

Program Operations Manual



A supplemental document to the
Stewardship and Oversight Agreement
between FHWA and MDOT

LAST UPDATE: July 2015

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Overview of the Program Operations Manual

The Federal Highway Administration-MI Division (FHWA) and Michigan Department of Transportation (MDOT) have long worked as partners in delivering the Federal-aid highway program (FAHP) in Michigan in accordance with Federal requirements. The primary document guiding that delivery is the *STEWARDSHIP AND OVERSIGHT AGREEMENT ON PROJECT ASSUMPTION AND PROGRAM OVERSIGHT BY AND BETWEEN FEDERAL HIGHWAY ADMINISTRATION, MICHIGAN DIVISION AND THE STATE OF MICHIGAN DEPARTMENT OF TRANSPORTATION* (SOA). The SOA clearly defines which FAHP project actions are delegated to MDOT and which are retained by FHWA. It also includes tables of program responsibilities, approved manuals and guidance documents, and performance indicators. The *Program Operations Manual* (POM) supplements the SOA by providing more detailed discussion and guidance on the delivery of individual programs. This information is provided for all major program areas to help ensure that the FAHP is delivered in a manner consistent with laws, regulations, policies and good business practices.

Those using this manual should be familiar with the SOA and its relationship to the POM. In the event of a discrepancy, the SOA takes precedence over the POM.

1. PROJECTS OF DIVISION INTEREST (PoDI)/PROJECTS OF CORPORATE INTEREST (PoCI) SELECTION PROCESS

Background

The goal of risk-based projects stewardship and oversight is to optimize the successful delivery of programs and projects and help ensure compliance with Federal requirements. The FHWA Risk-Based Projects Stewardship and Oversight involves three main avenues of *project* involvement:

- Project approval actions– See Attachment A of Stewardship and Oversight Agreement
- Data-driven compliance assurance, i.e. Compliance Assessment Program (CAP)
- Risk-based stewardship and oversight involvement in Projects of Division Interest (PoDIs), including Projects of Corporate Interest (PoCIs) which are a subset of PoDIs (see Figure 1.)

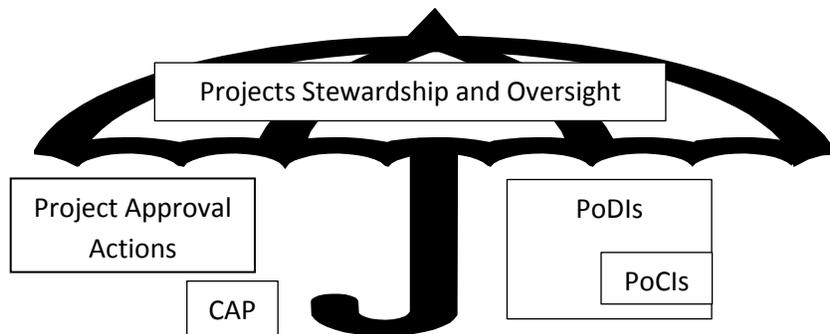


Figure 1

Projects of Division Interest (PoDI)

PoDIs are those projects that have an elevated risk, contain elements of higher risk, or present a meaningful opportunity for FHWA involvement to enhance meeting program or project objectives.

PoDI Types

Section 106 of Title 23, United States Code, provides certain statutory requirements for project approval actions and oversight of the Federal-aid Highway Program. Within the context of these requirements, and in consideration of other priorities established by Congress, PoDIs can be grouped into two categories as follows:

- **Project Specific PoDIs:** those based on an assessment of each individual project and its specific risks. Types of project specific PoDIs are as follows:
 - Major Projects (>\$500M); 23 U.S.C. 106(h)

- TIGER Discretionary Grant Projects
- Other Projects Individually Selected for Risk-based Stewardship & Oversight; 23 U.S.C. 106(g)
- **Programmatic PoDIs:** those based on an identification of risks that apply program-wide or categorically to a large subgroup of projects, so that the Division wishes to handle approval actions for all projects that share that identified element of risk. Programmatic PoDIs are treated differently than Project Specific PoDIs because it is not practical to administer and report on the potentially large number of projects affected by programmatic PoDIs using individual project specific risk plans. Types of programmatic PoDIs are as follows:
 - NHS Projects with Retained FHWA Project Approval; 23 U.S.C. 106(c)(1)
 - Non-NHS Projects with Retained FHWA Project Approval; 23 U.S.C. 106(c)(2)

Projects of Corporate Interest (PoCI)

Projects of Corporate Interest (PoCIs) are a subset of PoDIs selected at the FHWA corporate level for enhanced FHWA involvement and oversight. PoCIs are projects deemed to be so significant that FHWA is willing to commit additional resources beyond those available at the individual Division level to help ensure successful delivery of the project.

Project-Specific PoDI/PoCI Identification Process

The Michigan Division selection process begins shortly after MDOT publishes the current Five-Year Transportation Program in September of each year on their website. The FHWA Area Engineers (AE), Local Programs Manager (LPM), specially designated Project Oversight Manager (sdPOM), and Division Project Oversight Manager (POM) will meet with MDOT to identify potential PoDI projects using the criteria in Table 1 and the FHWA/MDOT PoDI Identification Form below. This step will occur by the end of October each year. For each project identified, the AE, LPM, and sdPOM will complete an FHWA/MDOT PoDI Identification Form placing a check next to those criteria which caused the project to be identified as a potential PoDI. See Appendix A: FHWA/MDOT PoDI Identification Form. The AE/LPM/sdPOM and MDOT will briefly revisit all previously selected PoDIs to determine if any changes had occurred significant enough to warrant removal of a PoDI. It is intended that the removal of PoDIs will be relatively uncommon – the list should not be changing significantly from one year to the next.

