



Good Morning.

I'm \_\_\_\_\_ with the Local Programs Management Office. Our Office prepares Agreements that the Department enters into with outside entities, and assists Local Governments with Federal projects.

Our presentation today will provide an overview of:

- what Agreements are,
- when they are needed,
- the process of developing and approving agreements,
- the roles of staff within Department in the Agreements process, and
- helpful hints and advice on developing agreements.

## *What is An Agreement?*

An Agreement is a legally binding contract executed between the Department and an Entity that details the following:

- Responsibilities of each Party
- Roles of each Party
- Project deliverables
- Monetary commitments by either Party
- Applicable policies and procedures

**This presentation addresses only agreements that are developed and approved through the Local Programs Management Office (LPMO).**

What is an Agreement?

An Agreement is a legally binding contract.

It must be executed between the Department and an Entity when either party has responsibilities for implementing a project or program.

The Agreement outlines roles, project deliverables and monetary commitments.

It also contains policies and procedures that must be followed in order to complete a project or program in accordance with applicable state and Federal criteria.

This presentation addresses only agreements that are developed and approved through our Office.

## *When and Why is An Agreement Needed?*

### Funding

If an entity is paying the Department (receivable), or the Department is paying an entity (payable).

- An entity requests betterments on a project and needs to pay for them
- The Department is providing funds to an entity for work they perform



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### When and Why is An Agreement Needed?

There are two main reasons to develop an agreement.

The first is funding – if another Party is reimbursing the Department, or if the Department is reimbursing another Party, we need an agreement in place, either to obtain the other party's funding, or to set up a purchase order to pay the other party. The agreement is the only tool we have for documenting the financial commitment.

One example is where a municipality or other party has requested betterments on a DOT project and needs to pay for them, such as sidewalks or landscaping. Or, if the Department is reimbursing an outside entity for work that they perform. Typically we see a lot of greenways, or other pedestrian/bike-friendly projects that municipalities want to build.

## *When and Why is An Agreement Needed?*

### Responsibilities

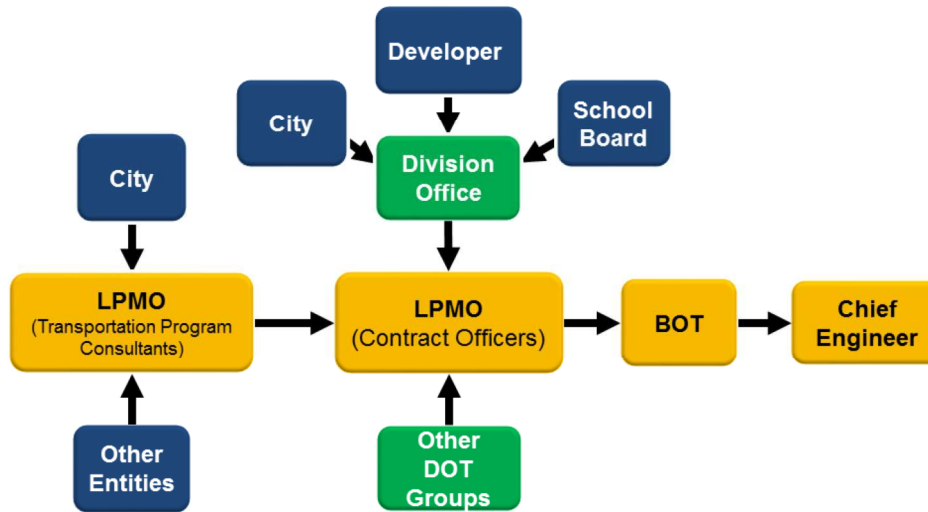
To identify who will be responsible for different items on a project:

- Entity is providing right of way for a project
- Maintenance needs to be identified for a project



The second main reason is to address responsibilities - another party is providing services, deliverables, or maintenance on a project. Perhaps a municipality is providing the right of way to improve an intersection. Or, the Department installs landscaping that a municipality will need to maintain.

