2014 Compliance Assessment Program

FHWA

Compliance Assessment Program

- Provide overview of the CAP Program
- Present summary of the 2014 reviews
- Identify oversight issues to be addressed

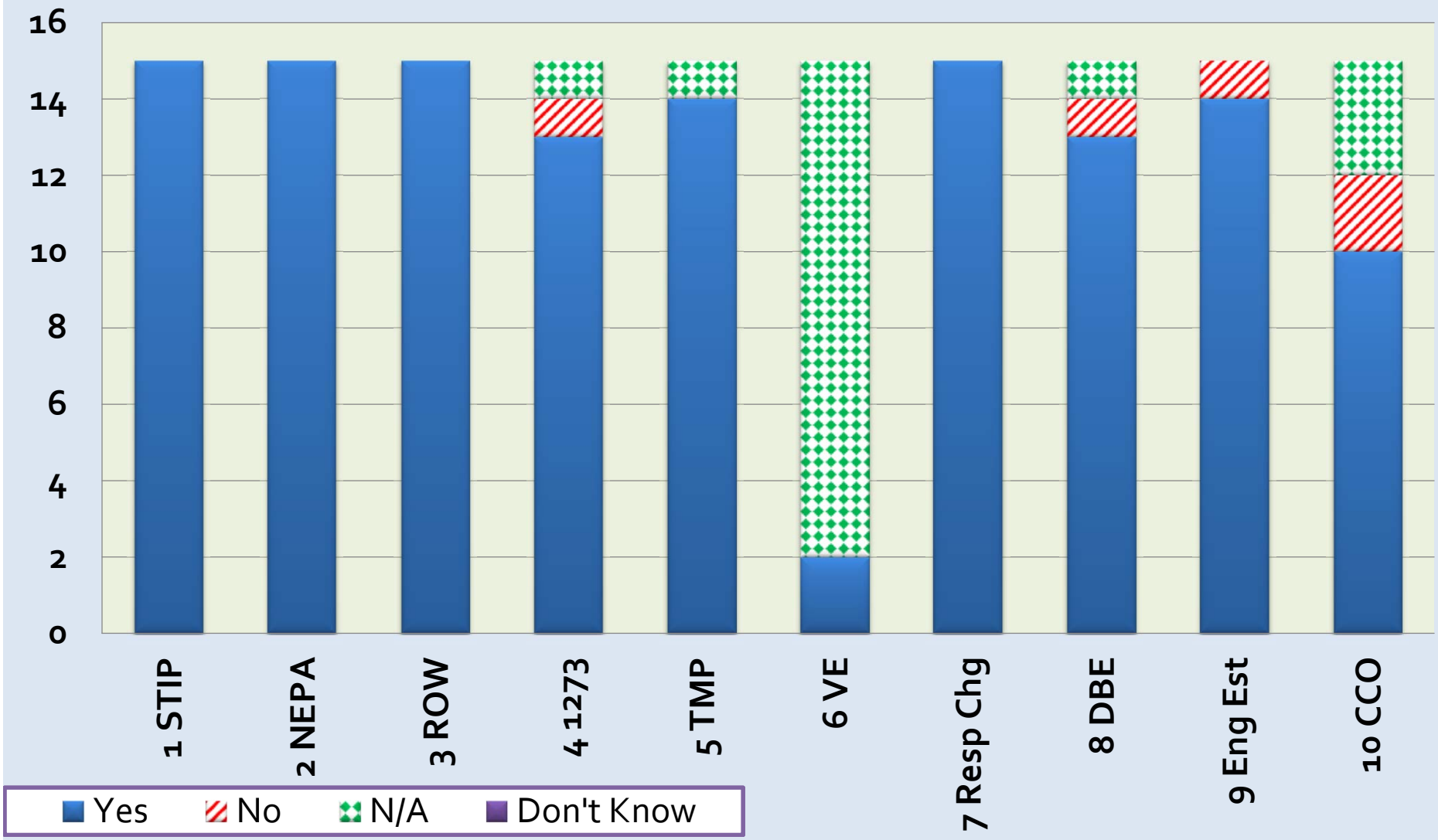
Purpose of CAP

- Evaluate compliance with key requirements
- Focus areas 2014
  - General compliance
  - Contract Administration
  - Finance
  - Emergency Response