By March November 1 every year, all potential new PoDIs will have been identified along with any proposed to be removed. The FHWA Field Operations Team Leader will compile the list of recommended PoDI additions and deletions with supporting data for compliance with the total program guidelines (for PoDIs it is 10% to 30% of MDOT's Federal-aid obligation limit; PoCIs are not included in the percentage). By the end of MarchNovember, the FHWA Field Operations Team Leader will present the list to FHWA and MDOT leadership reflecting the list of proposed PoDIs. FHWA and MDOT Leadership will review the proposed PoDIs and make a final determination, considering project specific risks and

complexities as well as consideration of work load distribution and need for staff development.

Project-Specific PoDI/PoCI Stewardship & Oversight Plans

Following the final selection of PoDIs/PoCIs, the AE/LPM/sdPOM will prepare a project-specific Stewardship and Oversight (S&O) plan for each project. These S&O plans will identify any specific items that FHWA will focus on during project development thru delivery and what oversight risk actions will be taken. These S&O plans are meant to provide direction to FHWA and be shared with MDOT staff as to particular areas of risk/interest on individual projects. They are intended to be considered a “living document” and are meant to be updated as a project progresses through the development and delivery process. It is the intent of FHWA to be involved with all PoDIs/PoCIs from cradle to grave. However, that involvement may change depending upon a project’s scope as it is developed. For example, a PoDI may be selected due to anticipated environmental concerns but if those concerns are addressed or do not materialize, then FHWA may withdraw it from the PoDI list at the end of development activities. FHWA will assess the risks of a project during scoping and maintain involvement until the deemed risk is mitigated.

Programmatic PoDI Stewardship & Oversight Reports and Action Plans

A Programmatic PoDI is used for project actions retained by FHWA in Attachment A of the Stewardship and Oversight Agreement (SOA) that could be assumed by the State, and for project actions re-assumed by FHWA for a group of projects that all involve the same identified risk as a result of a program or annual review. FHWA and MDOT have agreed that project actions which require a Programmatic PoDI Stewardship & Oversight Report and Action Plan, including FHWA approval of each of these project activities, are as follows:

- PRELIMINARY DESIGN (Design Phase): Interstate System Access Justification Report [23 USC 111]
- RIGHT-OF-WAY (Design and Operational Phases): Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work [23 CFR 635.309(b)]
- RIGHT-OF-WAY (Design and Operational Phase): Make public interest finding on whether State may proceed with bid advertisement even though ROW acquisition/relocation activities are not complete for some parcels [23 CFR 635.309(c)(3)]
- RIGHT-OF-WAY (Design and Operational Phase): Approve disposal at fair market value of federally funded right-of-way, including disposals of access control [23 CFR 710.409]
- CIVIL RIGHTS (All phases): Equal Employment Opportunity (EEO) Contract Compliance Review Approval [23 CFR Part 230, Subpart D]

The Programmatic PoDI Stewardship and Oversight Report covers a large number of projects that cannot be easily identified or managed using individual Project Specific PoDI

plans because the identification of programmatic PoDIs is based on program risk, and not based on project-specific screening.

PoDI SELECTION GUIDELINES¹

Minimum per Region	2 per program year (depending on workload)
Minimum per Area Engineer	2 per Region per program year (depending upon workload)
Targeted Number of Projects	NA
Targeted Federal-funding	10-30% of estimated Federal-aid Obligation Limit each year
Primary selection criteria	<ul style="list-style-type: none"> • All Major Projects (>\$500M) • All TIGER Discretionary Grant Projects • Other Projects Individually Selected for Risk-based Stewardship & Oversight
Programmatic PoDIs	<ul style="list-style-type: none"> • NHS Projects with Retained FHWA Project Approvals* • Non-NHS Projects with Retained FHWA Project Approvals* <p>*Retained approval in accordance with the FHWA/MDOT Stewardship and Oversight Agreement, Appendix A</p>

Table 1: PoDI Selection Guidelines

¹ PoCI final selections are made by FHWA Headquarters

2. AIR QUALITY

An influential factor in air quality is usage of the transportation system. Federal, state, and local air quality partners must all work together to ensure projects and programs implemented with federal funding meet the requirements of the Clean Air Act (CAA), by requiring transportation planning to be consistent with its air quality goals.

Michigan Air Quality Program Vision & Goals

Work towards cleaner air in Michigan by expanding knowledge and cooperation by federal, state, and local air quality partners.

- Maintain frequent contact with air quality partners to stay well informed of changes occurring with air quality standards and requirements.
- Coordinate training at appropriate times to ensure air quality requirements are met.
- Continue to acquire knowledge and learn, to ensure regulations are met.
- Stay apprised of national discussions and provide comments on CMAQ Notice of Proposed Rulemaking (NPRM), as well as begin local dialogue to implement a performance-based CMAQ program.
- Fully implement a performance-based CMAQ Program.
- Implement all recommendations from the CMAQ Program Process Improvement.

The CAA sets a couple of requirements that connect transportation planning and air quality planning: the State Implementation Plan and Transportation Conformity (“conformity”).

State Implementation Plan (SIP)

The SIP is a collection of documents developed by air quality partners documenting procedures to monitor, control, maintain, and enforce compliance with NAAQS. According to the CAA, transportation conformity ensures transportation plans, programs, and Federal projects must conform to the purpose of the SIP and will not:

- Create new violations of the NAAQS,
- Increase the frequency or severity of existing violations of the NAAQS,
- Delay attainment of the NAAQS.

MDOT and MDEQ are leading an effort, in cooperation with air quality partners, to update Michigan’s Conformity SIP. The update began April, 2015 and is estimated to take one year to complete. The Air Quality POM will be updated once the Conformity SIP is updated to reflect any changes to the conformity process.

National Ambient Air Quality Standards (NAAQS):

Standards established by the United States Environmental Protection Agency (EPA) for specified air pollutants that are dangerous to public health or welfare.