## Who is Involved in Agreements?



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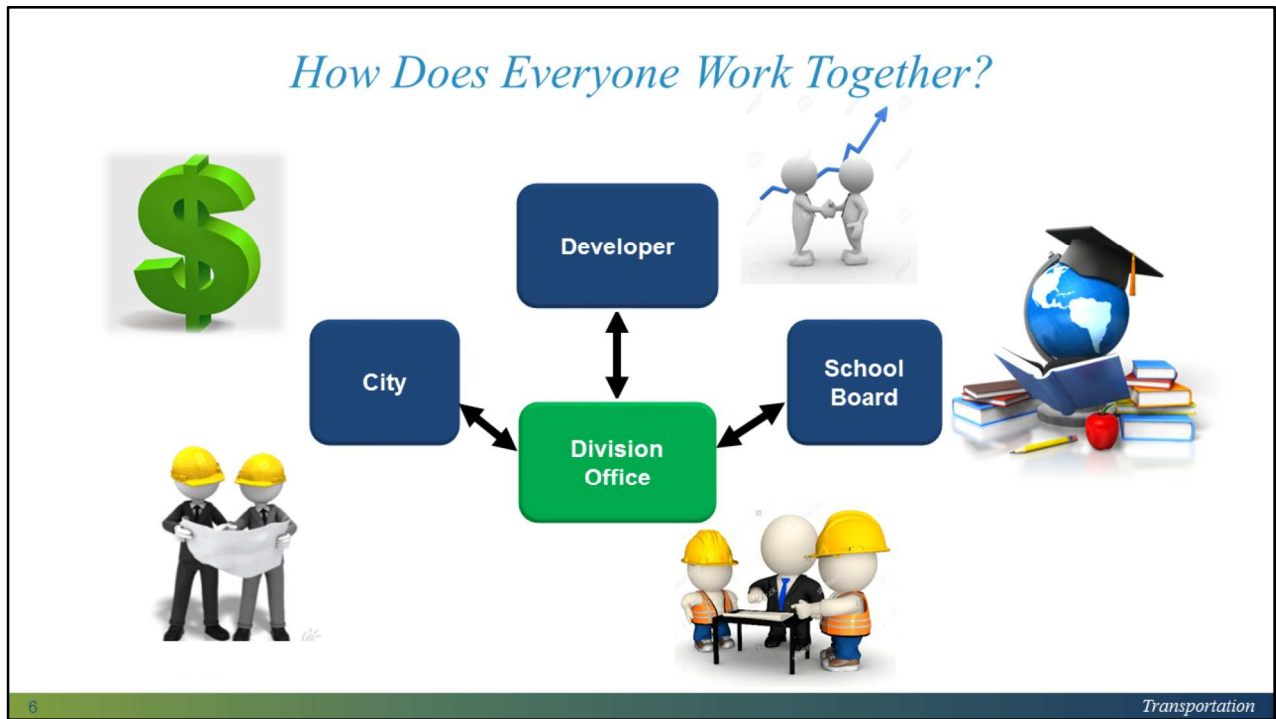
This graphic shows the relationship of all the parties involved in the agreement process, from outside entities, noted in blue, to the Department offices in yellow and green.

Our Office is the hub for the agreement process. Here, LPMO and other Central Office functions are shown in yellow; the Divisions and other DOT groups are shown in green.

Our Office is divided into two groups –

- the Contract Officers who manage all agreement functions and
- the Transportation Consultants, who work with Locally Administered Projects.

We'll go into these interactions in more detail in the next few slides.

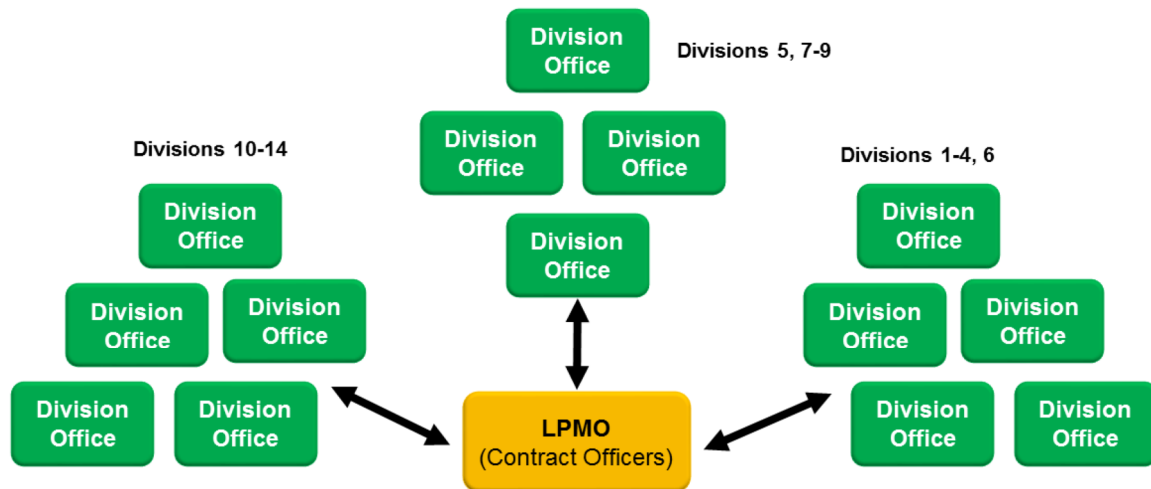


How does everyone work together?