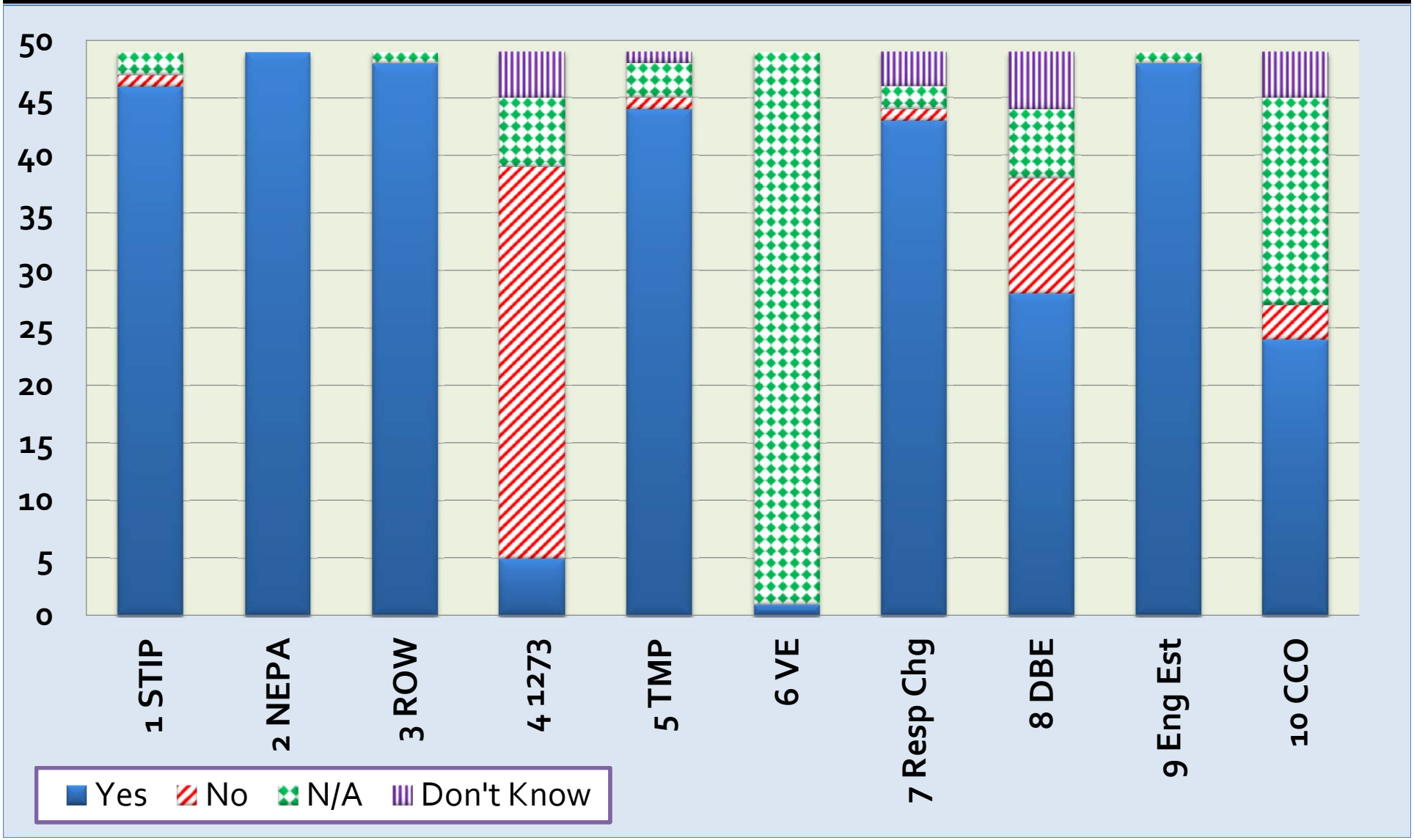
2014 Core Compliance Topics

- Project included in STIP before authorization
- NEPA approved before authorization
- ROW certified before authorization
- Form-1273 incorporated in contract
- Project has a Transportation Management Plan
- Value Engineering study completed
- Full-time employee in responsible charge
- DBE goal met
- Project had an engineer's estimate
- CCO had supporting analysis

Core Compliance Results
State Projects



Core Compliance Results
Local Projects



Core Compliance Assessment Local Projects

- *Question 4: Are all required Form FHWA-1273 contract provisions physically incorporated into the construction contract?*
- Local agency compliance: 13%
- Revise the LAPM to indicate the form must be attached to the contract

