LPM Handbook Revisions & Updates

Local Program Management Office
Transportation Program Management Unit
NCDOT Local Project Delivery
*LPM Handbook Revisions & Updates*

**AGENDA**

- Purpose of Today’s Webinar
- Handbook Revision Schedule & Process
- Handbook Revisions
- Davis-Bacon Wage Rate Issue
- Questions & Answers
- Closing Remarks
Purpose of Today’s Training

- Provide Information to Local Partners Regarding Key LPM Handbook Revisions
- Discuss Davis-Bacon Wage Rate Issue Impact
- Provide Opportunity to Ask Questions
Handbook Revision Schedule & Process

- **Two Phases**

  - *Immediate Revisions (November 16, 2011)*
    - Revisions Posted to Updated Web Site
    - Internal Staff Webinar Training – October 12, 2011
    - External Webinar Training – November 15-16, 2011
  
  - *Entire Handbook*
    - Revisions Posted to Updated Web Site – Spring 2012
    - Regional Workshop Training Sessions – Spring 2012
NCDOT Local Project Delivery
LPM Handbook Revisions & Updates

♦ Handbook Revisions
  – Schedule Management
  – Professional Services
  – Design
  – Construction Proposal
  – Construction Pre-Requirements
  – Construction Oversight
  – Reimbursement
  – Project Closeout
Schedule Management

- NCDOT’s Goal is to Have All TIP Projects, Including Local Projects, Scheduled
- What Happens When Local Projects Do Not Meet Their Schedules?
- What Are MPO’s & RPO’s Handling Project Schedules?
- Consistency In Local Project Schedules
Schedule Management

- **Local Projects – Simple Baseline Schedule** 
  (R/W, Construction Let, Completion)

- **LPMO Prepares Draft Schedule Based on Data From LGA**

- **The NCDOT Division Office or LPMO Submits the Schedule For Programming**

- **NCDOT’s Schedule Management Office Schedules the Project**
Professional Services

- LGAs Not Using Procurement Methods or Appropriate Procurement Methods
- LGA Proceeding With Advertisement or Agreements With No NCDOT Review
- LGA Not Aware of Current Design/Construction Administration Restrictions For Firms
- NCDOT Not Named in Insurance
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Professional Services

- **Procurement (General)**
  - No Loophole in G.S. 143-64 for Advertisement
  - Must Use Quality-Based Selection Process
  - Advertisement Must Be Reviewed By NCDOT

- **Review of Proposal**
  - Proposal and Rates Must Be Reviewed By NCDOT
  - LGA Must Be Satisfied With Conditions & Rates Before Review
  - Do Not Enter Into Agreement With Consultant Until Reviewed
Professional Services

- Design/CEI Exception Process
  - Requires LGA to Request Exception to Allow Same Firm to Provide Both Design and CA (CEI) Services
  - Request is Routed Through LPMO for Initial Review and to Construction For Final Review and Response
  - Does Not Waive Competition for the Services Being Requested, Only Allows a Firm to Submit Proposal

- Insurance
  - Required for All Consultants
  - NCDOT Should Be Named
Design

- Plans Not Meeting Minimum NCDOT Standards
- Incomplete Plans Submitted For Review
- Appropriate Routing Procedure For Plan Approval
Design

- Plans Should Conform to NCDOT Standards/Requirements Unless It is an Unusual Project
- Who Will Manage the Review Process is Determined By the Scope of the Project:
  - The NCDOT Division Manages the Review Process For Smaller, Lower Risk, Limited Scope Projects
  - The LPMO Manages the Review Process For Larger Scale and More Complicated Projects Involving Structures, Extensive Environmental Conditions, etc.
Construction Proposal

- Inconsistent With NCDOT Specifications
- NCDOT Specifications Not Referenced
- Actual Contracts Are Different From Proposals Reviewed
- Missing Specifications/Line Items
Construction Proposal

- **Follows NCDOT Specifications**
  - Conformance With NCDOT Business Practices Unless Unusual Project
  - Depending on the Scope of the Project, the Division or the LPMO Will Manage the Review Process