A municipality, developer or school board, contacts the Division with requests for work, goods, or services. This is when Division gathers the basic information needed for an agreement: who is doing work, what work is being performed, and what funding is involved. There may be lots of back and forth between the division office and the other party to work out the details and it may occur over several days, weeks, or even months.

**It is important that these details are worked out and known before the Division requests an agreement from the LPMO. This coordination time is not accounted for in the timeframe, which we'll discuss later in this presentation.**

## How Does Everyone Work Together?

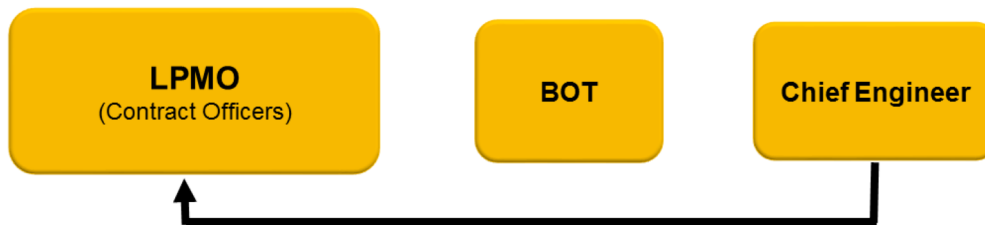


This graphic shows the interaction between the Division Offices and the LPMO – Contract Officers.

Three Contract Officers split the Divisions as shown here, so each Division has a single Contract Officer, and each Contract Officer works with several Divisions.

When requests come in from the Divisions, the Contract Officers review the information, ask questions as needed, modify the agreement and approve the final document.

## *How Does Everyone Work Together?*



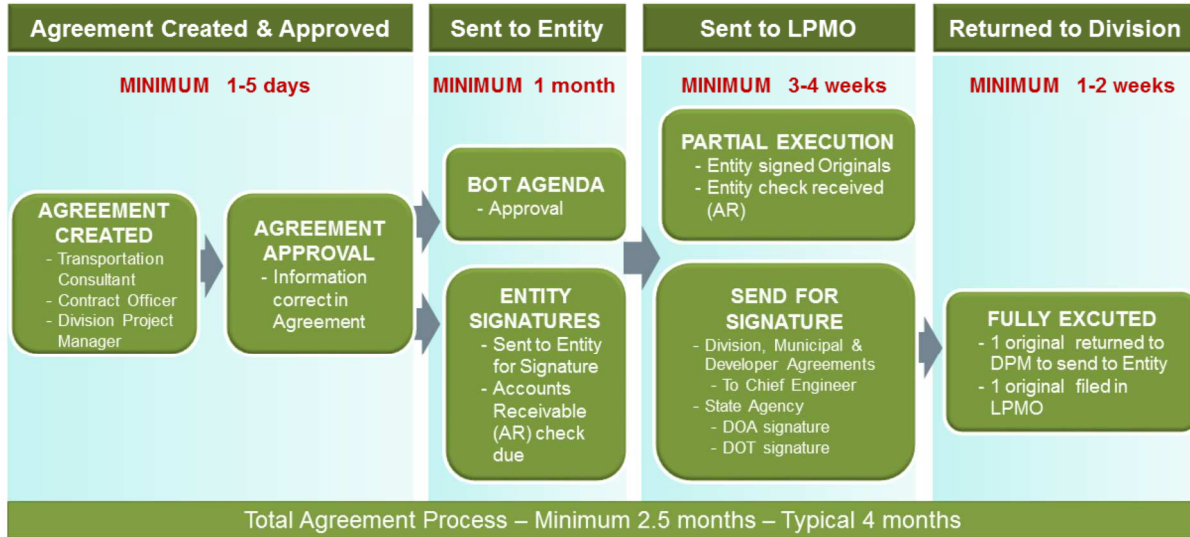
When the Contract Officer approves the agreement, it is added to the next Board of Transportation Agenda under Item O.

