U.S. Department of Transportation under Title 23 for design, plans, specifications, estimates, contract awards, and inspections, this summary report will include a description of the methods implemented to ensure that preliminary engineering, engineering, and design-related services relating to the construction of FAHP-funded projects were performed in accordance with applicable federal laws, rules, and regulations. This includes:

1. Contract awards for procurement of professional and other consultant services and construction-related services (advertising for, evaluating, and awarding contracts).
2. Planning, programming, and environmental compliance (STIP, NEPA, air quality, etc.).
3. PS&E packages (geometric standards; drawings; specifications; project estimates; and certifications relating to completion of right-of-way acquisition and relocation, utility work, and railroad work).
4. Construction oversight and inspections (general contract administration, material testing and quality assurance, review, periodic inspections, and final inspection/acceptance).
5. Right-of-way acquisition; business, residential, and utility relocation (compliance with Uniform Act).
6. Stewardship and Oversight Indicators: targets, trends, countermeasures and actions when the data is moving away from the desired target direction

B. TxDOT Oversight of Locally Administered Projects

- B.1. TxDOT is required to provide adequate oversight of sub-recipients including oversight of any assumed responsibilities TxDOT delegates to a LPA.
- B.2. Pursuant to 23 U.S.C. 106(g)(4), TxDOT 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. TxDOT 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. TxDOT acknowledges that it is responsible for sub-recipient awareness of Federal grant requirements, management of grants awards and sub-awards, and is familiar with and comprehends pass through entity responsibilities (2 C.F.R 200.331 Requirements for pass-through entities). TxDOT shall carry out these responsibilities using actions, programs, and processes described in the TxDOT Local Government Projects Policy Manual (listed in Attachment C to this S&O Agreement) and related documents.
- B.4. TxDOT shall assess whether a sub-recipient has adequate project delivery systems and sufficient accounting controls to properly manage projects, using the actions, programs, and processes described in the TxDOT Local Government Projects Policy Manual (listed in Attachment C to this S&O Agreement) and related documents.
- B.5. TxDOT 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 actions, programs, and processes described in the TxDOT Local Government Projects Policy Manual (listed in Attachment C to this S&O Agreement) and related documents.
- B.6. TxDOT shall assess whether sub-recipient projects receive adequate inspection to ensure they are completed in conformance with approved plans and specifications, by using the actions, programs, and processes described in the TxDOT Local Government Projects Policy Manual (listed in Attachment C to this S&O Agreement) and related documents.
- B.7. TxDOT 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. TxDOT's process to ensure compliance with this

requirement is documented by the actions, programs, and processes described in the TxDOT Local Government Projects Policy Manual (listed in Attachment C to this S&O Agreement) and related documents.

- B.8. TxDOT shall ensure that project actions will be administered in accordance with all applicable Federal laws and regulations. TxDOT will implement the process defined in the TxDOT Local Government Projects Policy Manual (listed in Attachment C to this S&O Agreement) and related documents on required approvals on sub-recipient projects. TxDOT shall properly document its approval of sub-recipient projects in its project records and retain the records in accordance with applicable federal and state regulations.
- B.9. TxDOT shall document its oversight activities for LPA-administered projects and provide to the Division an annual report documenting its activities including an overview of its program activities and specific performance metrics on the following responsibilities:
1. Training for LPA and state personnel for administering LPA projects.
 2. Verification process that LPAs have adequate project delivery systems and sufficient accounting controls to properly manage Federal-aid funds prior to authorizing LPA to assume responsibilities.
 3. TxDOT oversight structure, resources, and program to provide effective oversight of LPA performed projects.
 4. Quality control performed by state in its day-to-day oversight of LPA projects to assure sub-recipient projects:
 - a. Complied with all applicable environmental requirements
 - b. Complied with Uniform Act for ROW acquisitions and relocations
 - c. Complied with applicable federal consultant and contractor selection procedures
 - d. Were designed in accordance with applicable federal and state design criteria and standards
 - e. Received adequate inspection to ensure they were completed in conformance with approved plans and specifications
 - f. Performed proper contract administration to comply with applicable federal and state rules, requirements, and regulations.
 5. Quality Assurance performed through development and implementation of a risk-based audit program for LPA projects.