- **Resources**
  - Allowable Changes to Division One of the NCDOT Standard Specifications
  - Municipal Line-Up Sheet
  - Explanation of Provisions
Construction Proposal

- Follows NCDOT Specifications
  - Conformance With NCDOT Business Practices Unless Unusual Project
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  - Explanation of Provisions
TYPE 1 PROJECTS

Allowable Changes to the NCDOT 2006 Standard Specifications

Municipalities with a Type 1 or 2 Project (within public highway ROW) are permitted to modify Division One only as follows:

1. Section 101-3 – References to Administrator, Board of Transportation, Chief Engineer, Department, Director of Construction, NCDOT, and State, shall be modified as necessary to reference the Municipality or their Engineer.

2. Section 102-1 – Modifications to “Invitation To Bid” are permitted in order to comply with G.S. 143-129.

3. Section 102-13 – Under (A) Paper Bid, in the first sentence, “Contract Officer” shall be modified to reference the Municipality or their Engineer.

4. Section 103-3 – Under (A) Modify the reference to G.S. 136-28.1 to read G.S. 143-129.1. In that same section under (5), in the last sentence, modify “State Contract Officer” to reference the Municipality or their Engineer.

5. Section 103-7 – In the first sentence, modify “14” calendar days to “10” per G.S. 143-129.

6. Section 103-9 – In the first sentence, modify “14” calendar days to “10” per G.S. 143-129.

7. Section 105-9 – The Municipality may modify this section if they are not providing the grade and line controls as stated.

8. Section 108-3 - The “Division Engineer” shall be modified to reference the Municipality or their Engineer.

9. Section 108-4 - The “Resident Engineer” shall be modified to reference the Municipality or their Engineer.

10. Section 109-8 – The Municipality may delete this section if Fuel Price Adjustments (FPA) are NOT to be part of this contract. If FPA are to be included, Special Provision SPI G43 should be added.

Only those items listed in the provision will be eligible for fuel price adjustments. The base price index is updated monthly at the NCDOT Construction Unit website.

11. Section 620-4 – The Municipality may delete paragraphs 5 through 10 if Asphalt Price Adjustments (APA) are NOT to be part of this contract. If APA are to be included, Special Provision SP6 R25 should be added.

Only those items listed in the provision will be eligible for asphalt price adjustments. The base price index is updated monthly at the NCDOT Construction Unit website.
### CHECKLIST for Municipality Bid Proposals by Type