Agenda item deadlines are usually about one month prior to the next BOT meeting. A list of BOT meeting dates and agreement deadlines can be found on Inside NCDOT.

Once the Agreement has been approved by the BOT, it is sent to the Chief Engineer's Office for signing, which is full execution. Agreements are then routed back to our Office for distribution.



## What is the Time Frame from Agreement Initiation to Execution?



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Now moving from how we all work together, let's look at the timeframe.

This diagram shows details of how long the agreement process takes. The minimum time frames for the four main steps in the process are shown.

Any of these steps can take longer than shown and you should allow at least 3-4 months for an agreement to be fully executed, meaning signed by all parties. If any problems or questions come up, or changes are made, then the process will take longer.

So, to condense this process and give you an idea of time frames; here is a schematic with **MINIMUM** time frames noted.

- Request Agreement to Approval – Minimum 1-5 days
  - Agreement information should be ready and available prior to creating agreement – this is the time when the Division and the other party work out details on what each is agreeing to. This process can take some time and is not accounted for in this schematic.
- BOT Approval – Minimum of 1 month, depending on when agreement is approved in system and the Board meets

- Entity Signature – Signatures depend on whether agreement needs to go before Municipal governing body (for example a council). Also if the Agreement is an Accounts Receivable, there is time needed to cut check.
- Partially Executed - Agreement returned to LPMO
  - If it's an AR Agreement, the check must accompany agreement and will be sent to Fiscal
  - If the Agreement hasn't run on the BOT yet, then LPMO holds until it does;
  - If the other party is a state agency, agreements must be signed by the Department of Administration, this can add another two weeks to process.
- Final Execution – LPMO processes agreement (uploads a copy to the agreements application, files original) and sends one hard copy back to the Division for Division to send to the other entity.
- Note that when we add up the minimum time frames, we come up with 2 months and 3 weeks total. Generally, we advise that agreements usually take about 3-4 months from creation to closure.

## *Agreement Categories*

- Accounts Payable (AP)  
*when the Department is **paying** money to an entity*
- Accounts Receivable (AR)  
*when the Department is **receiving** money from an entity*
- No Funding (NF)  
*where no funding is changing hands*

Now let's talk about Agreements in more detail. The Departments Fiscal Section categorizes our Agreements in three ways.

- Accounts Payable,
- Accounts Receivable and
- No Funding.

## *Accounts Payable Agreements*

An Accounts Payable (AP) is when the Department is **paying** money to an entity.

Examples of AP Agreements:

- Locally Administered (Federal funds)
- **Locally Administered (State funds)**
- **Routine Maintenance (sweeping, mowing, snow/ice removal)**
- **Traffic Operation (Schedules A, B, C & D)**



*Agreements Types in **bold** reflect the most common types managed by the Division.*

An Accounts Payable agreement is when the Department is paying money to an entity.

Here are some examples of AP Agreement:

- Locally Administered agreements where DOT is paying municipalities using federal and/or state funds;
- Routine Maintenance agreement where DOT is paying municipalities to sweep roadways, mow roadsides, or remove snow and ice; and
- Traffic operations agreements where DOT is paying for the municipalities to maintain the traffic poles and signs, traffic markings, signals and signal systems.

The agreement types in **BOLD** are the agreements that the Division Offices generally initiate.

Note that these agreements need to be fully executed prior to the Department paying the entity.

## Accounts Receivable Agreements



An Accounts Receivable (AR) is when the Department is **receiving** money from another entity. The Department performs work or provides goods & services.

Examples of AR Agreements:

- **DOT Construction (Roadwork, Pedestrian Improvements, Utility work)**
- **Review & Inspections (Traffic Signals/Signs, Plans)**
- **TIP (Division-let, Developer in Conjunction, Central-let, Design Build)**
- **Goods & Services (Purchase Salt, Aerial photos, Software)**
- Utility (in coordination with TIP Project)

*Agreements Types in **bold** reflect the most common types managed by the Division*

An Accounts Receivable Agreement is when the Department is receiving money from another entity.

The Department performs work or provides goods and/or services, and the other party pays for them.

Here are some Examples of AR Agreements:

- DOT Construction work that might be roadway improvements, pedestrian improvements, or utility work;
- Review and inspections where the other entity is doing the work, and the Department is reviewing plans, and inspecting the completed work.
- TIP Projects where the Department agrees to include additional work, such as betterments, or define maintenance responsibilities;
- Goods & Services that the Department provides, for example, salt to municipalities.
- Utility Agreements, where we agree to include utility relocations on behalf of a municipality.

