



NORTH CAROLINA
Department of Transportation

NCDOT Requirements for Locally Administered Projects

Oversight, Monitoring, & Reporting

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Connecting people, products and places safely and efficiently with customer focus, accountability and environmental sensitivity to enhance the economy and vitality of North Carolina

The Funding

(From FHWA to NCDOT)

| STATUS OF FUNDS - NORTH CAROLINA | | |
|---|------|------------------|
| AS OF 10/11/2024 | | |
| FUND | | FY - 2025 |
| CONGESTION MITIGATION IIJA | Y400 | 58,076,385.00 |
| STBG-URBANIZED >200K IIJA | Y230 | 89,795,810.00 |
| TRANS ALTERN UNDER 5K IIJA | Y308 | 7,965,361.00 |
| TRANS ALTERN 50K-200K POP IIJA | Y306 | 2,137,077.00 |
| TRANS ALTER 5K-49999K POP IIJA | Y307 | 2,264,203.00 |
| TRANS ALTERNATIVES >200K IIJA | Y301 | 11,332,316.00 |
| TRANSP ALTERNATIVES FLEX IIJA | Y300 | 16,468,766.00 |
| CARBON REDUCTION PRG FLEX IIJA | Y600 | 12,203,511.00 |
| CARBON REDUCTN PROG >200K IIJA | Y601 | 10,837,262.00 |
| CARBON REDCN PRG 50K-200K IIJA | Y606 | 2,043,718.00 |
| CARBON REDCN 5K-49999 POP IIJA | Y607 | 2,165,291.00 |
| CARBON REDUCTION UNDER 5K IIJA | Y608 | 7,617,393.00 |
| | | |
| | | |
| Total Amount (per year) Allocated to Local Projects | | 222,907,093.00 |
| TOTAL APPORTIONED FUNDS TO NCDOT | | 1,454,097,268.00 |
| Percent of Total Allocated Amount to Local Projects | | 15% |

* 2021 Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL)

* FHWA Report – FMISW10A – Status of Funds Report

NCDOT's Role in Locally Administered Projects

- NCDOT has full oversight and responsibility of all LPA projects established by:
 - Stewardship and Oversight Agreement (between FHWA & NCDOT)
 - 23 CFR 635.105(a) & (b):
 - (a) NCDOT has responsibility for the construction of all Federal-aid projects and is not relieved of such responsibility by authorizing performance of the work by a local public agency or other Federal agency. NCDOT shall be responsible for ensuring that such projects receive adequate supervision and inspection to ensure that projects are completed in conformance with approved plans and specifications.
 - (b) Although NCDOT may employ a consultant to provide construction engineering services, such as inspection or survey work on a project, the NCDOT shall provide a full-time employed State engineer to be in responsible charge of the project.
- In the unlikely event that funds must be re-paid or are deemed non-participating, FHWA will take them from NCDOT. NCDOT will then bill the municipality for re-payment (or it will be taken from their Powell Bill).

“Responsible Charge”

The key regulatory provision, 23 CFR 635.105 - Supervising Agency, provides that the State Transportation Agency (STA) is responsible for construction of Federal-aid projects, whether it or a local public agency (LPA) performs the work. The regulation provides that the STA and LPA must provide a full-time employee to be in "responsible charge" of the project.

Requirements of Position:

For projects administered by the STA, the regulation requires that the person in "responsible charge" be a full-time employed state engineer. This requirement applies even when consultants are providing construction engineering services.

For locally administered projects, the regulation requires that the person in "responsible charge" be a full-time employee of the LPA. The regulation is silent about engineering credentials. Thus, the person in "responsible charge" of LPA administered projects need not be an engineer. This requirement applies even when consultants are providing construction engineering services.

Duties:

Regardless of whether the project is administered by the STA or another agency, the person designated as being in "responsible charge" is expected to be a public employee who is accountable for a project. This person should be expected to be able to perform the following duties and functions:

Administers inherently governmental project activities, including those dealing with cost, time, adherence to contract requirements, construction quality and scope of Federal-aid projects;

Maintains familiarity of day-to-day project operations, including project safety issues;

Makes or participates in decisions about changed conditions or scope changes that require change orders or supplemental agreements;

Visits and reviews the project on a frequency that is commensurate with the magnitude and complexity of the project;

Reviews financial processes, transactions and documentation to ensure that safeguards are in place to minimize fraud, waste, and abuse; and

Directs project staff, agency or consultant, to carry out project administration and contract oversight, including proper documentation.