Core Compliance Assessment Local Projects

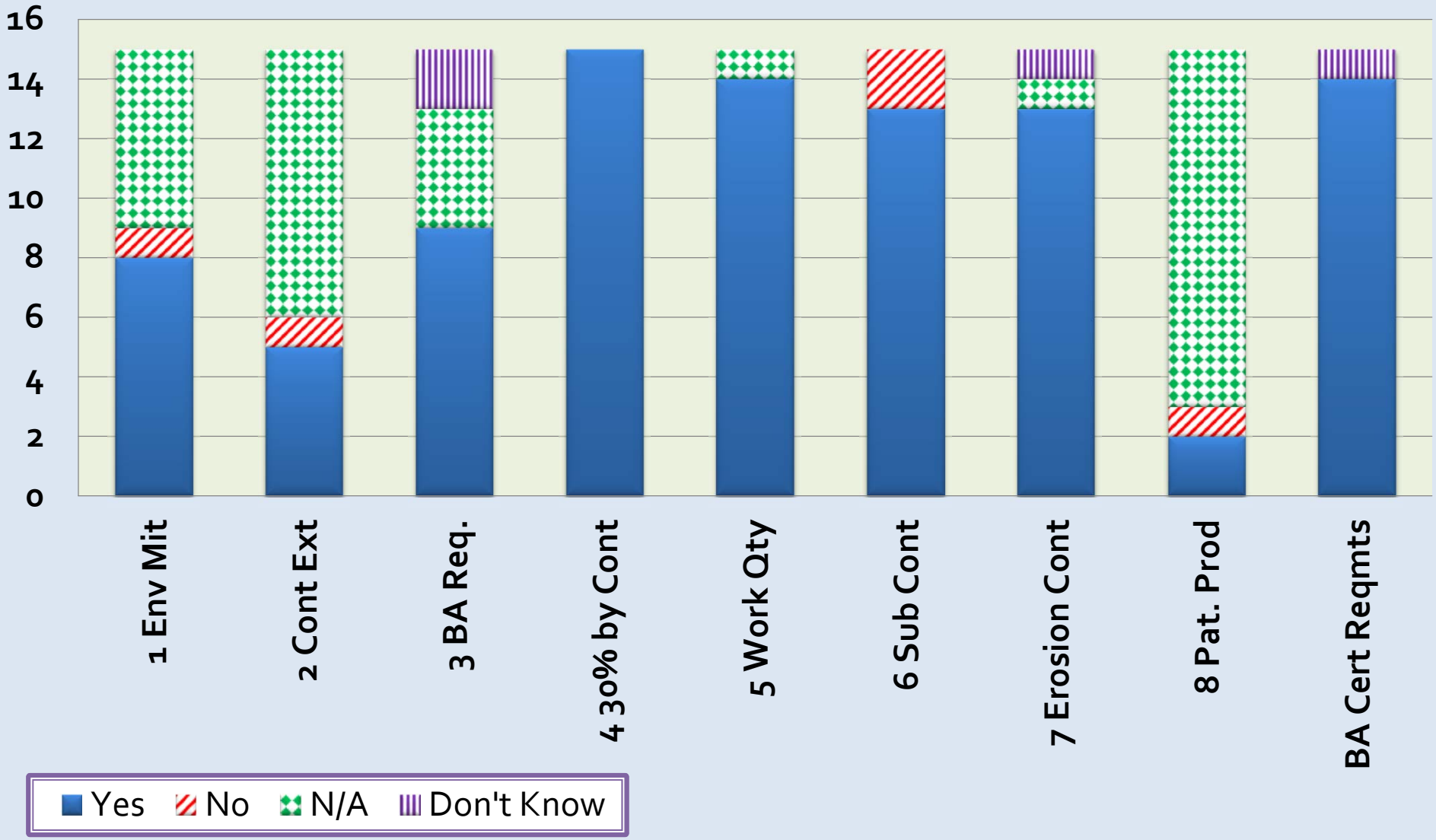
- *Question 8: Did the successful bidder make a commitment or good faith effort to meet the specified* ***Disadvantaged Business Enterprise*** *(DBE) contract goal prior to award?*

- Local agency compliance: 74%
- 12 projects did not meet DBE goal
- 10 projects had inadequate GFE
- Caltrans implemented GFE review procedures