SECTION XII. IMPLEMENTATION AND AMENDMENTS

- A. This S&O Agreement will take effect as of the effective date of the signature of the FHWA Texas Division Administrator, who shall sign this S&O Agreement last.
- B. The Division and TxDOT 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 TxDOT or FHWA; or
 - Priorities shift as a result of audits, public perception, or changes in staffing at either TxDOT or Division Office.
- C. The Division and TxDOT agree that changes may occur to the contents of the Attachments 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 Attachments and documents incorporated by reference will not require the Division and TxDOT 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 revisions to its attachments shall be posted on the Division's Stewardship and Oversight 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.

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FEDERAL HIGHWAY ADMINISTRATION, TEXAS DIVISION OFFICE

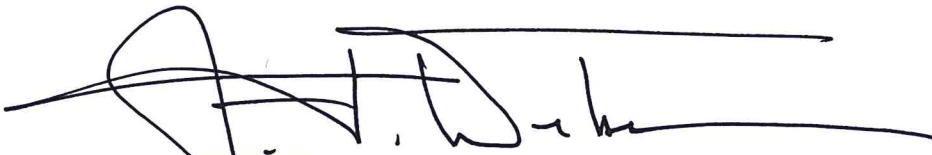
Executed this 21st day of May, 2015.



Achille Alonzi
Division Administrator


STATE OF TEXAS

Recommended this 21st day of May, 2015.



Lt. Gen. J.F. Weber, USMC (Ret)
Executive Director
Texas Department of Transportation

Executed this 8th day of December, 2015.



LtGen. J.F. Weber, USMC (Ret)
Executive Director
Texas Department of Transportation

ATTACHMENT 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 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.

TxDOT 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.

PROJECT ACTION RESPONSIBILITY MATRIX (Excluding PoDIs, which are subject to separate PoDI Plans)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
Ensure project in Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP)	TxDOT	TxDOT
Identify proposed funding category	TxDOT(1)	TxDOT(1)
Obligate funds/approve Federal-aid project agreement, modifications, and project closures (project authorizations) (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Authorize current bill (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Review and Accept Financial Plan and Annual Updates for Federal Major Projects \$500 million or more [23 U.S.C. 106(h)] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Review Cost Estimates for Federal Major Projects \$500 million or more [23 U.S.C. 106(h)] (Note: this action cannot	FHWA	FHWA

PROJECT ACTION RESPONSIBILITY MATRIX
(Excluding PoDIs, which are subject to separate PoDI Plans)

ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
be assumed by TxDOT)		
Develop Financial Plan for Federal Projects between \$100 million and \$500 million. [23 U.S.C. 106(i)]	TxDOT	TxDOT
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations excluded from FHWA-TX 327 NEPA Assignment MOU.	FHWA	FHWA
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations included in the FHWA-TX 327 NEPA Assignment MOU.	TxDOT	TxDOT
Categorical Exclusion approval actions excluded from FHWA-TX 327 NEPA Assignment MOU	FHWA	FHWA
Categorical Exclusion approval actions included in the FHWA-TX 327 NEPA Assignment MOU	TxDOT	TxDOT
Consultant Contract Selection	TxDOT(2)	TxDOT(2)
Sole source Consultant Contract Selection	TxDOT(2)	TxDOT(2)
Approve hiring of consultant to serve in a “management” role (Note: this action cannot be assumed by TxDOT) [23 CFR 172.9]	FHWA	FHWA

PROJECT ACTION RESPONSIBILITY MATRIX (Excluding PoDIs, which are subject to separate PoDI Plans)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
Approve consultant agreements and agreement revisions (Federal non-Major Projects) [23 CFR 172.9]	TxDOT	TxDOT
Approve consultant agreements and agreement revisions on Federal Major Projects [23 CFR 172.9] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Approve exceptions to design standards [23 CFR 625.3(f)]	FHWA for Interstate (4) or TxDOT for Non-Interstate	TxDOT
Interstate System Access Change [23 USC 111] (Note: this action cannot be assumed by TxDOT)	FHWA	N/A
Interstate System Access Justification Report [23 USC 111] (Note: action may be assumed by State pursuant to 23 USC 111(e))	FHWA(4)	N/A
Airport highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104]	TxDOT	TxDOT
Approve Project Management Plan for Federal Major Projects over \$500 million [23 USC 106(h)] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Approve innovative and Public-Private Partnership projects in accordance with SEP-14 and SEP-15 (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Provide pre-approval for preventive maintenance project (until FHWA concurs with	FHWA	FHWA