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>Provision Title (see explanation sheet for details)</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NCDOT Specifications Referenced</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>ERRATA</td>
<td>Z-4</td>
</tr>
<tr>
<td>3</td>
<td>SP items covered by current provisions</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Determination of Low Bidder statement</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>NCDOT prequalification statement</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>DISADVANTAGED BUSINESS ENTERPRISES</td>
<td>SP1 G62</td>
</tr>
<tr>
<td>7</td>
<td>Listing of DBE Subcontractors</td>
<td>MISC 2</td>
</tr>
<tr>
<td>8</td>
<td>Letter of Intent Form</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>MINORITY AND FEMALE EMPLOYMENT</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>LIABILITY INSURANCE</td>
<td>SP1 G80</td>
</tr>
<tr>
<td>11</td>
<td>CERTIFICATION FOR FED- AID CONTRACTS</td>
<td>SP1 G85</td>
</tr>
<tr>
<td>12</td>
<td>CONTRACTOR’S LICENSE REQUIREMENTS</td>
<td>SP1 G88</td>
</tr>
<tr>
<td>13</td>
<td>BUY AMERICA (Domestic Steel &amp; Iron)</td>
<td>SP1 G97</td>
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<tr>
<td>14</td>
<td>U.S. DEPT. OF TRANSPORTATION</td>
<td>SP1 G100</td>
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<td>15</td>
<td>GIFTS FROM VENDORS AND CONTRACTORS</td>
<td>SP1 G182</td>
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<tr>
<td>16</td>
<td>AVAILABILITY OF FUNDS</td>
<td></td>
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<tr>
<td>17</td>
<td>SEED QUALITY*</td>
<td>Z-3</td>
</tr>
<tr>
<td>18</td>
<td>PLANT PEST QUARANTINE - (Equipment, plants or soils)</td>
<td>Z-4a</td>
</tr>
<tr>
<td>19</td>
<td>AWARD OF CONTRACT</td>
<td>Z-6</td>
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<tr>
<td>20</td>
<td>FHWA 1273</td>
<td>Z-8</td>
</tr>
<tr>
<td>21</td>
<td>FHWA 1273 MODIFICATION</td>
<td>SP1 G59</td>
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<tr>
<td>22</td>
<td>ON THE JOB TRAINING (optional)</td>
<td></td>
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<tr>
<td>23</td>
<td>MINIMUM WAGE</td>
<td>Z-10</td>
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<tr>
<td>24</td>
<td>WAGE RATES NC 10 or NC 11 (Davis-Bacon)*</td>
<td>Z-11</td>
</tr>
<tr>
<td>25</td>
<td>WAGE RATES - Building Rates Specific to County (Davis-Bacon)</td>
<td>DB website</td>
</tr>
<tr>
<td>26</td>
<td>EXEC. OF BID, NON-COLL., GIFT BAN, Debarment (8 shts)</td>
<td>MISC 4</td>
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<tr>
<td>27</td>
<td>Contingency amount shown in Bid - NOT PERMITTED</td>
<td></td>
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<tr>
<td>28</td>
<td>Bid Alternate Items</td>
<td></td>
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<tr>
<td>29</td>
<td>Bid Allowance Items - NOT PERMITTED</td>
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<td>30</td>
<td>Proprietary Items</td>
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<tr>
<td>31</td>
<td>Fuel and Asphalt Prices (optional)</td>
<td>SP1G43, SPER25</td>
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<td>32</td>
<td>Salvaged Materials</td>
<td></td>
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<tr>
<td>33</td>
<td>Bid Bonds, Payment Bonds and Performance Bonds</td>
<td>MISC 5 &amp; 8</td>
</tr>
<tr>
<td>34</td>
<td>Retainage</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Contractor Licensing</td>
<td></td>
</tr>
</tbody>
</table>

*These items may not be needed if project is outside highway Right of Way*  
SEE EXPLANATION SHEET FOR DETAILS AND APPLICABILITY
Explaination of Provisions to be included in Bid Proposal

1. NCDOT Standard Specifications
   
   **Applicability:** Required for Type 1 projects.
   
   **Purpose:** To comply with FHWA requirements.
   
   FHWA requires that federal-aid Type 1 projects be constructed with specifications that meet federal regulations. Since FHWA has previously reviewed and approved the NCDOT Standard Specifications and Roadway Standards, the following wording shall be included near the front of the bid document:
   
   "The July 2006 North Carolina Department of Transportation Standard Specifications for Roads and Structures, herein referred to as the "Standard Specifications", shall apply to all portions of this project except as modified by this document."
   
   The alternative to this would be for the municipality to submit their specifications and standards to both FHWA and NCDOT for review and approval. It is not known how long this process may take.
   
   Municipalities are allowed to make minor modifications to Division 1 of the Standard Specifications only as permitted (see attached). For items of work not covered by the Standard Specifications, municipalities should include special provisions to cover the work.

2. Errata
   
   **Applicability:** Required on Type 1 projects.
   
   **Purpose:** Corrects errors in Standard Specification Book.

3. NCDOT Special Provisions
   
   **Applicability:** Required for Type 1 projects.
   
   **Purpose:** For Municipality Use
   
   NCDOT has a library of special provisions to cover various construction situations and will be placing them online to share with municipalities. These may be used to cover specific work on the project. Check NCDOT website to insure most current version.

4. Determination of Low Bidder & Award of Contract
   
   **Applicability:** Required for Type 1 and 2 projects.
   
   **Purpose:** To comply with FHWA requirements.
   
   Type 3 projects should include the following wording near the front of the bid document:
   
   "The contract will be awarded to the lowest responsible, responsive bidder."