Accounts Receivable Agreements require an Entity to make payment upon partial execution of the agreement. That means when the other entity signs the agreement and returns it to the Department, a check must be included before we will fully execute the agreement.

There are exceptions; these are discussed on a case by case basis with LPMO.

And again, agreement types in **BOLD** are generally initiated by the Division.

## *No Funding Agreements*

No Funding Agreements (NF) are Agreements where no funding is changing hands.

Examples of NF Agreements:

- **DOT Construction (only maintenance provision)**
- **Sidewalk Dining**
- Disaster Recovery Debris Removal (DRDR)
- **Transfer of Ownership**



*Agreements Types in **bold** reflect the most common types managed by the Division.*

No Funding Agreements are exactly that – no funding is being paid or received.

Here are Examples of No Funding Agreements:

- DOT Construction where the maintenance responsibilities of an outside party need to be identified;
- Sidewalk Dining Agreements that allow a Municipality to issue permits to use NCDOT Right of Way for Sidewalk Dining.
- Disaster Recovery Debris Removal that allows the local government to remove debris from state roadways and get reimbursed with FEMA funds
- Transfer of Ownership Agreements, where a local government is taking ownership of abandoned roadway or bridges

Again, Agreement types in **bold** are most commonly initiated by the Division (field) offices.

## *Basic Information Needed*

Basic information must be available prior to requesting an Agreement. Not all this information may be needed, depending on the type of agreement, but you should make an effort to have an answer to all these questions, even if the question is not applicable:

- The first question is who is the Party that we are working with?
- What is the TIP project number in the STIP and/or the WBS element?
- Do you know the scope of work for the Agreement, which may be different from the project scope of work?
- If the work is being done jointly, who is responsible for each phase of work?



Before requesting an Agreement, you must have all the basic information. Not all this information may be needed, but you should make an effort to have an answer to all these questions, even if the question is not applicable:

- The first question is who is the Party that we are working with? Is it a City or a County, or is it a Developer? Private entity agreements may be written different than those with public entities.
- What is the STIP project number and/or the WBS element? For payables or receivables, we must have a Project Number or WBS element.
- Do you know the scope of work for the Agreement, which may be different from the project scope of work. For example, we know that NCDOT is replacing a bridge, but until we know what the municipality will want as a betterment, it's too early to request an agreement.
- If the work is being done jointly, who is responsible for each phase of work? Is the Municipality or a Developer providing design or right of way? Who is letting the construction contract?



## *Basic Information Needed*

*Continued...*

- If the Department is paying funds to another party (Accounts Payable agreement), what is the source and type of funding?
- If the other party is providing funding (Accounts Receivable agreement), what happens if the costs exceed the funding? What happens if the costs are less than the estimate?
- Finally, who is responsible for maintenance of the Project? Is there a time frame when the Department will provide maintenance and then turn it over to the other party?



Continuing with the Basic Information,

- If the Department is paying funds to another party, have we identified the source and type of funding? Is the funding federal or state? If federal, who is providing the non-federal match? Are there restrictions on what the funding can be used for?
- If the other party is providing funding, what happens if the costs exceed the funding? Does the other party pay the difference?
- If the actual costs are less than the estimated cost, how much will the City pay if their original participation was based on the estimated cost?
- Finally, who is responsible for maintenance of the Project? Is there a time frame where the Department will provide maintenance and then turn it over to the other party?

## *How Funding Plays a Role in Agreements*

- Accounts Payable – an entity cannot be paid until an Agreement is executed.
- Accounts Receivable – DOT cannot do the work until funding is received or agreement is in place to receive funding.

How does Funding play a role when developing an Agreement?

The Department cannot pay an entity until an agreement is fully executed.

For work that the Department is performing, we have to have funding in place, either through a check from the entity or a promise to pay.

So keep these items in mind when determining the schedule of when to request an agreement.

## *TIP Projects and Agreements*



Let's talk in more detail about TIP Projects and agreements needed for those projects.

## *TIP Projects – Central Let*

### *When and How are these Agreements Developed?*

- Contract Officers initiate the process for agreements when the project appears on the 13-month Let List.
- Contract Officers obtain estimates of betterment or utility costs and include that information in the agreement.
- Contract Officers coordinate execution of agreements with local entities.
- Agreements need to be fully executed prior to Project advertisement date.

For TIP Projects that are central let, the Contract officers initiate the process for the agreement when the project appears on the 13-month let list.