PROJECT ACTION RESPONSIBILITY MATRIX (Excluding PoDIs, which are subject to separate PoDI Plans)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
STATE procedures) (Note: this action cannot be assumed by TxDOT)		
Provide approval of preliminary plans for unusual/complex bridges or structures(3) on the Interstate. [23 USC 109(a) and FHWA Policy]	FHWA	N/A
Provide approval of preliminary plans for unusual/complex bridges or structures(3) (non-Interstate). [23 USC 109(a) and FHWA Policy]	TxDOT	TxDOT
Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c)]	TxDOT	TxDOT
Approve use of local force account agreements [23 CFR 635.104 & 204]	TxDOT	TxDOT
Approve use of publicly owned equipment [23 CFR 635.106]	TxDOT	TxDOT
Approve the use of proprietary products, processes [23 CFR 635.411]	TxDOT	TxDOT
Concur in use of publicly furnished materials [23 CFR 635.407]	TxDOT	TxDOT
Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work [23 CFR 635.309(b)]	TxDOT	TxDOT
Make public interest finding on whether TxDOT may proceed with bid advertisement even	FHWA for Interstate or TxDOT for Non-Interstate	TxDOT

PROJECT ACTION RESPONSIBILITY MATRIX (Excluding PoDIs, which are subject to separate PoDI Plans)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
though ROW acquisition/relocation activities are not complete for some parcels [23 CFR 635.309(c)(3)]		
Ensure compliant ROW certificate is in place [23 CFR 635.309(c)]	TxDOT	TxDOT
Approve Hardship and Protective Buying [23 CFR 710.503] (If a Federal-aid project) (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Approve Interstate Real Property Interest Use Agreements [23 CFR 710.405] (Note: this action cannot be assumed by TxDOT)	FHWA	N/A
Approve non-highway use and occupancy [23 CFR 1.23(c)]	FHWA for Interstate or TxDOT for Non-Interstate (2)	TxDOT(2)
Approve disposal at less than fair market value of federally funded right-of-way, including disposals of access control [23 U.S.C. 156 and] (Note: this action cannot be assumed by TxDOT)	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 STATE to agree to scope of property-related oversight and approvals for all actions except those on the Interstate System)	FHWA for Interstate or TxDOT for Non-Interstate (2)	TxDOT(2)

PROJECT ACTION RESPONSIBILITY MATRIX
(Excluding PoDIs, which are subject to separate PoDI Plans)

ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
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 TxDOT)	FHWA	FHWA
Federal land transfers [23 CFR 710, Subpart F] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Functional replacement of property [23 CFR 710.509] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Accept Transportation Management Plans (23 CFR 630.1012(b))	TxDOT	TxDOT
Approval of System Engineering Analysis (for ITS) [23 CFR 940.11]	TxDOT	TxDOT
Approve PS&E [23 CFR 630.201]	TxDOT	TxDOT
Authorize advance construction and conversions [23 CFR 630.703 & 709] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Approve utility or railroad force account work [23 CFR 645.113 & 646.216]	TxDOT	TxDOT
Approve utility and railroad agreements [23 CFR 645.113 & 646.216]	TxDOT	TxDOT
Approve use of consultants by utility companies [23 CFR 645.109(b)]	TxDOT	TxDOT
Approve exceptions to maximum railroad protective insurance	TxDOT	TxDOT

PROJECT ACTION RESPONSIBILITY MATRIX (Excluding PoDIs, which are subject to separate PoDI Plans)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
limits [23 CFR 646.111]		
Authorize (approve) advertising for bids [23 CFR 635.112, 309]	TxDOT	TxDOT
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]	TxDOT	TxDOT
Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 &.204]	TxDOT	TxDOT
Approve construction engineering by local agency [23 CFR 635.105]	TxDOT	TxDOT
Approve advertising period less than 3 weeks [23 CFR 635.112]	TxDOT	TxDOT
Approve addenda during advertising period [23 CFR 635.112]	TxDOT	TxDOT
Concur in award of contract [23 CFR 635.114]	TxDOT	TxDOT
Concur in rejection of all bids [23 CFR 635.114]	TxDOT	TxDOT
Approval of Design-Build Requests-for-Proposals and Addenda [23 CFR 635.112]	TxDOT	TxDOT
Approve changes and extra work [23 CFR 635.120]	TxDOT	TxDOT
Approve contract time extensions [23 CFR 635.120]	TxDOT	TxDOT
Concur in use of mandatory borrow/disposal sites [23 CFR 635.407]	TxDOT	TxDOT
Accept materials certification [23 CFR 637.207]	TxDOT	TxDOT