   Ref #: Spec Book

   Z-4

   various
Construction Pre-Requirements

- NCDOT Must Obtain Construction Authorization From FHWA Prior to Providing Notice to Proceed to LGAs From Locally Managed Projects
- LGA Begins Work Without Authorization
- No Concurrence In Award of Construction Contract By NCDOT
Construction Pre-Requirements

– Construction Authorization
  • No Work Prior! Non-Reimbursable!
  • Letter Documenting Authorization and Notice to Proceed With Advertisement/Procurement

– Letting
  • Advertisement Must Be Reviewed By NCDOT
  • NCDOT Should Be Available for Bid Opening

– Concurrence In Award
  • NCDOT Must Concur With LGA’s Recommendation for Award Prior to Entering Into a Contract
  • LPMO or Division Sends a Letter Documenting Concurrence
Locally Administered Projects - Federal Funds

Local Governments submit; Various Groups review and allocate funds

Funding Group; TIP
- Program into TIP (each phase must be programmed separately)

Local Gov’t; LPMO coordinates w/Division, TIP
- Project Information Data

LPMO; Local Gov’t
- Prepare and Execute Project Agreement

PSMU
- Professional Services

FDEA or Division
- Environmental Document

Roadway Design or Division
- Design

Division ROW Agent
- ROW/Certification

Contract Standards/Contractual Services or Division
- Contract Proposal/Engineer’s Estimate

Local Gov’t and Contract Standards or Division
- Procurement of Construction Services

Division
- Construction

Local Gov’t, Division
- Project Completion, Reimbursement, Close-Out and Maintenance
Construction Oversight

- Need Guidance In LPM Handbook For General Construction Administration (CA) For LGAs
- Clarification of DBE Requirements/Approval & Reporting For LGAs
- Clarification of Project Inspection Requirements For Locally Managed Projects
- Clarification of Project Records & Documentation Requirements For Locally Managed Projects
- Guidance For Project Materials Certification For Locally Managed Projects
Construction Oversight

- Project Inspection & Documentation
  - Inspector’s Daily Report
  - Pay Records
  - Correspondence
  - Buy America
  - Certified Payrolls
  - Wage Rate Interviews
  - Supplemental Agreements
  - Claims
  - Force Account
Construction Oversight

- **DBE**
  - DBE Subcontracting & Payments Reporting

- **Project Materials & Testing Requirements**
  - Materials Receipt and Acceptance Requirements
  - Certified Construction Technicians
  - Independent Assurance Testing
  - Project Materials Certification
  - Records Retention Schedule

- **Resources**
  - Division 5 Pilot Construction Administration Class
The Construction Manual (Revised December 2010)

- Corrections Worksheet – Use to report errors and updates as needed
- Detail of Significant Revisions 2009
- Detail of Significant Revisions 2010
  - Occupational Safety and Health
  - Division 1: General Requirements
  - Division 2: Earthwork
  - Division 3: Pipe Culverts
  - Division 4: Major Structures
  - Division 5: Subgrades & Backfill
  - Division 6: Asphalt Pavements
  - Division 7: Concrete Pavements
  - Division 8: Potholes
  - Division 9: Bituminous
  - Division 10: Materials
  - Division 11: Traffic Control
  - Division 12: Pavement Markings
  - Division 13: Lighting
  - Division 14: Utilities
  - Division 15: Erosion & Landscaping
  - Division 16: Signal and Intelligent Transportation Systems
  - Division 18: Engineering Control

Index to Records and Reports
- R-1 through R-32: Introduction, Public Records, Uniform Filing System, Project Correspondence
- R-33 through R-84: Correspondence for Construction Conferences, Inspector's Daily Reports, Project Diaries, Engineer's Weekly Summaries
- R-85 through R-114: Acceptance of Materials, Progress Schedule, Required Posters, Training Reports, Distribution of Reports, Annual BEP Report, Subcontracts
- R-118 through R-217: Estimator Workbooks, Partial Payment Cross Reference Systems
- R-219 through R-265: Forms
- R-266 through R-399: Estimate Workbook, Partial Payment Cross Reference Systems

http://www.ncdot.gov/doh/operations/dp_chief_eng/constructionunit/formsmanuals/construction/
Reimbursement

