

ARRA

American Recovery and Reinvestment Act - 2009

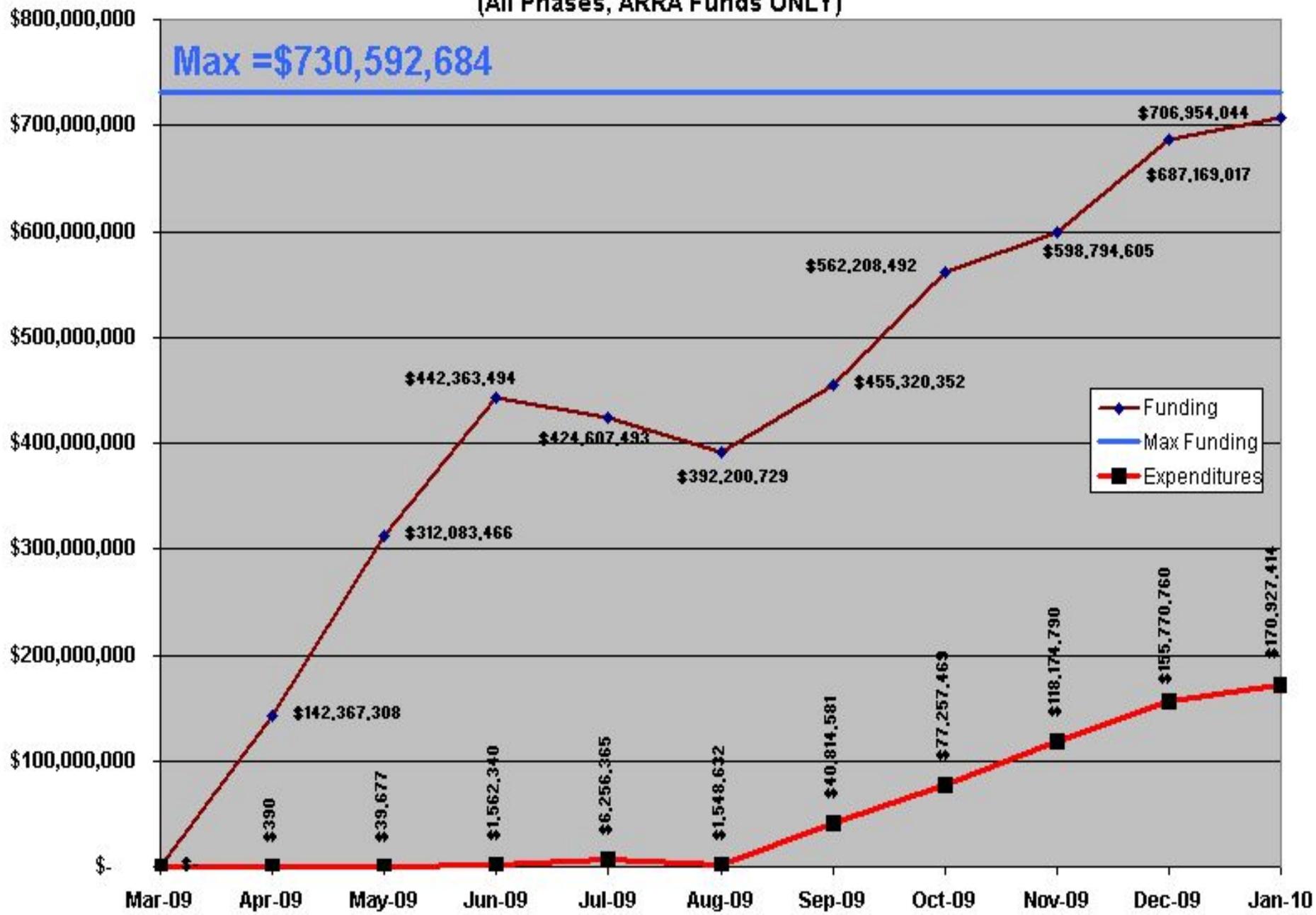
Ron Hancock

2010 RE Workshop