EPA sets NAAQS for the four transportation related pollutants:

Ozone (O₃)

Carbon Monoxide (CO)

Particulate Matter (PM)

Nitrogen Dioxide (NO₂)

Attainment Areas:

Areas with no found violations of NAAQS

Nonattainment Areas:

Areas that do not meet the NAAQS

Conformity:

- Establishes the framework for improving air quality to protect public health and the environment;
- Links air quality planning and transportation planning in nonattainment and maintenance areas by requiring that transportation plans, programs, and projects demonstrate emissions resulting from their implementation are consistent with and conform to the purpose of the SIP;
- Ensures that FHWA or FTA funding and approval goes to those transportation activities and projects that are consistent with CAA goals.

Michigan NAAQS Designations
As of April 6, 2015

Areas of Michigan are in attainment for all transportation NAAQS, *except* these Maintenance areas:

1979 Carbon Monoxide
Macomb, Oakland, and Wayne Counties

1987 Particulate Matter (PM₁₀)
Wayne County

1997 & 2006 Particulate Matter (PM_{2.5})
Detroit-Ann Arbor

Conformity Program Management

MDOT has the main program management responsibilities, including day to day operations of emission modeling, working with MDEQ, and working with local air quality partners on questions related to air quality. FHWA Michigan Division provides risk-based stewardship and oversight. The Air Quality Program Manager is available to answer questions, help convey national initiatives or areas of emphasis, and help MDOT ensure the program operates efficiently.

Most of the State of Michigan is designated attainment for transportation related NAAQS, except a few areas in Southeast Michigan which are designated as maintenance. As a result, the Southeast Michigan Council of Governments is the only MPO currently required to run conformity on their transportation plans, programs, and projects.

MDOT will lead the statewide effort to standardize conformity process and documents to make the process easier for air quality partners to run and document conformity and make a conformity determination. MDOT will finalize what information needs to be in the documents, gain buy-in from air quality partners, and finalize documents for use. Estimated completion date is Fall, 2017. Once this effort is complete, the Air Quality POM will be updated to reflect changes to the conformity process.

Congestion Mitigation and Air Quality Improvement Program

Many types of federal-aid funding may be used to improve air quality. The Congestion Mitigation and Air Quality Improvement program (CMAQ) was created in 1991 specifically to fund transportation projects and programs that will contribute to attainment or maintenance of the NAAQS for ozone, carbon monoxide, and particulate matter. The CMAQ program provides funding for a broad array of tools to accomplish two important goals of the USDOT: improving air quality and relieving congestion. By choosing to fund or

sponsor a CMAQ project a State or local government, transit agency, or other eligible project sponsor can improve air quality and make progress toward achieving attainment status and ensuring compliance with the transportation conformity provisions of the CAA.

CMAQ Program Management

MDOT has the main program management responsibilities, including day to day operations, working with applicants on questions related to the CMAQ Program, organizing the annual Call for Projects (CFP) and the CMAQ CFP Subcommittee. The CMAQ CFP Subcommittee, of which FHWA Michigan Division is a member, is responsible for reviewing and determining eligibility of proposed CMAQ projects and all associated duties. The CMAQ eligibility determinations follow the process and timeline of the MDOT annual Call for Projects. The CMAQ CFP Subcommittee meets to review and discuss proposed CMAQ projects and emissions calculations. FHWA Michigan Division will monitor the need to sit on the CMAQ Subcommittee with the ultimate goal of being involved only when a new type of project is being proposed or per MDOT's request. FHWA Michigan Division provides risk-based stewardship and oversight, is available to answer questions, help convey national initiatives or areas of emphasis, and help MDOT ensure the program operates efficiently. When needed, FHWA Michigan Division will contact FHWA Headquarters with eligibility or program questions or FTA with transit eligibility questions.

Performance Based CMAQ

Under MAP-21, the CMAQ program has new performance-based features:

- Performance Measures
- Performance Targets
- Performance Plans
- Performance Reporting

The CMAQ Notice of Proposed Rulemaking is scheduled to be released in summer, 2015. Once the

CMAQ Application in Michigan Grant System (MGS)

In 2015, MDOT finalized the development of the CMAQ Application in the MGS. This system was developed to ensure applicants include all necessary information and documentation and use the correct emissions calculations form when applying for CMAQ funds. Instructions and processes for both applicants and the CMAQ Subcommittee are still being developed and will be finalized for the 2018-2022 Call for Projects. Once this effort is complete, the Air Quality POM will be updated to reflect changes to the CMAQ process.

Monitoring

Program Performance Measures and Expectation	SIP / Conformity	CMAQ
MDOT and FHWA Michigan Division will annually review the Air Quality Program Evaluation and Program Operation Manual, update where necessary to keep the program operating efficiently and progressing towards meeting the vision.	X	X
FHWA Michigan Division will review MDOT's programs on an ongoing basis through process assessments, and program reviews, and through active participation in continuous program evaluation and improvement.	X	X
FHWA Michigan Division and/or MDOT will conduct program reviews and/or assessments to ensure health of the program, as needed.	X	X
MDOT will monitor the conformity process for MPO plan and program development to ensure conformity requirements are being met.	X	
MDOT and FHWA Michigan Division will develop an Air Quality Scenario Plan for implementation of new and changing NAAQS to ensure local air quality partners can develop an action plan to understand the timing of proposed standard requirements and meet changing air quality requirements.	X	
MDOT CMAQ Subcommittee will monitor cost effectiveness of projects and ensure only projects with demonstrated air quality benefits are being funded.		X

Business Standards

Program Business Standards	SIP / Conformity	CMAQ
MDOT will involve FHWA Michigan Division in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and appropriate decisions can be made.	X	X
FHWA Michigan Division and FTA Region 5, in consultation with EPA Region 5, will make joint conformity determinations on updates or amendments to the STIP, MTPs, and TIPs within 60 days of official receipt.	X	