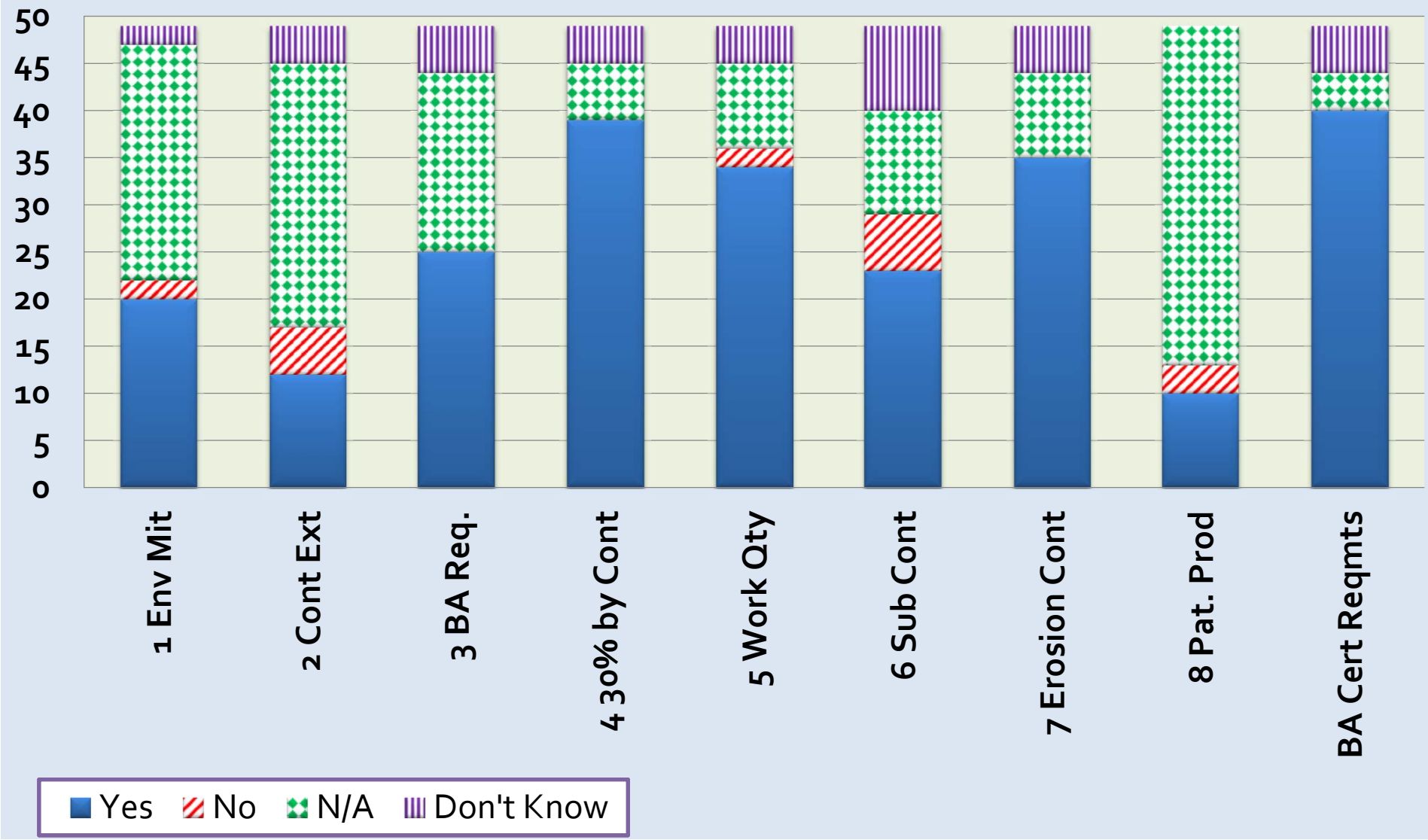
Contract Administration Topics

- Mitigation measures are implemented
- Time extension fully justified
- Buy America certification
- Prime contractor does at least 30% of work
- Verification of completed work quantities
- Subcontracts include required contract items
- Use of erosion and sediment control
- Certification of patented/proprietary products

Contract Administration Results State Projects



Contract Administration Results Local Projects



Contract Administration Assessment - State Projects

- *Question 8: …did the State certify either that such patented or proprietary item is essential for synchronization…or that no equally suitable alternate exists?*

- State project compliance was 67%.
- Sample not large enough to draw conclusions