ARRA Funding/Expenditures as of December 31, 2009

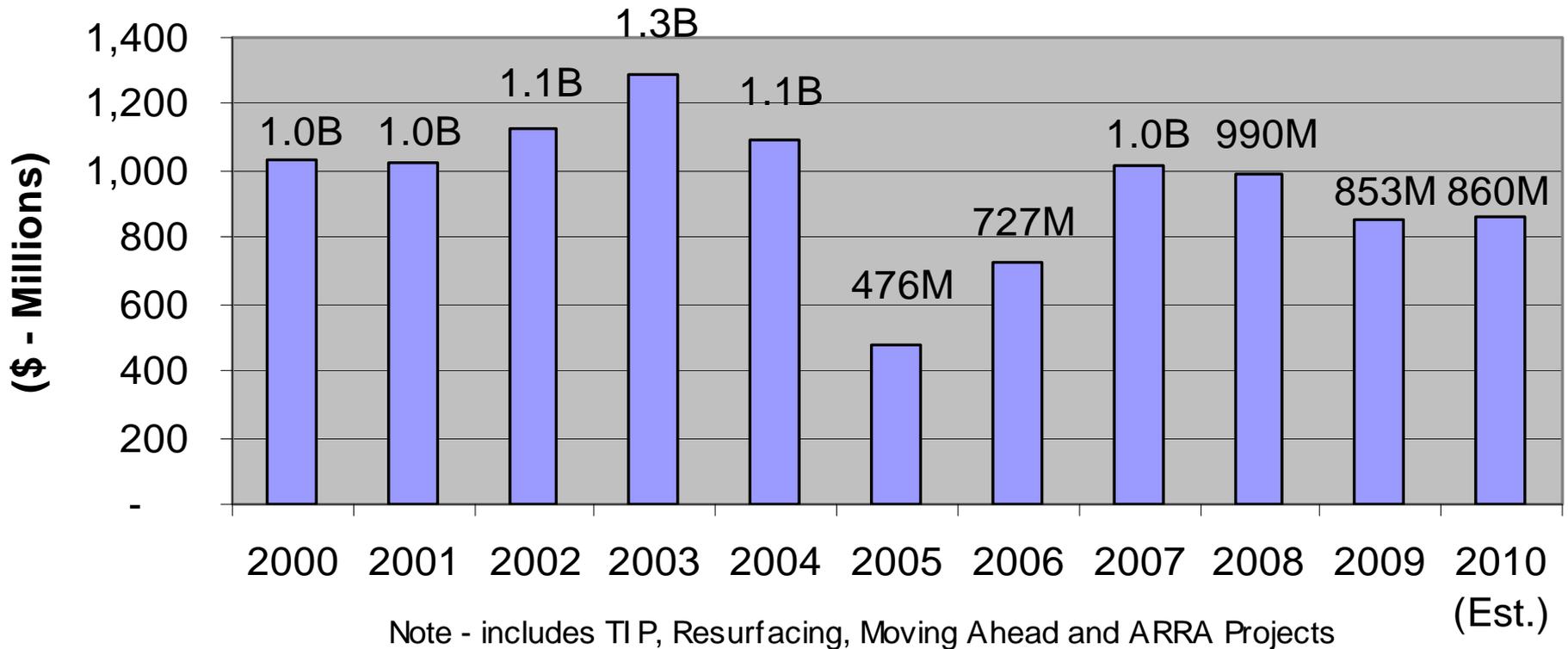
(All Phases, ARRA Funds ONLY)