Program Business Standards	SIP / Conformity	CMAQ
MDOT will respond to FHWA Michigan requests for Buy America vehicle waivers by assigned deadlines. FHWA Michigan Division will send MDOT's list to FHWA HQ by assigned deadlines. Quarterly Buy America waiver requests occur approximately in January, April, July, and October.		X
MDOT will provide the FHWA Michigan Division Office the CMAQ Annual Report for the previous fiscal year by January 31st of each calendar year, using the FHWA CMAQ Database. FHWA Michigan Division will review the Report and submit to FHWA HQ by March 1st.		X
When officially requested by MDOT, FHWA Michigan Division will review and make eligibility determinations on CMAQ projects within 30 business days of receipt.		X

Helpful Links

Federal Highway Administration

- Air Quality - www.fhwa.dot.gov/environment/air_quality/
- Conformity - http://www.fhwa.dot.gov/environment/air_quality/conformity/
- CMAQ - http://www.fhwa.dot.gov/environment/air_quality/cmaq/

United States Environmental Protection Agency:

- Clean Air Act - <http://www.epa.gov/air/caa/text.html>
- Transportation and Air Quality - <http://www.epa.gov/otaq/>
- The Green Book - <http://www.epa.gov/airquality/greenbook/>
- State and Local Transportation Resources - <http://www.epa.gov/otaq/stateresources/transconf/policy.htm>
- SIP Status and Information - <http://www.epa.gov/air/urbanair/sipstatus/>

Michigan Department of Transportation

- CMAQ - http://www.michigan.gov/mdot/0,4616,7-151-9621_11041_60661---,00.html

Michigan Department of Environmental Quality

- Air Quality - <http://www.michigan.gov/deq/0,1607,7-135-3310---,00.html>
- State Implementation Plan & Attainment - http://www.michigan.gov/deq/0,4561,7-135-3310_30151---,00.html

Air Quality Acronyms

CAA Clean Air Act

CMAQ Congestion Mitigation and Air Quality Improvement Program

CO Carbon Monoxide
EPA United States Environmental Protection Agency
IAWG Interagency Working Group
MDEQ Michigan Department of Environmental Quality
MOVES Mobile Vehicle Emissions Simulator
NAAQS National Ambient Air Quality Standards
NO2 Nitrogen Dioxide
O3 Ozone
PM Particulate Matter
SIP State Implementation Plan

State and Federal Air Quality Partners

MDOT

Donna Wittl (517) 373-9049
Edward Fowler (517) 241-0171

MDEQ

Breanna Bukowski (517) 284-6737
Mary Maupin (517) 284-6755

FHWA Michigan Division

Andy Pickard (517) 702-1827
Rachael Tupica (517) 702-1829

EPA Region 5

Mike Leslie (312) 353-6880

3. ASSET MANAGEMENT

Asset management is a strategic and systematic process of operating, maintaining, and improving physical assets, with a focus on engineering and economic analysis based upon quality information, to identify a structured sequence of maintenance, preservation, repair, rehabilitation, and replacement actions that will achieve and sustain a desired state of good repair over the lifecycle of the assets at minimum practicable cost.

With the enactment of MAP-21 Legislation, requirements have been established for Asset Management and Performance Management. Final Rules are in the process of being developed to establish the Federal regulations and policies for both Asset Management and Performance Management requirements.

MAP-21 requires that FHWA establish minimum standards for SHA to use in developing and operating Bridge and Pavement management systems. PMS should follow the AASHTO Guidelines for Pavement Management Systems and the BMS should follow the AASHTO Guidelines for Bridge Management Systems. 23 CFR 500.107 has already established the following minimum BMS standards:

- Collecting, processing, and updating data
- Predicting deterioration
- Identifying alternative actions
- Predicting costs
- Determining optimal policies
- Performing short- and long-term budget forecasting
- Recommending programs and schedules for implementation within policy and budget constraints

Each State is required to develop a risk-based asset management plan for the National Highway System (NHS) to improve or preserve the condition of the assets and the performance of the system. FHWA is in the rule making process to establish the process for developing the State asset management plans for the NHS.

The asset management plan must address pavements and bridges but may at the SHA discretion also include all infrastructure assets within the highway right-of-way in their risk-based asset management plan. The plan should include strategies that lead to a program of projects that would make progress toward achievement of the State targets for asset condition and performance of the NHS. Asset Management Plan Contents (Proposed in Rule Making):

- Pavement and bridge inventory and conditions on the NHS,
- Objectives and measures,
- Performance gap identification,
- Lifecycle cost and risk management analysis,
- A financial plan
- Investment strategies

SHA must have an Asset Management Plan in place by the beginning of the 2nd fiscal year after rulemaking. Asset Management Plans are to be updated and certified by FHWA every 4 yrs.

Minimum allowable bridge condition on the NHS has been established as no more than 10% structurally deficient bridges measured by bridge deck area. Minimum allowable pavement condition on the NHS will be established through Rule Making. SHA must set State performance targets within one year of final rulemaking.

Applicable Laws, Regulations, Orders, and Procedures

- 23 CFR 500.107
- 23 U.S.C. 101(a)(2), MAP-21 § 1103
- 23 U.S.C. 119(e)(1), MAP-21 § 1106
- 23 U.S.C. § 119(e)(8), MAP-21 § 1106

Monitoring

State Report on Performance Progress

- 1st Report Due October 1, 2016
- Report Frequency is every 2 years thereafter

Report will include

- Condition and Performance of NHS
- Effectiveness of Investment Strategy
- Progress in achieving State performance targets

Business Standards

- FHWA will review the Asset Management Plan and Program within 90 days of submittal to determine certification.
- SHA will have 90 days to resolve any deficiencies from certification review.
- Recertification is required every 4 years.
- FHWA will review and respond within 30 business days to MDOT for substantive changes in its Asset Management Plan between certifications.

Program Approval Actions (to be established in Rule Making)

- FHWA will approve the SHA's Asset Management Plan.
- FHWA will approve the SHA's State Performance Targets.
- FHWA will certify the SHA's Asset Management Process.