Contract Administration Assessment - Local Projects

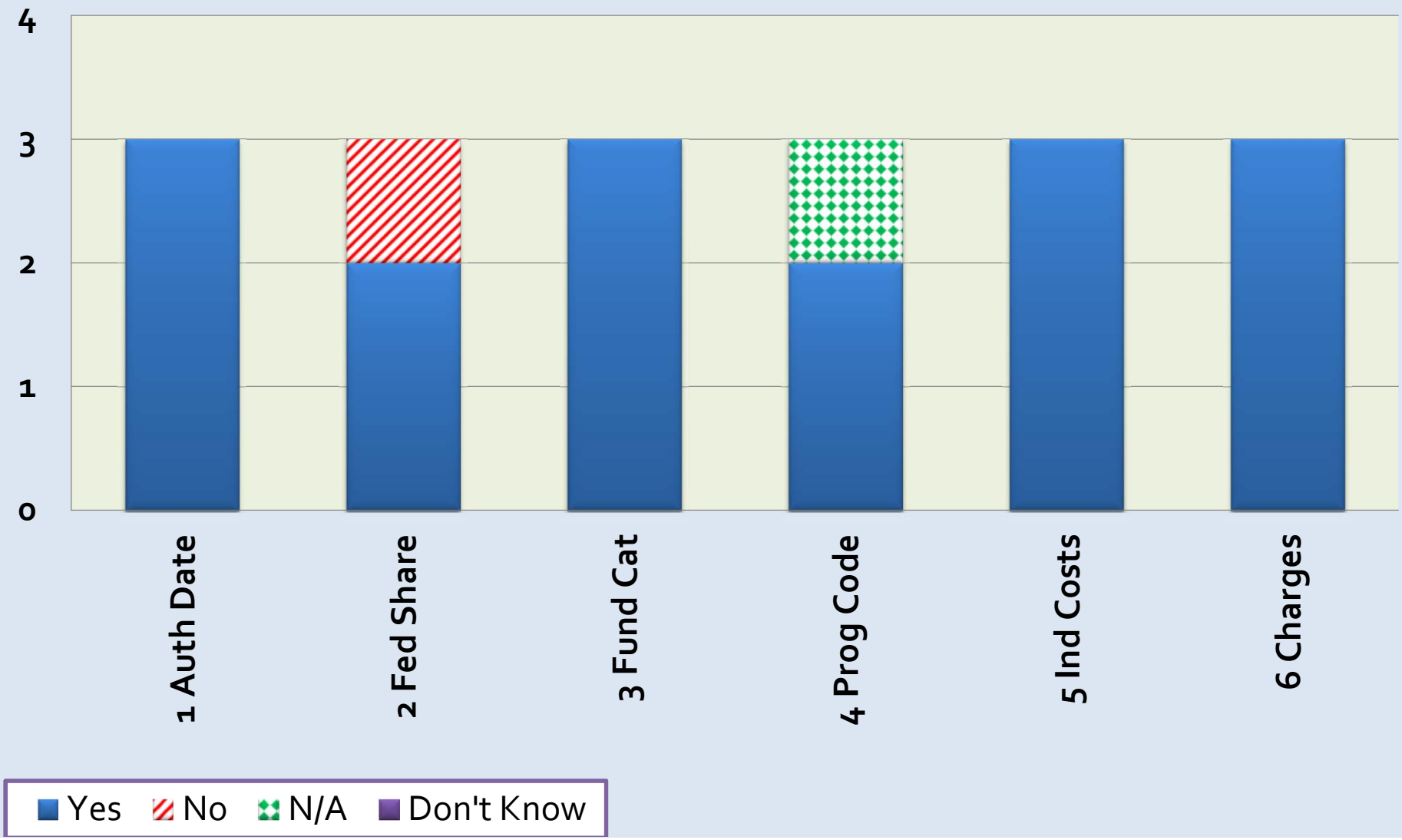
- *Question 2: …is [a] contract time extension request fully justified and adequately documented?*

- Local agency compliance: 71%.
- "Fully justified" and "adequately documented" is somewhat subjective.