They contact Roadway Design engineers or Division design engineers to find out if the project is within municipal limits and whether there will be any betterments or maintenance responsibilities on the part of the municipality.

Contract Officers obtain estimates of betterment or utility costs and include that information in the agreement.

Contract officers coordinate the signatures with the local government entity.

All TIP Project agreements must be executed prior to the Project advertisement date.

## *TIP Projects – Division Let*

### *When and How are these Agreements Developed?*

- Divisions are responsible for managing and monitoring projects that the Division is letting.
- If the Municipality requests betterments, wants utility relocations, or is responsible for maintenance, then a TIP Agreement and/or utility agreement is needed.
- Division will enter the agreement request in the Agreements Application based on above needs. Division coordinates execution of Agreement with local entities.



For TIP Projects that are let by the Division, the Divisions will be responsible for determining whether or not an agreement is needed.

An agreement will be needed if Municipality requests betterments (such as sidewalks, lighting, or landscaping) or wants the Department to perform utility relocations, or has maintenance responsibilities.

The Division will request the Agreement from LPMO based on the above needs and will coordinate with the municipalities on execution. LPMO will be responsible for obtaining BOT Approval for agreements and coordinate final execution.

## *TIP Projects – Division Let*

- Agreements need to be fully executed prior to Project advertisement date.
- If a Division let-list is developed that includes whether or not an agreement is needed, then LPMO can assist in monitoring and advising on time frames to request agreements.

***IT IS THE RESPONSIBILITY OF THE DIVISION TO MANAGE PROJECT SCHEDULE AND REQUEST AN AGREEMENT IN TIME TO MEET THE SCHEDULE.***

If a Division let-list is developed **that includes whether or not an agreement is needed**, then LPMO can assist in monitoring and advising on time frames to request agreements.

We are always available to assist and answer any questions you may have about agreements and the process.

It will be the responsibility of the Division to manage the agreement request schedule, taking into account the time needed for full execution of an agreement.

## *When Are Supplemental Agreements Needed?*

A supplemental agreement is necessary when there are changes to the scope, funding, responsibilities or time-frame of the original agreement.

- A change to the scope is requested (expanding, reducing, or modifying)
- A change to funding is requested (increasing, reducing, or changing the source of funding)
- A change in responsibilities by either party (ROW, utilities, maintenance)
- A change in time needed to complete project

Supplemental Agreements are needed when there are changes to the original agreements.

Here are some examples of the changes that need to be documented in a supplemental agreement.

- Changes in Scope of Work, either work is added, the scope is reduced, or locations have changed
- When Funding is added to the project or the type of funds have changed.
- When responsibilities have changed, for example, the original agreement may have had the local entity responsible for letting the construction contract, but now the Department will let the contract.
- When there is a change in the completion date.

Please note, the time frame for request, approval and final execution of a supplemental agreement is the same as the time frame of the original agreement.

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Examples saved for future reference:

- 1) The entity request an addition to the project, turn-lane, sidewalk extension or an additional parking lot paved
  - ID #6939 – County request additional work to parking lot of school

- 2) The entity requested addition funding for the project. TIP Project went over budget
  - ID#6857 – MPO allocated additional funds to project
- 3) Into the project it is realized that additional ROW is needed and Entity will need to provide; or utilities will need to be relocated; or maintenance responsibilities need to be clarified
  - ID#6795 – Transfer of ownership of lighting to the Military, Military assumes responsibilities for repair, maintenance, etc.
- 4) The entity request additional time to complete the project (new 5 years standard time-frame for the date funds are first authorized)
  - ID #6910 – Municipality request more time to complete project



## *The Department and Other Agreements*

### Other Agreements developed/approved by LPMO

- Planning Funds allocated to MPOs
- SAP License Agreements
- Summer Intern Positions

### Agreements developed/approved by other Groups

- Rail – Crossing Closures, Licensing Agreements, Upgrades
- Aviation – Airport grants for upgrades
- Public Transportation – Transit funds for capital improvements, services

This presentation has primarily only addressed agreements that are requested by the Division Office and reviewed and approved through the Local Programs Management Office (LPMO).

There are other agreements that LPMO develops and approves that are not usually seen by the Division Offices.

In addition, other groups within the Department have their own staff to develop and approve agreements. Some of these appear on BOT Agenda Item O, but are not managed by LPMO. If you have questions about these other types of agreements, you should contact the respective offices.