Max = \$730,592,684



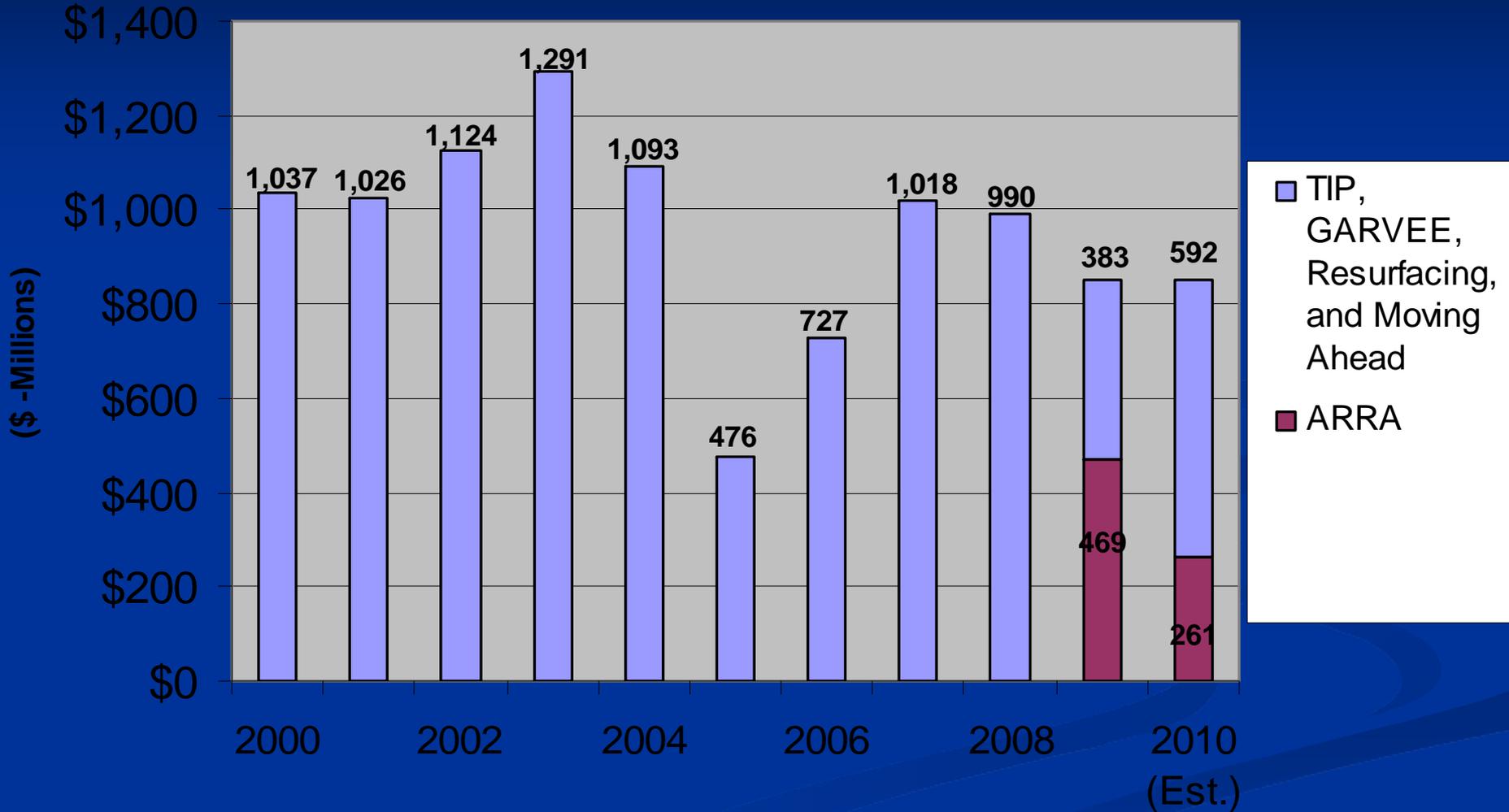
Construction Letting History

2000 - 2010 Contract Totals



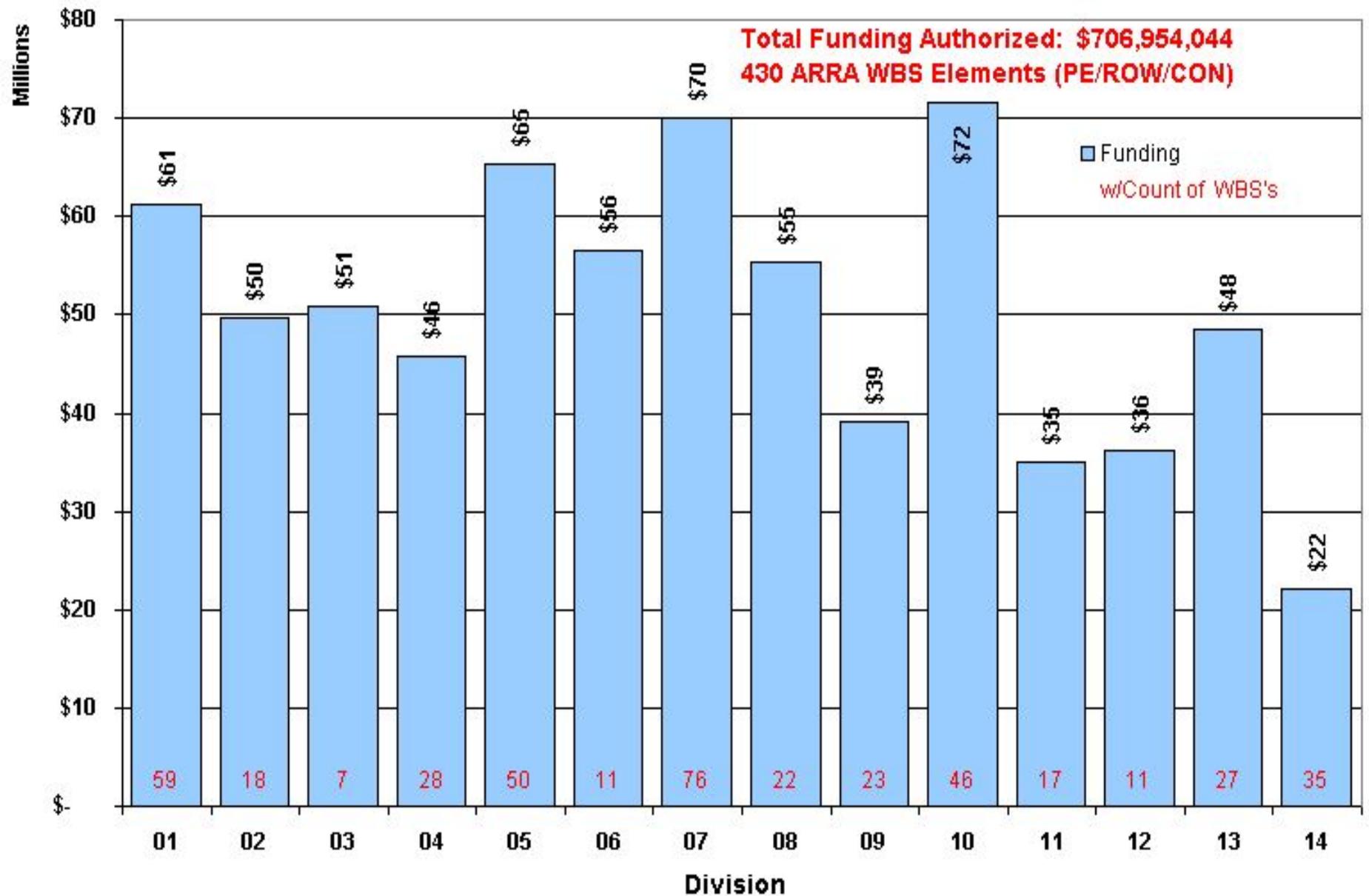
Construction Letting History

1999 - 2010 Contract Totals



Note: Includes TIP, GARVEE, Resurfacing, Moving Ahead, and ARRA Projects

ARRA 2009 Funding by Division as of December 31, 2009



ARRA #2 ?