- Sales Taxes Are Reimbursed or Requested For Reimbursement
- Reimbursement Requests are Submitted Without Documentation of Payment by LGA
- Reimbursement Requests are Not Submitted or Paid in a Timely Manner
- Final Payment Reimbursement Requests From LGA are Incomplete
Reimbursement

- Sales Taxes are Not Eligible For Reimbursement and Must Be Excluded From the Request

- Documents Required For Reimbursement
  - Quantities Summary
  - Sales Tax Report
  - Evidence of Payment
  - Subcontractor Payment Report

- Processing Time For Complete Reimbursement Requests Should Be About 2-3 Weeks Pending Complexity
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♦ Project Closeout

- LGA & NCDOT Not Familiar With Required Procedures and Responsibilities for Project Acceptance, Final Reimbursement and FHWA Final Voucher Date For Locally Managed Projects
- Coordination With Municipal Agreement Timeline
Project Closeout

- **After Construction, LGA Must:**
  - Have Final Inspection by NCDOT
  - Accept Project From Contractor *(With Concurrence of NCDOT)*
  - Ensure All Records are Available & Accessible
  - Submit Final Reimbursement Request

- **NCDOT Must:**
  - Inspect Project & Concur in Acceptance
  - Review and Process Final Reimbursement
  - Submit Documentation Thru Internal Process
  - Provide LGA with Final Voucher Date/Retention Schedule
NCDOT Local Project Delivery

Davis-Bacon Wage Rates

- NCDOT Has Concerns With Latest USDOL Revisions to Wage Rates & Classifications
  - Lack Of Survey Responses
  - Small Data Set Reviewed
  - Timing Of Data
  - Outlier Projects
  - Number Of Classifications
  - Wage Rate
NCDOT Local Project Delivery

*Davis-Bacon Wage Rates*

- **13 Wage Rate Decisions Instead of 2 Across the State With Discrepancies Among Counties**

- **Decrease In Classifications**

- **Examples (Durham County)**
  - Carpenter - $7.63 to $13.31
  - Crane Operator - $8.16 to $20.14
  - Paver Operator - $7.47 to $15.24
  - Motor Grader Operator - $8.04 to $17.68
  - Dump Truck Driver - $7.25 to $12.50
Immediate Effect of Wage Rate Concern

- Do Not Advertise New Projects That Include Federal Funding; Exception “BRZ Projects”
- For Projects Under Advertisement, Consider Extending the Advertisement Period
- For Projects Approaching Letting, Delay Opening Bids, or Consider Returning Bids Unopened and Re-advertising at a Later Date
NCDOT Local Project Delivery

*Davis-Bacon Wage Rates*

- *Talk With Your Division Contact For Guidance on Letting Projects With Federal Funds!*
Questions and/or Comments?

1) Handbook Revisions
2) Davis-Bacon Wage Rates
3) Other Questions
NCDOT Local Project Delivery
LPM Handbook Revisions & Updates

♦ Closing Remarks

- Follow-Up This Webinar With Posting of LPM Handbook Revisions & This Presentation on the Handbook Web Page at:
  http://www.ncdot.org/programs/Enhancement/ProjectAdministration/ProjectManager/default.html


- Our Processes/Procedures May Be Affected By Pending Transportation Reauthorization Changes in Congress
Closing Remarks – Contacts & Links

- **Division Project Managers, etc.**
  - Contact Your Local NCDOT Division Office
    [https://apps.dot.state.nc.us/dot/directory/authenticated/ToC.aspx](https://apps.dot.state.nc.us/dot/directory/authenticated/ToC.aspx)

- **Transportation Program Management Unit**
  - Contact Your Local Programs Management Office Contact
  - Jimmy L. Travis, PE, jtravis@ncdot.gov, (919) 707-6602

- **Construction Unit**
  - Ron A. Hancock, PE, rhancock@ncdot.gov, (919) 733-2210
  - Michelle G. Long, PE, mglong@ncdot.gov, (919) 733-2210

- **Materials & Tests Unit**
  - Chris Peoples, PE cpeoples@ncdot.gov, (919) 733-7411
Thank You For Your Time Today!