4. BRIDGES AND STRUCTURES

Key bridge program operations activities serve to ensure bridge projects are designed, constructed, inspected, and maintained safely and economically in accordance with sound engineering practices. Some activities are required by law, regulation or FHWA policy. Other beneficial activities, which are not necessitated by law or regulation, are encouraged subject to risk assessment and resource availability. Key bridge program areas include:

- The National Bridge Inspection Program
- The NHPP and STP Bridge Program
- Bridge Design
- Bridge Construction
- Hydraulics and Scour Plans of Action
- Bridge Asset Management

Applicable Laws, Regulations, Orders, and Procedures

- Title 23 USC 144 National bridge and tunnel inventory and inspection standards
- 23 CFR 500, Management and Monitoring systems
- 23 CFR 625, Design Standards for Highways
- 23 CFR 627, Value Engineering
- 23 CFR 630, Preconstruction Procedures
- 23 CFR 650 Bridges, Structures, and Hydraulics
- 23 CFR 652, Pedestrian and Bicycle Accommodations and Projects
- 23 CFR 658, Truck Size and Weight, Route Designations – Length, Width and Weight Limitations
- 23 CFR 661, Indian Reservation Road Bridge Program

Approved Procedures, Agreements, and Manuals

- In addition to those in the current version of the Stewardship and Oversight Agreement.
- AASHTO – A Policy on Geometric Design of Highways and Streets.
- AASHTO Standard Specifications for Highway Bridges
- AASHTO LRFD Bridge Design Specifications
- Technical Advisory T 5140.21, Revisions to the National Bridge Inspection Standards (NBIS)

Monitoring

FHWA Michigan Division Office will:

- Screen bridges for funding eligibility.

- Review Preliminary Engineering Studies and Project Scopes. Review Type Size and Location reports (Structure Studies). Review bridge design plans on FHWA PODI's and POCI's. Provide oversight of bridge construction.
- Review bridge inspection Critical Finding Reports (MDOT –RFA's) which restrict traffic lanes, shoulders, or close bridges.
- Perform special process reviews of specific program elements such as hydraulics, geotechnical, design, or construction on a periodic basis.
- Perform annual reviews to establish compliance with the NBI.
- Review MDOT applications for Bridge Research grants and forward to FHWA Headquarters.
- Track funding obligations for bridge replacements, rehabilitations and preventative maintenance expenditures for both MDOT and Local Agency programs.
- Monitor EDC Bridge Initiatives (ABC, PBES, HPC, etc.).
- Review MDOT applications for Bridge Research grants and forward to FHWA Headquarters.

Business Standards

- FHWA will review and approve Plans, Specifications, & Estimates (PS&E) within 14 business days of receipt. Additional time may be requested for complex projects.
- FHWA will provide written comments to MDOT on proposed manual changes within 30 business days of the request.
- FHWA and MDOT will share respective delivery and response time data, as needed.

Program Approval Actions

FHWA will make an annual determination of compliance with the NBIS.

Program Activity Approval Chart

PROGRAM	REFERENCE	RESPONSIBLE AGENCY
NBIS Review	23 CFR 650 Subpart C	FHWA
Accelerating Innovation Deployment for Bridge Research and Development	23 USC 503 (c)	MDOT
National Historic Covered Bridge Candidate submittals	Section 1224 - TEA21	MDOT

Project Approval Actions

- FHWA will approve eligible bridge projects according to Section II of this agreement.
- Unusual or complex bridge projects on the Interstate system will require FHWA Headquarters review and approval of the preliminary Type Size and Location (TS&L) report.

Project Activity Approval Chart

Approval Action	Reference Document	FHWA PODI Projects	MDOT Non-PODI Projects	Other Projects Subject to FHWA PODI designation by Mutual Agreement
Preliminary Engineering Studies and Project Scopes	NA	FHWA	MDOT	FHWA/MDOT
TS & L	23 USC 106 23 CFR 630	FHWA	MDOT	FHWA/MDOT
Structural Plans	23 USC 106 23 CFR 630	FHWA	MDOT	FHWA/MDOT
Construction Inspections	FAPG G 6042.8	FHWA/MDOT	NA	NA
Exempt bridge from Coast Guard permit requirements	23 CFR 650.805	FHWA	FHWA	FHWA

5. CIVIL RIGHTS

The FHWA Michigan Division Office and MDOT are committed to effectively implementing and enforcing Civil Rights programs within the Federal-aid Highway Program. Civil Rights programs are administered by FHWA, MDOT, and MDOT's sub-recipients in the planning, construction, and management of Michigan's Federal-aid Highway System.

Continual emphasis and monitoring of Civil Rights programs by FHWA and MDOT occurs on a regular basis. The purpose of MDOT's Civil Rights programs is to protect the rights of those employed in, benefiting from, or affected by the FHWA or the programs, policies and activities of its recipients, sub-recipients, or contractors. Every Federal-aid Highway project/program must be in compliance with some aspect of Civil Rights laws, statutes, and/or executive orders regardless of whether the program, service, or activity is federally funded.

MDOT Civil Rights programs are administered between three units in State government. The Office of Business Development oversees:

- Equal Employment Opportunity (EEO) Contractor Compliance
- Disadvantaged Business Enterprise (DBE)
- Disadvantaged Business Enterprise Supportive Services (DBE/SS)

The Executive Office's Civil Rights Program Unit oversees:

- Title VII State Department of Transportation Internal EEO
- Title VI of the Civil Rights Act, including related statutes and Executive Orders (e.g., Limited English Proficiency and Environmental Justice)
- The Americans with Disabilities Act of 1990
- Section 504 of the Rehabilitation Act of 1973

The Office of Operations Administrative Services oversees:

- On-the-Job Training Supportive Services (OJT/SS)
- Road Construction Development Programs (RCWD)

FHWA and MDOT will ensure that all Federal-aid Highway programs, services, and activities provide equal opportunity and prohibit discrimination based on race, color, national origin, disability, sex, age, or socio-economic status. The Civil rights of low-income populations, minority populations, and the elderly, non-minority populations, persons with disabilities, and Tribal governments will be routinely and carefully considered. Complaints of discrimination will be addressed through an established complaint procedure process as described in MDOT Civil Rights programs, policies and procedures.

