

Section 1 Construction Contract Administration for Projects Funded by Others

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9-101 General

Caltrans has encouraged local and private funding of state highway improvements for the past 20 years. Local agencies develop and implement local funding programs that supplement federal and state funding programs to meet their current and future transportation needs. Projects funded by others that are constructed on the state highway system are sponsored by a city, county, local transportation authority, local transit agency, or private entity and use local or private funding. Local revenues for state highway projects may include local sales tax, other local funds, local federal-aid funds (Surface Transportation Program (STP), Congestion Mitigation Air Quality (CMAQ), Transportation Enhancement Activities (TEA), and other funds), and private funds. Local agencies may combine their local funds with state and federal funds (State Transportation Improvement Program (STIP), Interregional Improvement Program (IIP), State Highway Operation and Protection Program and Minor Projects (SHOPP and Minor)) to develop transportation improvements.

The term “local agency” used throughout this section means any public entity (federal, state, Regional Transportation Planning Agencies (RTPA), county, city, or other local government entity) that sponsors or administers a construction contract on the state highway system. In addition, any private entity that sponsors or administers construction contracts on the state highway system, unless otherwise noted can be considered a local agency.

Caltrans policy states that the local or private entities sponsoring state highway system projects financed with local and private funds are responsible for construction contract administration. Caltrans will consider performing construction contract administration on a reimbursed basis in certain cases that are described in Section 9-103.

9-102 Advertise, Award, and Administer Construction Contracts

Caltrans policy states that advertising, award, and contract administration shall not be divided among different entities; that is, the entity that advertises the project shall also award and administer the construction contract. Only the Chief, Division of Construction can waive this policy.

9-101 General

9-102 Advertise, Award, and Administer Construction Contracts

**9-103
Caltrans
Administered
Projects Funded by
Others**

9-103 Caltrans Administered Projects Funded by Others

The district may honor local agency requests that Caltrans advertise, award and administer the construction contract for local funded projects at the discretion of the district director, and subject to availability of resources. The local agency must accept the processing procedures applied normally to regular state highway projects, since the local funded project will be processed along with the Caltrans regular workload associated with developing the statewide transportation program.

The district director determines the appropriate method for advertising, awarding and administering a construction contract project funded by others. The District Director should consider advertising, awarding, and administering contracts in these instances:

- The project involves major urban freeway or expressway construction, where heavy public traffic will occur through construction.
- The project requires extensive night work.
- The project involves long and unusual structures.
- The FHWA requests administration by Caltrans.

Caltrans administered projects that are funded by others follow the *Construction Manual* and the terms of the cooperative agreement. Whenever Caltrans advertises, awards, and administers the contract, the project is considered “state administered.” Caltrans personnel perform the construction engineering in most cases. Arrangements may be made, however; for Caltrans to provide the resident engineer, structures representative, lead inspectors, and the remainder of the construction engineering staff to be local agency personnel, local agency hired consultants, or a combination of the two. In the latter case, the district (not the local agency) must ensure that such a project is properly staffed. The district must not allow a project to be inadequately staffed because the local agency does not furnish the expected personnel. The cost of the construction engineering team provided by a local agency is considered part of the local agency’s share of the project costs.

Caltrans personnel make charges against the expense authorization for state administered projects similar to charging practices used on Caltrans projects. As a result of using this charging method, the local agency shares the engineering costs according to the cooperative agreement between the local agency and Caltrans. Charges made for the local agency’s personnel or consultants on state administered projects are also charged against the project and shared in accordance with the cooperative agreement. The method of charging the project for local agency personnel may vary depending on the entity and the agreement.

The Caltrans claims process in consultation with the fund provider is used when Caltrans administers a construction contract. For more information about this process, refer to Section 5-4, “Disputes,” of the *Construction Manual*. The agreement must state that the fund provider will abide by the outcome of the Caltrans claims process.



9-103A Requesting Additional Funds for Local Federal-aid (Subvention) Projects

If the project is funded in whole or part with local federal-aid funds, and the resident engineer determines that additional funds are needed, the resident engineer follows the procedures outlined in Section 5-203, “Obtaining Additional Funds,” with the following changes:

- The meeting with the resident engineer, construction engineer, construction field coordinator, and project manager to discuss funding needs and alternatives shall also include the district local assistance engineer and a representative of the local agency that sponsored the project. The meeting should include a representative of the local Regional Transportation Planning Agency (RTPA) if the local federal-aid funds are programmed by the RTPA. The meeting should include the Federal Highway Administration transportation engineer for full oversight projects.
- The memorandum to request additional funds will be processed through the RTPA or district local assistance engineer. The meeting participants decide who receives the memorandum.
- If state funds are funding part of the project costs, the meeting will determine the responsibilities for the additional funds request. Project managers process the request for additional state (STIP, IIP, SHOPP and Minor) funds as outlined in Section 9-103B. The request for additional local federal-aid funds will be processed as determined at the meeting.

9-103B Requesting Additional Funds for Locally Funded Projects

If the project is not funded by local federal-aid funds, and the resident engineer determines that additional funds are needed, the resident engineer follows the procedures outlined in Section 5-203, “Obtaining Additional Funds,” with the following changes:

- Include a representative of the local agency that sponsored the project when discussing funding need and alternatives during the meeting with the resident engineer, construction engineer, construction field coordinator, and project manager.
- Send the memorandum to request additional local funds to the local agency.
- Determine the split on the responsibility for the additional funds request during the meeting, if state funds are funding part of the project costs. Project managers process the request for additional state (STIP, IIP, SHOPP and Minor) funds as outlined. The request for additional local funds will be processed as determined at the meeting.