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Examples are listed but others include Regional Travel Demand Model Agreements, Bike/Ped Planning Projects, Feasibility Study, Federal Lands Access Program (FLAP), Higher Education Development (Course/Curriculum Development), Funded Positions, Awareness/Outreach Programs, Summer Intern Programs, SAP Software License Support, Photogrammetric Services, Disaster Related Debris Removal (DRDR), and other agreements as requested.

## Agreements Web Application

<https://apps.dot.nc.net/Projects/Agreements/reports/SearchReport.aspx>

The screenshot shows the NCDOT INTRANET interface. At the top, there is a header with the NCDOT logo and the text "NCDOT INTRANET NORTH CAROLINA DEPARTMENT OF TRANSPORTATION". Below the header is a navigation menu with categories: "Municipal Agreements", "Reporting", "Admin Control Panel", and "Maintenance Control Panel". The "Reporting" section is expanded, showing options like "Agreement Search", "Agreements Prior to 10/1/2008", and "Pending Agreements". The main content area is titled "Search" and contains a search criteria form. The form has several sections: "Criteria" with fields for "Agreement ID:", "Division:" (a dropdown menu with options 1, 2, 3), "Status:" (a dropdown menu with options Incomplete, Submitted, Review), "Agreement Type:", "TIP #:", "Created by:", "County:", "Agreement Entity:", "WBS Element:", "Scope:", and "Funding Type:". To the right of these fields is a table for date ranges with columns "From" and "To", and rows for "Created:", "Submitted:", "Approved:", "Sent To Entity:", "CO Received:", "Board Approved:", and "Fully Executed:". At the bottom right of the form are "Search" and "Reset" buttons.

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Let's show some resources – the agreements web application is available to anyone in the Department with an active directory log-in. If you also have a role in creating agreements in the Division, then you will have an inbox and will be able to create agreements and manage the workflow. If you need access to the Agreements application to create and request agreements, send an e-mail to your Contract Officer.

*Click over to the web application*

The search page has numerous ways to search for an agreement. You can search by Entity, by TIP Number or WBS Element. You can also search by Division, for agreements within a county, or if you just want to see how many are currently pending for your Division.

If you don't find an agreement that you think should be in there, try other search fields. Not all agreements have information in all the search fields.

Let's do a search for agreements with the City of Greensboro. *Type Greensboro in the box Agreement Entity.*

You will get a list of agreements that are either closed, which means they have been fully

executed, or there may be an open status – either review, pending, BOT approved, etc.

To find out more about a particular agreement, just click on the ID number. *Click on ID #6483*

You can see more detail on when the agreement was requested, approved, and executed; also, there will be notes associated with the approval process of the agreement.

For most closed agreements, you will find a copy of the signed agreement.  
*Open the PDF and scroll to the last page.*

If you want to find out more about what the status of an agreement means, click on the HELP guidance in the upper right-hand corner of this page.  
*Click on the HELP link in the upper right-hand corner.*

If you are a new creator, or even if you've used this system for a while, the HELP guidance provides a lot of detail and information about the application and the process for approval.

## Local Programs on Inside NCDOT

<https://inside.ncdot.gov/TransportationServices/Localprograms/Pages/default.aspx>

The screenshot shows the 'Inside NCDOT' website interface. At the top, there is a search bar and navigation tabs for 'Home', 'Employees', 'Transportation Services', 'DMV', and 'Business & Administration'. The 'Transportation Services' tab is selected. Below the navigation, the page title is 'LOCAL PROGRAMS'. The main content area includes a description of the Local Programs Management Office (LPMO) and its role in working with Local Government Agencies (LGAs). There are three small images: a playground, a road with a sign, and a house. Below the images is a section titled 'WHAT IS A LOCALLY-ADMINISTERED PROJECT?' with a detailed explanation of the project type and NCDOT's responsibilities. A sidebar on the left contains links for 'Local Programs', 'Discussion', 'Template Letters', 'Guidance / Resources', 'Webinars', 'Calendar', 'Mission & Goals', 'Glossary & Acronyms', and 'Document Library'. At the bottom of the sidebar is an 'Employee Contact Directory' link.

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The site on Inside DOT is available to employees with resources related to agreement development and templates. We always recommend going here for the latest information as this page and the documents are often updated.

Let's click over to that site. *Click on Local Programs Site*

Once you are in Local Programs, you can look at Guidance/Resources and in there you will see a folder labeled Agreements.

