


Interagency Agreements - Creating

Transportation Planning Branch		Approved: August 17, 2007 Revised: June 16, 2010 Version 1.1
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Purpose

This procedure outlines the basic steps necessary to develop an interagency agreement with a local agency. The purpose of the agreement is to reimburse agencies for expenditures incurred for special projects, or to allow agencies to reimburse the Department for expenses incurred on its behalf.

Expenses incurred by an Agency for which the Department has agreed to reimburse the Agency are handled as an accounts payable (AP) and are processed within the Transportation Planning Branch as a Contract Management Purchase Order (CMPO) using BSIP.

Expenses incurred by the Department for which an Agency has agreed to reimburse the Department are handled as an accounts receivable (AR) and are processed through NCDOT's Financial Management Division, Accounts Receivable section.

Note: Agreements for locally administered CMAQ projects are a type of Interagency Agreement and are covered under the "*Congestion Mitigation & Air Quality (CMAQ)*" procedure. In addition, there are other non-reimbursement interagency agreements that are developed by TPB. These will be covered by other procedures such as *MPO Model Agreement* or *Regional Model Agreement*. Reimbursable agreements for PL/STP-DA funds and RPO grants are also covered under separate procedures: "[Develop RPO Funding Agreement](#)"; "[Develop MPO Planning Funding Agreement](#)" and, "[Programming and Implementing Projects using STP-DA Funds](#)".

Background

The Transportation Planning Branch (TPB) provides funds to other agencies for planning related projects. These may include feasibility studies, travel surveys, corridor studies, regional model service bureaus, etc. In some cases, it is more expeditious for TPB to serve as the project manager and another agency would reimburse the Department for work undertaken. Such work might include CTP studies, model development work, corridor studies, etc.

Responsibility

A Project Engineer is selected upon the identification of a need for an interagency agreement.

Policy, Regulatory, and Legal Requirements

In order for the Department to reimburse another state or local agency for work, there must be an Interagency Agreement in place signed by the State Highway Administrator.

Scheduling and Time Constraints

The NC BOT must approve the agreement prior to it being executed (signed by local agency and NCDOT).

If Agreement is an accounts payable agreement, it must be entered in BSIP (see the "[Contract Administration – Entering Contracts](#)" procedure) and released prior to giving the local agency the notice to proceed.

Procedures

This procedure is applicable when the need is identified to reimburse another agency for planning work, or when NCDOT-TPB will be performing planning work and will be reimbursed for a portion of that work by a local agency.

Step	Action
1	The TPB Project Engineer (PE) initiates the development of an Agreement between the NCDOT and the Local Agency. The PE identifies the need for the planning work and discusses it with the Branch Manager. The Branch Manger approves the work and authorizes the PE to develop an interagency agreement.
2	The PE discusses the work with the Local Agency and develops an outline of the work required.
3	The PE completes an Agreement's Checklist and forwards it to the appropriate NCDOT Agreement's Officer.
4	The NCDOT Agreement's Officer (AO), in the Local Programs Management Office of the Transportation Program Management Unit drafts the Agreement between the NCDOT and the Local Agency, sends it to the TPB PE for review and coordination with the Local Agency and places it on the NCDOT BOT agenda for approval.
5	Once approved by the BOT, the AO finalizes the agreement and sends it to the TPB PE.
6	The TPB PE reviews the agreement, submits it to the Branch Manager for review and then sends three copies to the Local Agency for execution.
7	If the Local Agency does not have any corrections, they sign three copies of the Agreement and return it to the PE. If the Local Agency wants to revise the agreement, they will contact the PE who will coordinate with the AO. If revisions are made, go back to Step 5.
8	The PE forwards the three, signed copies to the AO.
9	The AO obtains signatures from the NCDOT State Highway Administrator and the State Attorney General.
10	Once signed, the AO sends two original copies of the executed agreement to the PE.
11	If NCDOT is reimbursing the Local Agency for funds expended, a copy of the agreement is sent to the TPB Contract Administrator (TPB Staff Engineer or Branch

	Manager) for entering into SAP as a CMPO (see the the “ Contract Administration – Entering Contracts ” procedure). Once the CMPO is approved via workflow, the Contract Administrator notifies the PE, who then sends the original copy of the executed agreement to the Local Agency giving them the notice to proceed with the work and places the second original copy in the TPB main files.
12	If the Local Agency will be reimbursing the Department, the PE sends one original copy to the Local Agency notifying them that the Agreement has been approved. The PE also sends one original copy to Earl Jones in AR to establish billing (see Sample Letter 1 - memo to establish billing), and one original copy to the administrative staff for filing in the TPB main file. The PE is responsible for notifying AR via email or memo when to invoice (see Sample Letter 2 – memo to invoice).

Warnings and Precautions

Approval to enter into the Agreement must be approved by the North Carolina Board of Transportation prior to execution by the State Highway Administrator.

Resources and Tools

[Interagency Checklist 09](#)

[Sample Interagency Agreement](#)

[Sample Letter – Notice to Proceed](#)

[Sample Letter 1](#) – Memo to AR to Establish Billing

[Sample Letter 2](#) – Memo to AR to Invoice

Contacts

- For suggestions to change this procedure contact: Elena Talanker (919) 733-4705
- For questions about performing this procedure contact: Mike Bruff (919) 733-4705

Glossary

Accounts Payable (AP)

Accounts Receivable (AR)

Agreement’s Officer (AO)

Business Systems Improvement Project (BSIP)

Contract Management Purchase Order (CMPO)

Project Engineer (PE)

Local Agency – includes municipality, county, other state agency (e.g., DENR, DAQ, NCSU-ITRE, etc.), other state, or Council of Government.

User Access

Restricted NCDOT, FHWA, MPO, RPO, Consultants, etc.

Record of Revision

Version	Section Affected	Description	Effective Date
1.1	Flowchart; Procedure Steps	Changes made to reflect role of Agreements Office in developing agreement and realignment of Agreements office to Local Projects Management Office	6/16/10

Flowchart

Complete Agreement with Local Agency

