



DIVISION OF LOCAL ASSISTANCE

CONSTRUCTION OVERSIGHT INFORMATION



DLA COIN Issue #10-04

Release Date: May 17, 2010

Welcome to the COIN!

This is the eighth issue of Caltrans Local Assistance Program Construction Oversight Information Notice, or "COIN" for short. These short, single-topic bulletins are intended to provide outreach information and guidance to local agencies on issues pertaining to the construction of Federal-aid projects. They cover a wide variety of subjects, including discussions of findings resulting from process reviews by Caltrans and/or FHWA, changes in procedures or regulations, reminders of existing procedures or best practices, and other timely information. The goal is to ensure proper and timely delivery of Federal-aid projects.

OUR EIGHTH TOPIC: FREQUENTLY OBSERVED DEFICIENCIES IN CONTRACT ADMINISTRATION

Since early 2010, Division of Local Assistance has increased construction oversight on local agency American Recovery and Reinvestment Act (ARRA) projects by performing construction project reviews. These reviews have consisted of both joint reviews conducted with the Federal Highway Administration as well as separate Caltrans reviews. Findings from these reviews have been compiled in a report entitled "Division of Local Assistance Quarterly Report on Construction Oversight of Local Agency ARRA Projects," which may be viewed in its entirety at the following website address:

http://www.dot.ca.gov/hq/LocalPrograms/Reports_db.htm

While reviewed projects receive immediate feedback on contract administration as part of the reviews, it is believed that by compiling the results, identifying common problem areas and disseminating the information, other local agencies may prevent similar problems and avoid potential loss of funds. To that end, the most frequently observed contract administration deficiencies from the initial joint reviews are as follows:

<u>Deficiency</u>	<u>Observed Frequency</u>	<u>Ranking</u>
A. Daily diaries	50%	1
B. Employee interview frequency	34%	2
C. Contract time administration	33%	3
D. Monitoring of material sampling and testing frequency	31%	4
E. Visibility and accessibility of required job posters	31%	4
F. Documentation of posting required job posters	29%	6
G. Checking of certified payroll	24%	7
H. Documentation of certifications for material samplers, testers or laboratories	21%	8
I. Support for progress payments	21%	8
J. Documentation of material sampling or testing results	20%	10
K. Consultant selection documentation	20%	10

Attachment "A" provides details and recommendations for addressing each noted deficiency. **Action: local agencies need to review their project records and revise procedures where similar deficiencies are observed.**