Open that folder. There is useful information including Government Helpful hints on navigating the agreements application, what is needed to develop a TIP Agreements, templates for Traffic Schedule Agreements, and more.

We try to keep this page up to date so it's always a good idea to check this page first and bookmark it rather than saving the resources to your computer as they may go out of date.

Another resource in here is our database of webinar presentations, which we have presented regularly over the last few years. If you are looking for a topic, click on Webinars, then scroll down to the document that shows Webinar topics grouped and it will indicate which webinar to refer to.

## Additional Resources

### Local Projects Administration on Connect NCDOT

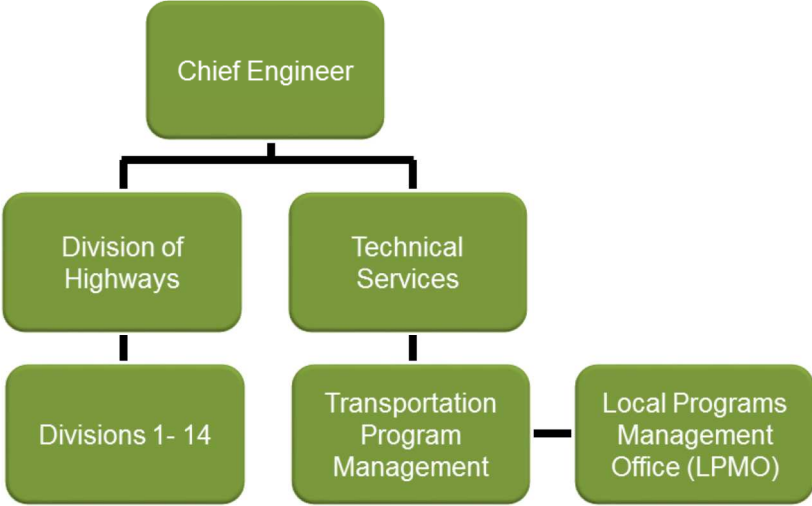
<https://connect.ncdot.gov/municipalities/Funding/Pages/default.aspx>

The screenshot displays the 'Connect NCDOT BUSINESS PARTNER RESOURCES' website. The navigation menu includes 'Doing Business', 'Bidding & Letting', 'Projects', 'Resources', and 'Local Governments' (which is highlighted). Below the menu, there are links for 'Bridge Reuse', 'Interagency Leadership', 'Local Projects' (highlighted), 'Planning', 'School Transportation', 'State Airport Aid', 'State Street-Aid', and 'Utilities'. The main content area is titled 'Local Projects Administration' and provides guidance for municipalities. It includes an 'Introduction' section explaining the role of the Local Programs Management Office (LPMO) and a 'WHAT IS A LOCALLY-ADMINISTERED PROJECT?' section. To the right, there is a 'FORMS & TEMPLATES' section with links to various documents: 'Letter from LGA Requesting Concurrence with PEF Selection', 'Letter from LGA Requesting NCDOT Concurrence with Construction Contractor', 'Letter from LGA Requesting Reimbursement', and 'Project Information Data Sheet'.

One other resource our office manages is the Local Programs site on Connect NCDOT. This site is probably most useful for anyone working on locally-administered projects, so if you are working with a local government and they have questions about the process, you can direct them to this site.

*Click back to the presentation.*

*Organization*



To help you understand where our office fits into the larger Department, this graphic shows where we are located.

## *Local Programs Management Office*

DERRICK WEAVER, PE – Programs Management Office

919-707-6601      [dweaver@ncdot.gov](mailto:dweaver@ncdot.gov)

**\* \* \* LPMO \* \* \***

### Transportation Program Consultants

- Sheila Gibbs – Divisions 1-7      919-707-6625      [sgibbs@ncdot.gov](mailto:sgibbs@ncdot.gov)
- Marta Matthews – Divisions 8 – 14      919-707-6626      [mtmatthews@ncdot.gov](mailto:mtmatthews@ncdot.gov)

### Contract Officers

- Madeline Rawley – Divisions 1-4, 6      919-707-6630      [mrawley@ncdot.gov](mailto:mrawley@ncdot.gov)
- Lee Ann Billington – Divisions 5, 7 – 9      919-707-6628      [labillington@ncdot.gov](mailto:labillington@ncdot.gov)
- Cathy Dragonette – Divisions 10 – 14      919-707-6624      [cadragonette@ncdot.gov](mailto:cadragonette@ncdot.gov)

And here is Contact Information for further questions about agreements and how staff is assigned across the state.

# *Questions?*