PROJECT ACTION RESPONSIBILITY MATRIX (Excluding PoDIs, which are subject to separate PoDI Plans)		
ACTION	AGENCY RESPONSIBLE	
	PROJECTS ON THE NHS	PROJECTS OFF THE NHS
Concur in settlement of contract claims [23 CFR 635.124]	TxDOT	TxDOT
Concur in termination of construction contracts [23 CFR 635.125]	TxDOT	TxDOT
Waive Buy America provisions [23 CFR 635.410] (Note: this action cannot be assumed by TxDOT)	FHWA	FHWA
Final inspection/acceptance of completed work [23 USC 114(a)]	TxDOT	TxDOT
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)]	TxDOT	TxDOT
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)	TxDOT	TxDOT
Equal Employment Opportunity (EEO) Contract Compliance Review Approval [23 CFR Part 230, Subpart D]).	TxDOT	TxDOT
Training Special Provision – Approval of Project Goal for training slots or hours [23 CFR Part 230, Subpart A]	TxDOT	TxDOT
Training Special Provision – Approval of New Project Training Programs (Note: this action		

**ATTACHMENT B
PROGRAM RESPONSIBILITY MATRIX**

PROGRAM ACTION RESPONSIBILITY

The following matrix is a list of program actions. The matrix identifies the Responsible Program Office as well as the primary point of contact or the approving official.

Activity	Authority ¹	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Point of Contact	TxDOT Point of Contact	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	Director Finance and Administration	Chief Financial Officer	TxDOT 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)	2 C.F.R Part 200, Subpart E;ASMBC-10	As needed	Not Applicable	Office of Chief Financial Officer	Director Finance and Administration	Chief Financial Officer	TxDOT will certify that the ICAP was prepared in accordance with 2 CFR 200 Subpart E.

¹ 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 ¹	Frequency	Due Date	FHWA HQ Program Office	FHWA Division Point of Contact	TxDOT Point of Contact	Remarks
Heavy Vehicle Use Tax (HVUT) – Certification of verifying proof-of-payment of HVUT	23 CFR 669.7	1-Jul	1-Jul	Office of Highway Policy information	Director Planning and Program Development	Chief Financial Officer	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 Service.
Heavy Vehicle Use Tax (HVUT) – Certification of verifying proof-of-payment of HVUT	23 CFR 669	Annual	1-Jan	Office of Highway Policy information	Director Planning and Program Development	Chief Financial Officer	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 Service.
Heavy Vehicle Use Tax (HVUT) – Triennial review of State program	23 CFR 669.21	Triennial	Not Applicable	Office of Highway Policy information	Director Planning and Program Development	Chief Financial Officer	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	Director Planning and Program Development	Chief Planning and Projects Officer	Submit monthly, within 20 days after the close of the month for which the data were collected.
Continuous Automatic Vehicle Classifier Data	Heavy Vehicle Travel Information System Field Manual	Monthly	Monthly	Office of Highway Policy information	Director Planning and Program Development	Chief Planning and Projects Officer	Send up to one week of data per quarter

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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	Director Planning and Program Development	Chief Planning and Projects Officer	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	Director Technology Assistance Section	Chief Strategy and Innovations Officer	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	Director Technology Assistance Section	Chief Engineer	As per MAP-21 guidance, reports are due to FHWA Division Office by August 31st and to the Office of Safety by September 30.
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	Director Technology Assistance Section	Deputy Executive Director	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	Director Technology Assistance Section	Deputy Executive Director	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	Director Technology Assistance Section	Deputy Executive Director	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	Director Technology Assistance Section	Deputy Executive Director	NHTSA

High Risk Rural Roads (HRRR) Special Rule	23 USC 148(g)(1)	Annually	Annually	Office of Safety	Director Technology Assistance Section	Chief Engineer	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	Director Technology Assistance Section	Chief Engineer	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	Director Technology Assistance Section	Chief Engineer	National Programs.

ATTACHMENT C

TxDOT Manuals are available on-line at:
<http://onlinemanuals.txdot.gov/manuals/CollectionList.html>

