



## LOCALLY ADMINISTERED FEDERAL-AID PROJECTS

The Federal Highway Administration (FHWA) supports State Transportation Agencies (STAs) by allowing Local Public Agencies (LPAs), such as cities or counties, to administer Federal-aid projects. The LPA program, as administered by the states, provides for construction, reconstruction and improvement of highways and bridges on eligible Federal-aid highway routes. It also provides for other special purpose programs and projects for Federal-aid Highway Programs under Title 23, representing \$6 to \$8 billion dollars or approximately 20 percent of the program.



STAs must meet the requirements of the Federal-aid projects for all aspects of their programs and must ensure that programs administered by LPAs remain in compliance for all program requirements including

environmental determination and mitigation, right-of-way procurement, utility relocation, design standards, detailed project management/contract compliance and quality assurance procedures. Reducing oversight resource needs for LPA administered projects is a need that must be met to keep State LPA programs operating successfully. Navigating this complex process of obtaining federal aid and meeting all of its requirements can be difficult, time consuming and costly.

### INNOVATION DESCRIPTION

FHWA has developed a three-pronged strategy to aid LPAs through the complexities of the Federal-aid Highway Program's requirements and processes for establishing and administering Federal-aid projects.

These strategies include:

- ▶ **Certification/qualification programs.** These programs mitigate the potential for non-compliance by having STAs develop certification/qualification-type programs, which ensure that the LPA is certified

and/or qualified to manage project activities that use Federal-aid funds.

- ▶ **Consultant services flexibilities.** STAs and LPAs have the flexibility to use consultant services to manage, develop and deliver the locally administered Federal-aid program and projects. Understanding the available options may allow agencies to lower projects costs, shorten project development and delivery times, improve the quality and performance of contracted services and ensure projects meet the necessary Federal and state requirements.

To advance the use of consultant services for local programs and projects, the States may:

- Prequalify consultants to facilitate LPAs contracting for services
- Procure and contract with consultants to provide services to be managed by LPAs
- Procure, manage and administer consultant services to develop and deliver projects on behalf of or at the direction of the LPA
- Contract with consultants to assist in managing, monitoring and administering its local program

- ▶ **Stakeholder partnering.** Communication, coordination and cooperation are key to successfully implementing any funding program. Clarity of FHWA's requirements for LPA administered Federal-aid projects is critical. To aid in this partnering effort and collaboration goal, a Stakeholder Committee



composed of FHWA, state and LPA representatives may be established. Its purpose would be to ensure dialogs of understanding are created, training is provided and that development and delivery processes are reviewed and refined.

## BENEFITS

Benefits to applying the three-pronged strategy include:

- ▶ **Increased compliance with Federal and State requirements.** Limits LPAs that administer Federal-aid projects to those with the demonstrated qualifications and experience for handling projects.
- ▶ **Risk mitigation.** Reduces the program accountability risk and ensures projects follow federal regulations and guidelines.
- ▶ **Shortened time & reduced cost.** Less costs associated when procuring consultants and developing and delivering projects.
- ▶ **Local ownership.** Allows certified LPAs to manage and own their projects.
- ▶ **Stakeholder buy-in.** Stakeholders have the chance to influence the decision-making process so buy-in can be obtained easier because all stakeholders will have a better understanding of each other's needs, as well as transparency in the process.



## CURRENT STATE OF THE PRACTICE

### LPA Certification Program

In June 2011, the National LPA Peer Exchange team conducted a certification program survey nationwide.

Thirty-nine FHWA Division Offices responded as follows:

- ▶ Sixty-four percent of STAs have some form of LPA Certification Program
- ▶ Twenty-five percent of states without a certification program expressed an interest in developing one soon

### Consultant Services Flexibilities

An August 2012 informal polling of our Division Offices was conducted on consultant services flexibilities. The general responses indicate the following:

Procurement policies & procedures:

- Fifty percent of STAs specify procedures for LPAs or require LPAs to use STA procedures
- Sixty-seven percent of STAs have a consultant prequalification process which LPAs could employ
- ▶ Contracting options:
  - Approximately one third of STAs procure, manage and administer consultants on behalf of LPAs
  - Approximately one third of STAs procure and contract with consultants to be managed by LPAs

▶ Local program management:

- Many STAs have employed consultants under on-call contracts to assist with management and administration of other programs, but only a few have utilized consultants to assist with the local program.



For additional  
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*Every Day Counts (EDC), a State-based initiative of FHWA's Center for Accelerating Innovation, works with State, local and private sector partners to encourage the adoption of proven technologies and innovations aimed at shortening and enhancing project delivery.*

## SUPPORT AND AVAILABLE TOOLS

To learn more about the FHWA's Locally Administered Federal Aid Program, please visit:

- ▶ The first question asked, "Does your state currently practice partnering?"
  - Eighty-one percent or 25 of the 31 STAs indicated they practice some form of partnering.
  - Six of the 31 indicated that they did not practice any type of partnering.
- ▶ The follow-up question asked, "If your State does practice partnering, is it formal or informal?"
  - Sixty-four percent or 16 of the 25 STAs that practice some form of partnering indicated that they utilize "informal" partnering arrangements.
  - Twenty-four percent or six of the 25 indicated they used a mix of informal and formal partnering.
  - Twelve percent or three of the 25 indicated that they utilized a "formal" partnering process.

- ▶ FHWA's Every Day Counts Initiative,  
[http://www.fhwa.dot.gov/everydaycounts/  
edctwo/2012/local.cfm](http://www.fhwa.dot.gov/everydaycounts/edctwo/2012/local.cfm)
- ▶ FHWA Consultant Services Web page,  
[http://www.fhwa.dot.gov/programadmin/  
consultant.cfm](http://www.fhwa.dot.gov/programadmin/consultant.cfm)
- ▶ FHWA Federal-aid Essentials for LPAs,  
<http://www.fhwa.dot.gov/federal-aidessentials>
- ▶ FHWA Local Public Agency Website,  
<http://www.fhwa.dot.gov/federalaid/lpa/index.cfm>



U.S. Department of Transportation  
Federal Highway Administration