

**Kentucky Transportation Cabinet
Division of Planning**

**KYTC Local Public Agency (LPA)
Process Overview**

**GRADD Regional Transportation Committee Meeting
September 21, 2010**



How did we get here???

- Approximately 2 years ago discussions began with the Cabinet and the Federal Highway Administration (FHWA) to implement an LPA Manual
- At that time the thought was to expand on the current KYTC Office of Local Programs Guidelines and to investigate how other states monitored LPA Projects

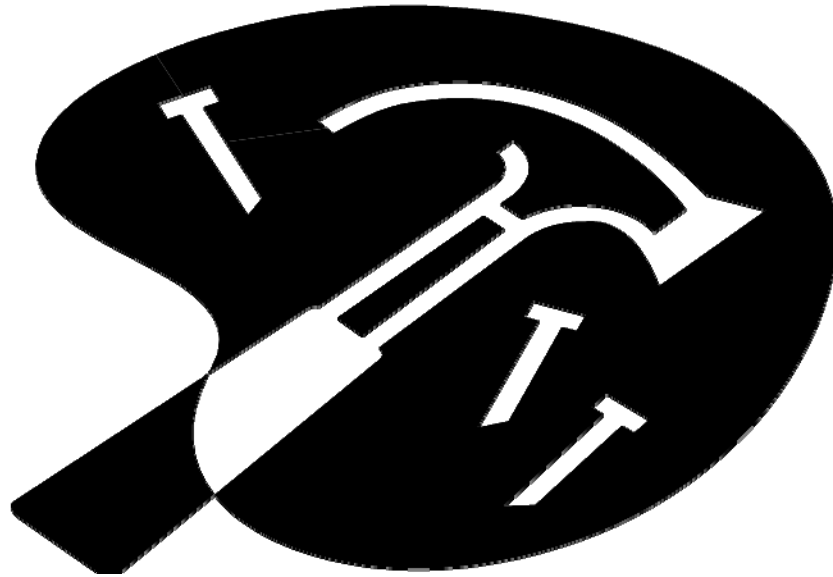


How did we get here???

- In February 2009 discussions began to pass the Recovery Act.
- At this point the implementation date was expedited to aid LPAs with administering Recovery Act funds.
- April 15, 2009 was established as a release and implementation date for an Interim Guide
- Currently the Cabinet and FHWA are working out the kinks and the 2010 deadline for a full LPA Guidance Manual is actively being pursued.



CRITICAL FIRST STEPS



KYTC Oversight

- KYTC recipient of federal funds
 - KYTC passes funds down to LPAs/subrecipients
 - KYTC responsible for use and management of funds
- KYTC serves as both advisor and monitor
 - Advisor
 - Provide guidance and assistance
 - Main goal is successful implementation
 - Monitor
 - Provide administration and oversight
 - Goal is to ensure requirements have been met



LPA Requirements for Implementation

- Adequate staff
- Project delivery systems
- Accounting controls

Highlighted in Chapter 10 of the *Kentucky Federal-aid Highway Program Stewardship Plan – July 2, 2008* available at <http://transportation.ky.gov/StewardshipPlan.pdf>

- Obtain required matching funds if applicable
 - 20% Minimum Required



LPA Requirements for Implementation

Maintenance

- LPA must ensure project will serve a public purpose in perpetuity
- LPA must maintain project on a non-profit basis
- Schedule should be made prior to and may be included in the project agreement with KYTC



Project Timeline

- Project selected, added to Transportation Improvement Plan (TIP) (if metropolitan area) and added to the Statewide Transportation Improvement Plan (STIP)
- Environmental Review
- Section 106 Review
- PR-1 to FHWA to authorize funds
- Execution of Project Contract by Secretary signature
- Notice to Proceed by Administering Office
- Project activities are now eligible for reimbursement per Section 3.3 of the LPA Guide.



Project Contract

- No work shall commence until the contract is fully executed.
- All activities that occur prior to the execution of the contract are not eligible for reimbursement.
- Reimbursement of federal funds is required if the project is not completed.

Additional Info

- NO reallocation of funds to other projects is allowed.
- Additional funds needed must be requested through KYTC – Accurate budgets are VERY IMPORTANT.
- Make sure Project Files are complete and up to date (LPA Certification/A-133 Audit)
- Project Closure



PROJECT MANAGEMENT



Project Management

What does LPA Interim Guide cover?

- Project development and implementation
- Guidance on funding, construction, reimbursement and close-out
- Links to Federal and State laws and regulations, as well as KYTC policy manuals



Project Management

How should LPA Interim Guide be used?

- Reference document to quickly locate detailed information
- Not as a comprehensive document for all federal requirements
- Resource for several source documents



Project Management

Certification

- LPA must review guide, complete training and submit certification form to Administering Office
 - Appendix B
- Appropriate LPA representative should complete form certifying they understand requirements and will comply with both federal and state laws and regulations



Change Orders

- Accurate budgets are a necessity
- No allocation of additional funds
- Cost overruns responsibility of LPA
- All changes in scope, schedule, and redistribution of allocated funds must receive prior approval
- Submit formal request to District LPA Coordinator for review and approval prior to submission to KYTC Administering Office
- Not approved unless received in writing from KYTC



Wage Rates

- Federal Requirements
 - Davis-Bacon Act
 - Not applicable to highways functionally classified as local or rural minor collector
 - Applicable for all American Recovery and Reinvestment Act of 2009 (ARRA) Projects
 - Applicable for all Safe Routes to School (SRTS) Project
- State Requirements
 - Applicable for projects over \$250,000.00
- **If project qualifies for both, use higher of the two for respective wage classification**



Labor Questions

If you have any questions regarding prevailing wage and the Davis-Bacon Act, please contact the Kentucky Labor Cabinet at (502) 564-3070.



SUBRECEIPT MONITORING



Project Files

To confirm proper oversight, project files must contain detailed documentation such as:

- Contracts and supplemental agreements
- Reimbursement request documentation
- Monitoring documentation, including site visit activities
- OMB A-133 audits requests, audits, reviews, management letters, or sub-recipient certification that total federal expenditures were less than \$500,000
- Correspondence with sub-recipients
- Construction records
- Reports required by contract re: performance, finances, etc.



KYTC and FHWA Reviews

- KYTC and/or FHWA may conduct field or office reviews at any time
- Announced and unannounced reviews
- Verify inspection and documentation
- Provide assistance
- Significant failures may result in rescission of funds



QUESTIONS??????

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