Approved Procedures, Agreements, and Manuals

- MDOT EEO Contractor Compliance Manual
- MDOT Limited English Proficiency Plan

- MDOT Standard Assurances
- MDOT Internal Equal Employment Opportunity (EEO) Plan (Title VII)
- FHWA Civil Rights Program Toolkit

Monitoring

- FHWA will review and approve MDOT’s programs on an ongoing basis through process assessments, and program reviews and through active participation in continuous program evaluation and improvement.
- Appropriate FHWA representatives will actively participate in MDOT initiated reviews, task forces, and other Civil Rights initiatives upon request and to the extent feasible.
- Appropriate MDOT representatives will actively participate in FHWA initiated reviews, task forces, and other Civil Rights initiatives. MDOT will ensure nondiscrimination and compliance with Civil Rights laws by its sub- recipients.
- Monthly meetings with FHWA and MDOT (internal and external programs)
- Review of required program plan/updates prepared by MDOT, providing feedback and need for corrective actions as deemed necessary before granting approval.
- Analyzing progress reports or other data submitted by MDOT to identify trends/provide feedback and recommendations.
- Process/Program reviews (including Planning Certification Reviews, environmental documents, et al).

Program Activity Approval Chart

Program			Role And Responsibilities		
Approval Action	Reference Document	Due Date	Frequency	MDOT Role	FHWA Role
ADA Transition Plan	23 CFR 652 Americans with Disabilities Act Section 504 of the Rehabilitation Act of 1987	Update as needed		Programs are developed by MDOT	Review Guidance
Environmental Justice Program	Executive Order 12898	Ongoing	As Needed	Programs developed by MDOT Transportation Planning and included by reference in the Title VI Plan and approved by MDOT	Review Guidance Approve

Limited English Proficiency Plan	Executive Order 13166 - Improving Access for Persons with Limited English Proficiency	Ongoing	As Needed	Programs are developed by MDOT EEO Officer and approved by MDOT Director MDOT ensures Sub-recipients are in compliance	Review Guidance Approve
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Performance Measures and Indicators

We will track and measure MDOT’s Civil Rights Program effectiveness with the following performance indicators and determine compliance. This is in addition to the monitoring activities noted above.

Office of Business Development-Disadvantaged Business Enterprise Performance Measures	Due	Responsible Agency
Percent of DBE participation on Federal-aid contracts	May 25 and Nov 23	MDOT
Number of DBE firms certified, graduated, and decertified	Annually	MDOT
Number of DBE Commercially Useful Function (CUF) reviews performed and outcomes	On Going	MDOT
Number of pre-qualified DBEs	Annually	MDOT
Number of projects with DBE Goal	Annually	MDOT
DBE program race-neutral participation	Annually	MDOT
Number and type of DBE Supportive Services activities, i.e., training, conferences, contractor consultations	Annually	MDOT

Note: MDOT is the responsible agency to gather the various reports from the sub-recipients and submits them to FHWA. The FHWA Civil Rights Specialist is responsible for reviewing the reports and forwarding them to HCR.

Office of Business Development – Contractor Compliance Performance Measures	Due	Responsible Agency
Number of complaints received (formal/informal) regarding prompt payment/return of retainage and actions taken	Annually	MDOT
Number of EEO Contractor Compliance reviews performed and percent with violations	Annual Report	MDOT
Number of contractors in deficiency status and type of deficiency	Annual Report	MDOT
Number of contractor training sessions on FHWA 1273	Annual Report	MDOT

Office of Business Development – On-the-Job Training (OJT) Performance Measures		
Number of OJT trainees by race and gender	Nov 15	MDOT
Number of contractors utilized in the OJT Program	Nov 15	MDOT
Number of OJT training hours	Nov 15	MDOT
Number and type of Supportive Service activities, i.e., training, TRAC, Summits	Annually	MDOT
MDOT Civil Rights Programs Unit-(Internal) - Title VII Performance Measures		
Submission and approval of a comprehensive and valid EEO Plan	As needed	MDOT
Number of complaints, law suits filed, actions taken to resolve, or accommodations made	Included in Annual Report	MDOT
Underutilization analysis and goals to eliminate underutilization when discrimination has been determined to be the reason for the underutilization	Included in Annual Report	MDOT
Number of training sessions and the number of participants in the prevention of discriminatory harassment	Included in Annual Report	MDOT
Number of managers and supervisors trained in the effective implementation of equal employment opportunity and non-discrimination policies	Included in Annual Report	MDOT

MDOT Civil Rights Programs Unit-(Internal/External) - Title VI Performance Measures		
Submission and approval of a comprehensive and valid Title VI Plan	Included in Annual Report	MDOT
Number of Title VI reviews; deficiencies noted and corrections recommended	Included in Annual Report	MDOT
Number of Title VI Training sessions (internal employees and sub- recipients)	Included in Annual Report	MDOT
Number and type of Title VI complaints filed, and actions taken to resolve or accommodations made	Included in Annual Report	MDOT
MDOT Civil Rights Programs Unit-(Internal/External) – ADA Performance Measures		
Number of ADA complaints (Internal and External)	Included in Annual Report	MDOT/FHWA
Number of projects completed to ensure ADA compliance as listed in the MDOT Transition Plan	Included in Annual Report	MDOT
HQ Dashboard		
Civil Rights Reporting Metrics and Reports	Nov 20	MDOT/FHWA

6. CONSTRUCTION AND CONTRACT ADMINISTRATION

To protect the public investment in Federal-aid highway projects, FHWA is required to assure compliance with Federal-aid contract provisions on all state and local projects that utilize Federal-aid funds. FHWA is responsible to assure specific advertisement and award procedures and effective highway project quality controls/quality assurance processes are used. In addition, FHWA is required to support transportation agencies by providing technical assistance and sharing best practices, regardless of project oversight.