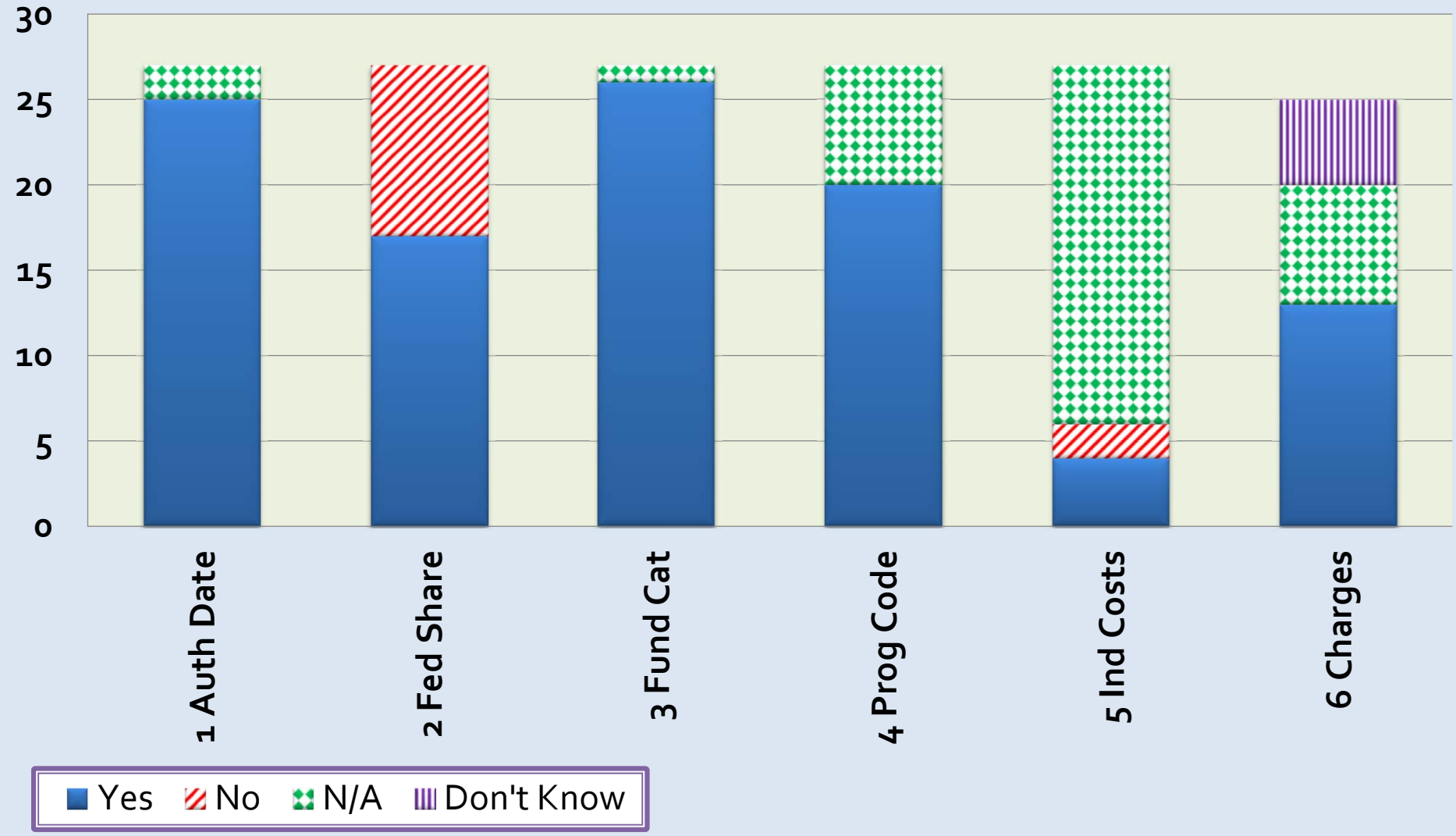
Finance Topics

- All charges occur after authorization
- Federal-aid share remains unchanged
- Fund categories remained unchanged
- Were federal charges allocated to the correct fund
- Were indirect charges incurred at the approved rates
- Were payroll, fleet, and equipment charges allocated properly

Finance Results
State Projects



Finance Results
Local Projects



Finance Assessment
State Projects

- *Question 2: Has the Federal-aid share of eligible project costs… remained unchanged?*

- State project compliance: 67%
- Some projects revised federal share
- A number of projects reviewed that had a change in federal share included Toll Credit funding.

Finance Assessment
Local Projects

- *Question 2: Has the Federal-aid share of eligible project costs… remained unchanged?*

- Local agency compliance: 63%.
- Some projects revised federal share
- A number of projects reviewed that had a change in federal share included Toll Credit funding.

Finance Assessment
Local Projects

- *Question: Were indirect charges incurred at the approved rate?*

- Local agency compliance: 67%
- In some cases, the local agency had not approved an indirect cost rate at the time of the project review.

Action Items

- Form 1273
- DBE Good Faith Effort Review