Program Area	Agreements, Policies, Manuals, Reports	FHWA Approval required	Program Web Site
Administration	TxDOT Oversight and Reporting Requirements for the Federal-aid Highway Program	No	http://www.txdot.gov/inside-txdot/administration.html
Performance Indicators	Preliminary Texas Transportation System Performance Results	No	http://www.txdot.gov/inside-txdot/office/state-affairs/preliminary-performance.html
Bridge	Bridge Project Development Manual Historic Bridge Manual Bridge Design Manual - LRFD	Yes	http://www.txdot.gov/inside-txdot/division/bridge.html
Bicycle Accommodation and Safety	Bicycle and Pedestrian Facilities	No	http://www.txdot.gov/driver/share-road/bicycles.html
Civil Rights	DBE Program Plan	Yes	http://www.txdot.gov/inside-txdot/office/civil-rights/contact.html
Construction and Materials	Construction Contract Administration Manual TxDOT Quality Assurance Program TxDOT Standard Specifications TxDOT Special Specifications TxDOT Special Provisions TxDOT Material Specification (DMS) TxDOT Construction Contract Administration Manual TxDOT Manual of Testing Procedures TxDOT Pavement Design Guide	Yes	http://www.txdot.gov/inside-txdot/division/construction.html
Consultant Services – Professional Engineering Procurement Services (PEPS)	PEPS Contracting: Selection Process Manual PEPS Contracting: Contract Management and Administration Manual	Yes	http://www.txdot.gov/inside-txdot/division/peps.html
Design	Road Design Procedures and Details 3R Minimum Design Guidelines for Rural NHS (Non-Interstate) 3R Minimum Design Guidelines for Urban and Suburban NHS (Non-Interstate) Hydraulic Design Manual Roadway Design Manual	Yes	http://www.txdot.gov/inside-txdot/division/design/bio.html

Program Area	Agreements, Policies, Manuals, Reports	FHWA Approval required	Program Web Site
Environmental	MOU Between FHWA/TxDOT Concerning State of Texas Participating in the Project Delivery Program Pursuant to 23 U.S.C. 327	No	http://www.txdot.gov/inside- txdot/division/environmental.html
Finance	Annual Financial Report	No	http://www.txdot.gov/inside- txdot/division/finance.html
Local Government	Local Government Project Policy Manual Local Government Projects Annual Report	Yes	https://www.txdot.gov/inside- txdot/office/local- government-projects.html
Maintenance	Condition of Texas Pavements – PMIS Annual Report	No	http://www.txdot.gov/inside- txdot/division/maintenance.html
Planning	Transportation Planning Manual Statewide Transportation Improvement Program (STIP) Unified Transportation Program (UTP)	Yes	http://www.txdot.gov/inside- txdot/division/transportation-planning.html
Pedestrian Accommodation and Safety	ADA Standard Plans	No	http://www.txdot.gov/driver/share- road/pedestrians.html
ROW and Utilities	ROW Manual ROW Utility Manual	Yes	http://www.txdot.gov/inside- txdot/division/right-of- way.html
Safety	Strategic Highway Safety Plan Traffic Safety Program Manual Highway Safety Improvement Program Manual	Yes	http://ftp.dot.state.tx.us/pub/txdot- info/sla/strategic- plan-2015-2019.pdf
Strategic Projects	Design-Build Quality Assurance Program Implementation Guide	No	http://www.txdot.gov/inside- txdot/division/strategic- projects.html
Toll Operations	129 Agreements	No	http://www.txdot.gov/inside- txdot/division/toll- operations.html
Traffic Operations	Texas Manual on Uniform Traffic Control Devices TxDOT Traffic Engineering Standard Sheets	Yes	http://www.txdot.gov/inside- txdot/division/traffic.html

ATTACHMENT D- GLOSSARY

(Version Date May 14, 2015)

Attachment D: 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).

Major Project - Based on the *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)*, signed into law on August 10, 2005, a Major Project is defined as "a project with a total estimated cost of \$500 million or more that is receiving financial assistance." The FHWA also has the discretion to designate a project with a total cost of less than \$500 million as a Major Project. The FHWA may choose to do so in situations where the projects require a substantial portion of the State Transportation Agency (STA)'s program resources; have a high level of public or congressional interest; are unusually complex; have extraordinary implications for the national transportation system; or are likely to exceed \$500 million in total cost at some point in the future.

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 Corporate Interest (PoCIs) - Projects of Corporate Interest (PoCIs) are a subset of PoDIs. These are projects deemed to be so significant that FHWA is willing to commit additional resources beyond those available at the individual Division level to help ensure successful delivery of the project. Project selection should be risk-based and the stewardship and oversight activities should be directed toward addressing the identified risks. This may require retaining certain project approval actions, or directing stewardship and oversight activities to a specific phase or element of the project.

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. The following are considered PoDI projects: Major Projects (>\$500M); 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. See “Projects of Division Interest (PoDI)/Projects of Corporate Interest (PoCI) Guidance (available at <http://www.fhwa.dot.gov/federalaid/stewardship/>)

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.

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.

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Attachment E. Project Oversight Designation Requirement in the Fiscal Management Information System (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.