Advertisement and Award Compliance

Federal responsibility includes assurance that specific procedures are followed in the advertisement and award of Federal-aid contracts. FHWA-specific contract administration responsibilities, in accordance with federal law include, but are not limited to:

- Project Authorization
- Competitive Bidding
- Contract Awards
- Buy America Provisions

Inspection Compliance

FHWA is responsible for the inspection of state and local construction projects utilizing Federal-aid funds. ISTEA, TEA-21 and SAFETEA-LU allow the delegation of FHWA construction review, oversight, and administration responsibilities, except those based on non-Title 23 Federal requirements, to MDOT. MAP-21 does not substantially change this delegation. FHWA-specific construction monitoring responsibilities include, but are not limited to:

- Quality Control and Assurance
- Contract Claims
- Contract Modifications (Including FHWA 1365, per BOH IM 2013-16)
- Payment to Contractor
- Time Extensions
- Liquidated Damage

Technical Assistance

FHWA provides technical assistance in problem solving and recommendations for improvements to state and local construction programs to ensure that high quality projects are constructed. Technical assistance is available for any project using Federal aid, regardless of oversight. MDOT field personnel should feel free to call their FHWA Area Engineer regarding eligibility or any concern relating Federal aid.

Sharing Best Practices

FHWA provides sharing of identified state-of-the-art practices and innovations in materials, equipment, construction practices, and contracting methods for the purposes of highlighting best practices.

Monitoring

The FHWA Michigan Division Office will:

- Monitor MDOT's transportation construction program, including staffing levels, procedures, and controls, according to project level oversight agreement to monitor whether transportation improvements are constructed in accordance with approved standards and acceptable contracting methods.
- Evaluate the quality of materials, equipment, construction practices, and work force used according to project level oversight agreement for the purpose of evaluating the quality of the constructed product.

Business Standards

In the spirit of cooperation, FHWA will make an effort to respond to our customers in a timely and efficient manner. FHWA will support MDOT in their transition to a paperless environment by accepting electronic submittal of project documentation.

Every PODI will have its own stewardship and oversight (S&O) plan. When included in the S&O plan the following business standards will apply:

- FHWA will review and approve special provisions, supplemental specifications, Plans Specifications & Estimates (PS&E), construction plans, contract modifications, and extension of time requests within 14 business days of receipt. The 14 business day time frame may be adjusted in emergency or unusual circumstances.

Program Approval Actions

- MDOT has the advertisement, award, and inspection compliance authority for state and local highway.
- FHWA will have specific approval authority for the authorization and obligation of Federal-aid funds for all Federal-aid projects.
- FHWA will approve the MDOT Construction manual and the Soil Erosion and Sedimentation Control manual when a change in scope or policy is proposed.

Project Approval Actions

- FHWA will approve all project and contract modifications on PoDI projects according to the project level oversight agreement.

- FHWA will conduct project inspections on FHWA PoDI projects in accordance with the project's stewardship and oversight agreement.
- For all other federal NHS and non-NHS projects, FHWA may conduct inspections, including finals, on a statewide sampling basis.
- FHWA PoDI project reference for approval actions: Construction Advisory 2015-05 ([MDOT/FHWA Interaction at Completion of a Construction Project](#))

7. DESIGN

On the program level, the FHWA Michigan Division Office approves design standards for new construction, reconstruction, resurfacing, restoration, rehabilitation, and pavement preservation of the Interstate system and other highways on the National Highway System (NHS) within the State of Michigan. FHWA provides guidance to MDOT and other public agencies on the implementation of and conformance to federal laws, regulations, and policies pertaining to preliminary and detailed design activities. FHWA also shares technical information and provides training opportunities to facilitate professional development of engineering staffs from both the public and private sectors. FHWA and MDOT staffs jointly conduct concentrated program reviews of specific elements of design produced at the project level.

On a project level, the common goal of both agencies is to develop safe, cost-efficient designs that meet the appropriate standards. The FHWA Michigan Division Office reviews and approves various engineering-related submissions, participates in project development decisions, and determines the eligibility of Federal-aid participation in accordance with the Stewardship and Oversight Agreement and the FHWA Project of Division Interest/Project of Corporate Interest Guide.

Design activities conducted during the Planning and the National Environmental Policy Act (NEPA) phases begin with a conceptual outlook and elevate in detail as the project advances. The technical information is used to compare and evaluate the feasibility of alternatives. As a project advances and a preferred alternative has been identified, design work is conducted in greater detail in order to more fully delineate the footprint of the improvement and, more accurately, verify and assess the impacts. Included in this effort, as necessary, FHWA will process and evaluate proposed exceptions to minimum design criteria (Design Exceptions), Interchange Justification Reports, Interchange Modification Reports, Interstate Access Reports, Interchange Operational Analysis Reports, Access Approval Reports, and Interstate Access Justification Studies.

During the design phase, FHWA area engineers review the design parameters and resulting NEPA mitigation commitments remain satisfied. With support from technical specialists in the FHWA Michigan Division Office and other offices, FHWA provides technical guidance to resolve issues as they arise, and makes certain that items of work are eligible for the various categories of Federal-aid funds. These efforts are accomplished through active participation in routine plan reviews and ongoing coordination with MDOT's technical specialists and project-level staff. The final design product is then ready for estimation and subsequent Certification Acceptance (CA).

The standard contracting method used by MDOT is Design-Bid-Build. However, during project development various other alternative contracting methods may be considered. Guidance on currently employed methods can be found in the MDOT Innovative Construction Contracting Guide.

Monitoring

- FHWA will monitor project design in accordance with the Stewardship and Oversight Agreement the FHWA Project of Division Interest/Project of Corporate Interest Guide, and the FHWA Compliance Assessment Program.
- MDOT will assume the FHWA's Title 23 responsibilities for design of projects not deemed to be of Division or Corporate Interest; however the FHWA may at its discretion periodically review elements of the design contract.