- “Jobs for Main Street Act – 2010”
- Still major unknown
- House Bill passed / Senate has not taken action
- If passed would basically match ARRA

ARRA Closeout

- 97 Projects (in HiCAMS)
- 24 Accepted
- 8 Closed out

ARRA Closeout

- Timely closeout needed
 - Sept 30, 2010 Deadline for \$ transfer
 - Avoid losing ARRA \$
 - Also need to track OR/UR closely

MOE

Maintenance of Effort

- ARRA required Governor to Certify NC will maintain planned spending
- Covers period from February 17, 2009 – Sept 30, 2010
- \$428 M in Contract Resurfacing
- \$774 M TIP projects
- If fail to meet certification may forfeit portion of future FED funding

Local ARRA Projects

■ LOCAL ?

- Local Government Agencies administering Fed Aid projects for NCDOT
- NCDOT is responsible to ensure properly administered
- This is not new or ARRA specific issue
- 2007 FHWA Audits show this is high risk area

Local ARRA Projects

LOCAL ADMINISTRATION GUIDELINES

- Define Responsibilities
 - Division Construction Engineer
 - Resident or Other Engineer **Primary Contact**
 - Roadway / Bridge Construction Engineer
 - Local Government Agency

http://www.ncdot.org/doh/operations/dp_chief_eng/constructionunit/

Local Administration Guidelines

Locally Administered Construction Oversight Guidelines

Division Construction Engineer (DCE) Duties

- Prior to preconstruction conference, review any Professional and Engineering Service Agreements for conformance with Department procedures. Ensure that the Professional Management Services Unit of the Division of Technical Services reviews agreements with Private Engineering Firms (PEFs) to provide Construction Engineering and Inspections (CEI) services.
 - PEFs that perform design work for the project may not be utilized to perform CEI services. Local Agencies may submit a request for an exemption to this policy to the State Construction Engineer. Exemptions may be approved depending on the scope of work.
 - PEFs must be prequalified to perform CEI services.
 - Certified Technicians must be provided to test and inspect items of work that require testing / inspecting by certified technicians (i.e. concrete, asphalt, densities). This applies to projects administered by PEF or Local Government Agency (LGA) staff.
- Review reporting requirements at the preconstruction conference.
- Prior to beginning work, review contract administration requirements and financial status (remaining balance of Agreement amount) with the LGA.
- Assign a DOT representative to provide project oversight.
- Monitor expenditures – Construction and CEI – and advise LGA in writing if the Agreement amount is exceeded or is anticipated to be exceeded.
- Approve claims and Supplemental Agreements in accordance with the Department's established thresholds.
- Final inspection and written notice to LGA of required corrective work.
- Final review of project records to determine conformance with required procedures prior to final reimbursement.

Resident Engineer (RE) or other DOT Representative Duties

- Attend Preconstruction Conference.
- Attend Monthly Construction and other regularly scheduled construction meetings.
- Ensure that the private engineering firm used to perform construction administration is prequalified to perform Construction Engineering and Inspection by NCDOT. Also, ensure technicians who perform testing for project acceptance possess the appropriate certifications.
- Review project as needed but a minimum of monthly. A monthly report shall be prepared and sent to the responsible agency documenting the following contract elements.
 - Pay record documentation.
 - Daily inspection reports.
 - Disadvantaged Business Enterprise/Minority Business Enterprise/Women Business Enterprise participation and tracking.
 - Materials received documentation.
 - Minimum sampling of materials.

- Payroll submittal.
- Contract change documentation – Supplemental Agreements and Claims - For Supplemental Agreements, the RE / DOT Representative shall review the Project Agreement to verify that the supplemental work is within the original scope of work and to ensure funding is available for the change order. The Local Programs Management Office shall be contacted if an amendment to the agreement or a change in funding is necessary.
- Documentation of penalties / acceptance as reasonably close conformance.
- Review and / or approve all claims and Supplemental Agreements in accordance with the Department's established thresholds. Supplemental Agreements must be approved in writing prior to beginning the supplemental work.
- Enter submitted DBE-IS forms into SAP.
- Process invoices submitted by the LGA for reimbursement.
- Final project review – schedule DCE for final inspection, when appropriate.

Roadway Construction Engineer / Bridge Construction Engineer Duties

- Provide reporting and contract administration training upon request from DCE or RE.
- Perform audits to supplement RE reviews – every 3 months
- Report results of audits to Division Engineer
- Review Claims and Supplemental Agreements in accordance with the Department's established thresholds.
- Perform final inspection, when requested by the DCE.

