

## **Chapter 2 - Project Funding/Contract Administration Responsibility**

The funding for a project may come from sources other than ODOT, including FHWA or other federal sources, other state governments, local governments, utilities, or other private organizations. The sources of funding will be specified in the project agreement and will be provided to the Project Manager (PM) at the start of the contract period.

### **Program & Funding Services Unit of Financial Services Branch**

At the start of each project, the Program & Funding Services Unit of the Financial Services Branch issues a letter that identifies the funding source(s) for all parts of the project and identifies the Participation Indicators (sub-jobs) that must be used to charge costs to the proper funding source. The PM must enter the proper Participation Indicator (sub-job) on all payments and on all change orders. In the event that work is added to the Contract and that work is to be funded by a different source or at a different rate than shown in the letter, contact the Contract Administration Unit (CAU) to establish a new Participation Indicator (sub-job) and activate it in the Contract Payment System. Contact the CAU if you have questions.

### **Exempt Projects**

For projects involving Federal-Aid funds, FHWA has declared some projects "Exempt" from their direct oversight and has given ODOT the responsibility to act in FHWA's place to assure that the contracts are administered properly. Even for Exempt projects, certain major changes to the contract require FHWA approval. Exempt projects have an "X" as the first letter in the Federal-Aid Project number.

For the Federal-Aid projects that are not Exempt, FHWA retains the oversight to assure proper administration. As such, the PM must involve the FHWA Area Engineer in any Major changes or other significant changes or developments on the project. Refer to Chapter 3 - Delegation of Authority.

### **Form FHWA-47**

When a project involves FHWA (Federal-Aid) funding and the final contract amount is over \$1,000,000, FHWA requires that the Contractor complete and submit form FHWA-47, Statement of Materials and Labor Used by Contractors on Highway Construction Involving Federal Funds. Refer to Chapter 37 - Submittal of Final Project Documentation.

When adding work to those projects with an original contract amount of less than \$1,000,000, closely monitor the estimated final contract amount. If the added work causes the final contract amount to exceed \$1,000,000, the Contractor must complete and submit the form FHWA-47 for its work and that of its subcontractors.

The PM should provide copies of form FHWA-47 to the Contractor, before work starts, so that the Contractor and its subcontractors have an opportunity to easily gather the information needed to complete the form. Form FHWA-47 can be found on the web at <http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/CA/SequentialIndex.shtml>

### **Contract Administration Responsibility**

For projects involving Federal-Aid funding, ODOT, as the State Highway Agency, has the responsibilities for construction as specified in 23 CFR 635.105. ODOT is responsible to insure that all projects receive adequate supervision and inspection to assure that projects are completed in conformance with approved plans and specifications.

As part of this, ODOT must affirm that all required documentation, as well as the contract work and contract administration, is properly performed. ODOT also is responsible to assure that payments are accurately charged to the proper sources of funding.

ODOT will not request FHWA funding participation unless all contract administration requirements have been properly and adequately performed.

ODOT has those responsibilities even though it may have authorized another agency or a consultant to administer the project. ODOT also has those same responsibilities on all other projects that may not include Federal-Aid funding.

The PM, under the supervision of the CPM or Area Manager as appropriate, has the responsibility to assure that all projects under the PM's control are administered properly.

Representatives of other entities that have funds in the project may inspect the project and the work, but will talk only with the PM or the project representative (usually the inspector) about issues of concern regarding the work.

For projects where the PM works for a local agency or its consultant, the ODOT Region will assign a Local Agency Liaison (LAL) to work with the PM to insure that the local agency or the consultant is properly administering its Federal-Aid projects. ODOT may enlist other ODOT persons or consultants to assist in fulfilling that responsibility.

For projects where the PM works for a consultant, the ODOT Region will assign an ODOT CPM to work with the PM to insure that the consultant is properly administering its Federal-Aid projects. ODOT may enlist other ODOT persons or consultants to assist in fulfilling that responsibility.

Among other things, ODOT has not delegated the following to a local agency or consultant:

- Approval of Contract Change Orders, Adjustments of Contract Time, Orders For Extra Work To Be Done On Force Account Basis, and Force Orders
- Approval of overruns or increases in Project Authorizations
- Approval of price adjustments for non-specification materials
- Approval of quality and quantity documentation
- Final acceptance of the project