Is aware of the qualifications, assignments and on-the-job performance of the agency and consultant staff at all stages of the project.

The regulations do not restrict an agency's organizational authority over the person designated in "responsible charge," and the regulations do not preclude sharing of these duties and functions among a number of public agency employees. The regulations also do not preclude one employee from having responsible charge of several projects and directing project managers assigned to specific projects.

FHWA's Role in Locally Administered Projects

- Provide Federal funding for your project
- Ensure NCDOT has a program/processes for Locally Administered Projects and is carrying out that program to ensure:
 - Federal dollars are spent appropriately,
 - There is no fraud, waste, and/or abuse,
 - Federal and State Regulations agreed to by asking for and receiving Federal money are upheld

(In other words, to make sure NCDOT is providing oversight and accountability to their program.)

2 CFR 200 “The Supercircular”

- Period of Performance:
 - Imposes a period when project costs can be incurred
 - Start Date (Project Authorization Date) through the End Date (predetermined by NCDOT using a formula based on projects of similar scope accounting for delays)
 - Costs can **only** be incurred within start and end date
 - After project end date - no additional costs can be incurred
 - Requires that projects be closed out 15 months after the “End Date” established and documented on the FHWA Authorization
- Extension/modification of End Date is authorized by the awarding agency only when there is a project delay beyond the control of the recipient
 - Ex: utility delays, railroad delays, lawsuits, etc.

Inactive Projects

- A project will become inactive if it has not had an expenditure charged to it in FHWA's project tracking system for one year
- Once a project hits the 1-year report, FHWA will deobligate the unexpended funding amount
- The Municipal Agreement states that a project must be invoiced at least once every 6 months to keep the project active and eligible for Federal funding.
- The Municipal Agreement also states:
 - *FINAL INVOICE*
 - *All invoices associated with the Project must be submitted within six (6) months of the completion and acceptance of the Project to be eligible for reimbursement by the Department. Any invoices submitted after this time will not be eligible for reimbursement.*

Eligible Items for Reimbursement

- In order to be reimbursed, items must be transportation related – you should be able to walk, ride, or drive on it.
- Just because it's in your Master Plan doesn't mean that it's eligible for reimbursement.
- You may still be able to include items in your project, but your municipality might have to pick up the cost of the items.
- If you have any questions about eligibility, please work with your NCDOT Division Contact.

CEI Contracts/Advice

- We cannot tell you who to hire, but we can offer some things to consider
- If you are hiring a CEI Firm to handle your project, hiring one that has NCDOT contract administration experience is important
 - Does the specific Project Manager/Inspector who will be working on your job have NCDOT experience?
- Your Municipal officials signed a Municipal Agreement that states:
 - All projects are required to use:
 - NCDOT's Standard Specifications, NCDOT's Construction Manual, NCDOT's Minimum Sampling Guide, and all State and Federal regulations

Project Close Out

Why is it important to close out projects timely?

- Releasing unexpended Federal funds for other municipalities/MPO use
- No FHWA audit (they can audit any project for up to three years after closure)
- The longer a project stays open, greater potential for staff changes, risk of losing documentation & loss of momentum to close them
- Prompt Payment Issues
- Agreement End Date Issues/loss of unexpended project funding

Why is it important to withdraw projects that the municipality is not going to move forward with?

- Releasing obligated Federal funds for other municipalities/MPO use
- The longer a project stays open, the more staff changes, risk of losing documentation

Project Close Out

- 2 CFR 200 (aka: Supercircular) - Requires that projects be closed out 15 months after the “End Date” established and documented on the FHWA Authorization.
- “FHWA may exercise unilateral authority to close projects in its financial management system if the recipient fails to comply with project closeout requirements.”
- Closeout guide and checklist:
<https://connect.ncdot.gov/municipalities/Funding/Pages/LPM%20Handbook.aspx>

Pre-Construction Meetings & Project Reviews

- Please be sure to invite me to Pre-Construction Conferences
 - An invitation should also be sent to your NCDOT contact and your NCDOT M&T Contact
- Records Review – They will consist of a review of all project records and documentation for a project that is 50%-75% complete
 - A copy of the checklist used will be provided

Don't Be Afraid To Ask For Help!

- Please contact your CEI firm (if you have one) or your NCDOT partner if:
 - You have any questions
 - You run into a problem (let's get those handled quickly)
 - Don't know how to handle something
- It's a team effort! We are all here to help you!

Questions?

Contact Us

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