Local Government Agency Duties

- Provide daily contract administration.
- Provide project documentation in accordance with the Department's policy and procedures and in accordance with Federal regulations.
- Ensure that the private engineering firm utilized for construction administration is prequalified to perform Construction Engineering and Inspection by NCDOT. Also, ensure the technicians who perform the testing for project acceptance possess the appropriate certifications
- Ensure Disadvantaged Business Enterprise/Minority Business Enterprise/Women Business Enterprise compliance. Submit DBE-IS forms with invoices to document Disadvantaged Business Enterprise/Minority Business Enterprise/Women Business Enterprise program compliance.
- Contact RE or DOT Representative when Supplemental Agreements or Claims need review and approval.
- Contact RE or DOT Representative prior to performing any work outside the original scope of the project or when there are questions regarding the Department's policy and procedures.
- Present project invoices to the RE or other assigned Division staff for reimbursement of costs as included in the Project Agreement. Invoices should include all appropriate documentation and project records to support the invoice payment request.

Local ARRA Projects

NCDOT Reviews

- Document findings
- Guidance to Local

PROJECT VISIT/REVIEW - LOCALLY ADMINISTERED PROJECTS

TIP/Project # _____ Division _____ Date(s) of Visit/Review _____
Municipality _____ Contractor _____

Project Description: _____

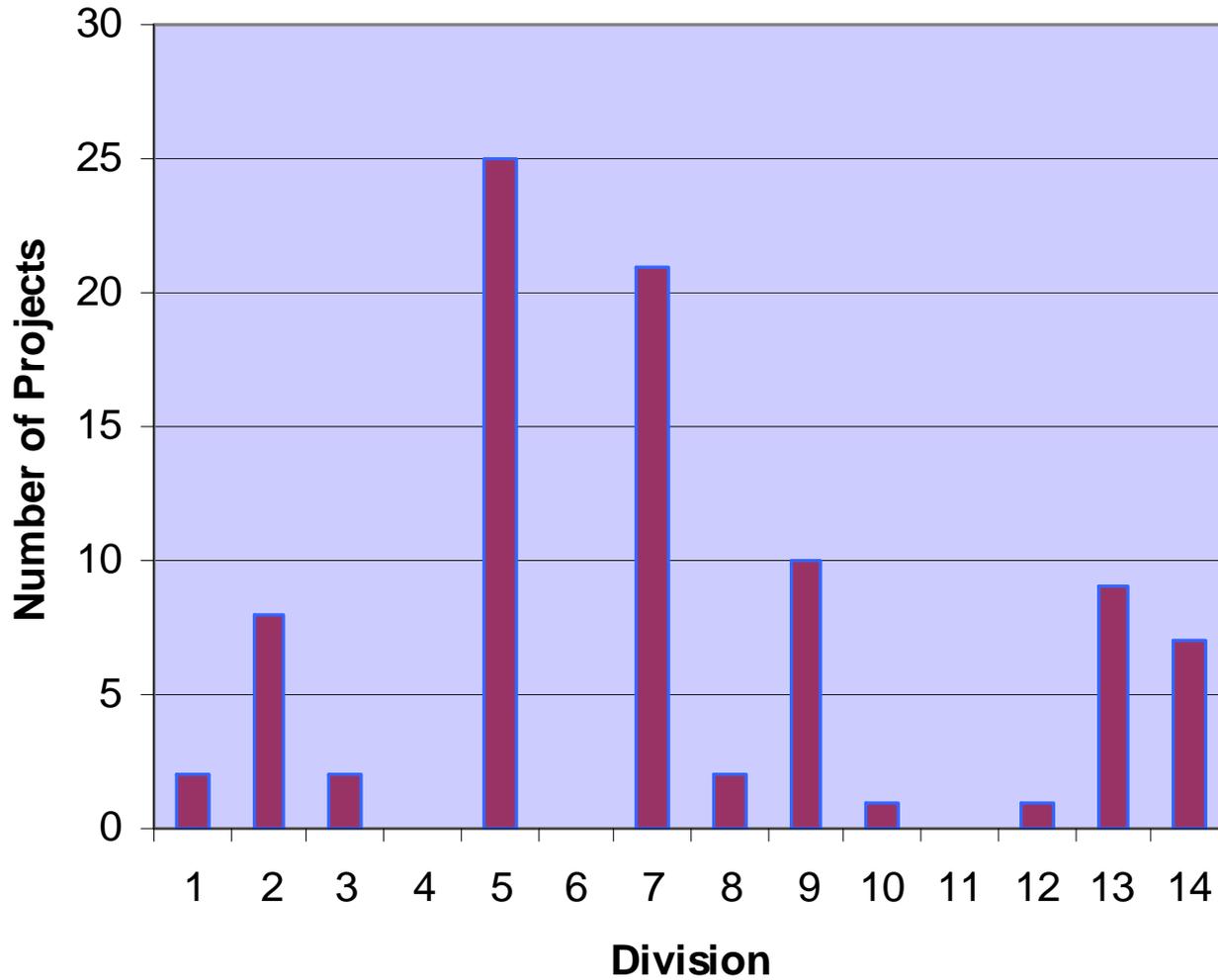
Check	Items Reviewed
<input type="checkbox"/>	Project Diary Entries: _____ _____ _____
<input type="checkbox"/>	Pay Record Book Entries: _____ _____ _____
<input type="checkbox"/>	DBE Participation & Tracking: _____ _____ _____
<input type="checkbox"/>	Materials Received Documentation: _____ _____ _____
<input type="checkbox"/>	Following Minimum Sampling Guide: _____ _____ _____
<input type="checkbox"/>	Payroll Submittal: _____ _____ _____
<input type="checkbox"/>	Supplemental Agreements: _____ _____ _____
<input type="checkbox"/>	Force Account Records Reviewed: _____ _____ _____
<input type="checkbox"/>	Claims: _____ _____ _____
<input type="checkbox"/>	Failing Samples (Documentation of Penalties /Accepted as Reasonably Close Conformance): _____ _____ _____

General Comments: _____

Project should be reviewed periodically (weekly recommended) by the Engineer or his representative. The weekly reviews shall be used to prepare this monthly report to be submitted to the applicable municipality who is administering the ARRA project.

Resident Engineer Signature: _____ Date: _____

ARRA Local Project Summary



88 Awarded Projects

\$36.5 M

■ Number of Awarded Projects

Local ARRA Projects

Focus Areas

- Materials Sampling and Testing
- Certified Technicians
- Change order documentation
- DBE usage and tracking
- Project Documentation

Local ARRA Projects

■ INSPECTION / SAMPLING

- Materials Sampling: Follow the NCDOT Minimum Sampling Guide:
<https://apps.dot.state.nc.us/vendor/approvedproducts/msg.aspx>
- QC/QA Programs
- Prefabricated Materials

Local ARRA Projects

■ CERTIFIED TECHNICIANS

- NCDOT Certified Inspectors (Concrete, Asphalt, Density, etc.)
- NCDOT Materials & Tests Unit 2010 Training:

http://www.ncdot.org/doh/operations/materials/tschedule10/default_10.html

Local ARRA Projects

- **SUPPLEMENTAL AGREEMENTS / CLAIMS**
 - Justification & Pricing Documentation
 - NCDOT Review and Approval Process Applies
 - FHWA – Treat as Step-By-Step
 - Verify Available Funding

Local ARRA Projects

■ DBE SUBCONTRACTING & REPORTING

- DBE's Committed in the Contract Must Perform the Work for Which They Are Committed.
- Payments to DBE firms – To Both Committed and Non-committed – Report on Form DBE-IS.

<http://www.ncdot.org/doh/forms/files/DBE-IS.xls>

Local ARRA Projects

■ PROJECT DOCUMENTATION

- Daily Inspection Diary
- Pay Records
- Written Correspondence with the Contractor
- Meeting Minutes
- Certified Payrolls

ARRA Projects – Audits

- **Who is auditing the ARRA Projects?**
 - **OIG – Office of the Inspector General**
 - **GAO – Government Accounting Office**
 - **FHWA – National Review Teams**
 - **FHWA – NC Division**
 - **Construction Unit**

ARRA Projects – Audit Findings

- **FHWA National Review Team Audit**
 - Four projects - Div 5, 6, 7, 8
 - Focus:
 - Contract Administration / Documentation
 - Quality Assurance

FHWA – Audit Findings

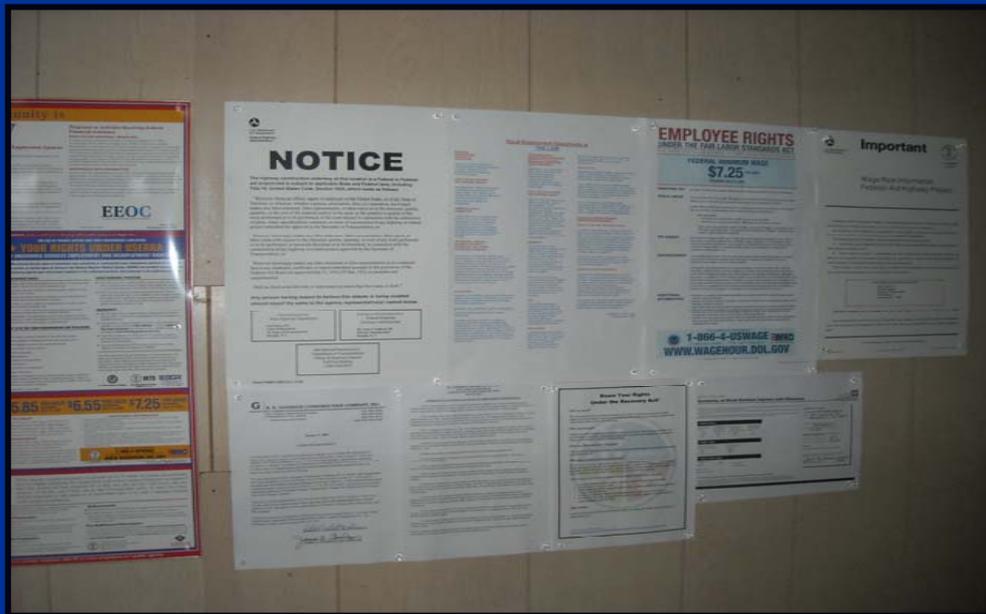
- **Improvement Areas**
 - SA Documentation
 - Posters
 - Buy America
 - Progress Schedules

FHWA – Audit Findings

- **Supplement Agreements**
 - Better description and justification needed
 - Price breakdown from Contractor not on file
 - Negotiation records not on file
 - Engineer's estimate of cost not on file

FHWA – Audit Findings

- Posters
 - Missing some
 - Wage Rates
 - Weather protection



<http://www.ncdot.gov/doh/preconstruct/ps/contracts/Letting/sifap100109.pdf>

FHWA – Audit Findings “Buy America”

Domestic Steel and Iron Products

- Federal Law - 23 C.F.R. 635.410
- State Law - G.S. 136-28.7
- NCDOT Stand Specs - Article 106-1(B)

FHWA – Audit Findings

“Buy America” Documentation

- Certification on file at RE office that all steel and iron products will be from domestic sources.
- Materials Purchase Orders clearly state Buy America requirements
- Contractor required to maintain a file for all products

FHWA – Audit Findings

“Buy America” – Compliance

- Review at all Preconstruction Meetings
- Project Certification from Prime on file
- Check invoices – Piles, Rebar, Guardrail, Fence, etc.....
- Periodically request additional information to ensure contractor is maintaining a file

FHWA – Audit Findings

Other Findings

- Wage Rate Interviews – to be completed quarterly
- Approved Progress Schedule / Updates

QUESTIONS ?