Business Standards

- FHWA will review and approve Design Exceptions within 14 business days of receipt.
- FHWA Michigan Division Office will review and approve Interstate System Access Change Requests within 30 business days of receipt for those actions not requiring FHWA Headquarters approval. Additional time may be requested for complex issues.
- FHWA will review and approve Plans, Specifications, & Estimates (PS&E) within 14 business days of receipt. Additional time may be requested for complex projects.
- FHWA will provide written comments to MDOT on proposed manual changes within 30 business days of the request.
- FHWA and MDOT will share respective delivery and response time data, as needed.

Program Approval Actions

- MDOT Standard Plans are reviewed and approved by FHWA on an on-going basis.
- MDOT Specifications are reviewed and approved by FHWA on an on-going basis.
- FHWA approves MDOT design manuals through participation in the MDOT Engineering Operations Committee (EOC).

8. EMERGENCY RELIEF

Emergency Relief (ER) is a special program that uses non-formula funds for the repair or reconstruction of Federal-aid Highways that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. This program supplements the commitment of resources by states, their political subdivisions, or other federal agencies to help pay for unusually high expenses resulting from extraordinary conditions.

ER funds are not intended to cover all damage repair costs or interim emergency repair costs that will be necessary to restore a facility to pre-disaster conditions. Disasters must be considered extraordinary and/or widespread to be considered for ER funding. The estimated federal portion of the damage must meet a threshold of \$700,000. Individual sites must have estimated repairs in excess of \$5,000 to be eligible.

Applicable Laws, Regulations, Orders, and Procedures

- Title 23, Section 125
- 23 CFR 668

Approved Procedures, Agreements, and Manuals

FHWA Emergency Relief Manual

Monitoring

FHWA will jointly inspect with MDOT and Local Public Agencies (LPA) where applicable, the damaged sites during the development of the disaster estimate. Depending on the extent of damage, FHWA may elect to perform a sampling of site inspections. FHWA will conduct final inspection of ER projects according to the current Stewardship and Oversight Agreement (SOA).

Business Standards

- FHWA will respond to an MDOT Letter of Intent to seek ER funds within three business days with an Acknowledgement Letter.
- FHWA and MDOT will complete a reasonable survey of the damage and a Damage Survey Report within 30 to 60 business days of the event. This may vary depending on the area of impact of the disaster.
- FHWA and MDOT, including Local Public Agencies (LPA), as needed, may perform individual site visits and complete Detailed Damage Inspection Reports (DDIR) Form FHWA-1547.
- FHWA will respond to MDOT's request for ER disaster eligibility supported by the Damage Survey Report within 14 business days with a Determination of Eligibility.
- MDOT may appeal in writing to FHWA within 30 business days of FHWA Determination of Eligibility.

Program Approval Actions

- FHWA approves site eligibility via Detailed Damage Inspection Report (DDIR) Form FHWA-1547.
- FHWA makes a Determination of Eligibility based on Damage Survey Report and supported by eligible DDIR.

Project Approval Actions

- An FHWA Determination of Eligibility Letter will inform MDOT of the projects which are to be considered full involvement by FHWA and which projects are to be state-administered. Because of the nature of the ER program, thresholds and criteria used normally to determine federal oversight may not be applicable for a particular disaster or damaged site.
- For ER projects, normal Federal-aid procedures and requirements will apply.
- All ER projects that do not fall into the category of emergency repairs require environmental approval per the established programmatic agreements between FHWA and MDOT.
- FHWA will provide waivers of Federal-aid requirements on ER projects when requested by MDOT on a project by project basis, if warranted by conditions and/or work characteristics. The state or local agency may disagree with the federal eligibility determination from FHWA.

9. ENVIRONMENT

In accordance with the National Environmental Policy Act of 1969 (NEPA), FHWA is required to consider the social and natural environment prior to making any decisions on projects that have Federal involvement; that is, Federal funding or involving Federal action (e.g., permitting by a Federal agency). FHWA has a direct oversight role in implementing NEPA. FHWA and MDOT will work together to ensure social, environmental, and economic factors are given proper consideration along with engineering factors in program and project decision-making.

In general, under environmental actions:

- FHWA's primary role is to provide guidance and independent oversight of the NEPA process involving all transportation projects funded through the Federal Aid Program. FHWA also provides guidance and oversight for Federal Aid-funded projects covered by other Federal laws and regulations on the natural and human environment, including, but not limited to, Section 4(f) of the Department of Transportation Act, the Endangered Species Act, the National Historic Preservation Act, the Clean Air Act, the Clean Water Act, etc.
- MDOT is responsible for ensuring compliance with Federal environmental law and regulations for all Federal aid transportation projects in the state. MDOT will maintain qualified professional staff to ensure compliance and conduct analyses.
- MDOT maintains documentation of environmental activities.
- FHWA assures that appropriate analyses are conducted, approval actions are timely, and public involvement is an element of MDOT's environmental program.
- FHWA and MDOT will continue to work together to streamline the environmental process.

Applicable Laws, Regulations, Orders, and Procedures

The basis of the environmental evaluation of these transportation projects is the National Environmental Policy Act (NEPA) of 1969. Since the passage of NEPA, numerous environmental laws, Executive Orders, and agency policies and guidelines have been implemented to aid in interpreting NEPA mandates. Other laws and regulations are also part of the environmental program. See below.

Approved Procedures, Agreements, and Manuals

- FHWA Technical Advisory T6640.8A: Guidance for Preparing and Processing Environmental and Section 4(f) Documents.
- FHWA SAFETEA-LU Environmental Review Process: Final Guidance
- FHWA Section 4(f) Policy Paper
- MDOT Environmental Procedures Manual
- MDOT Scoping, Road, and Bridge Design Manuals
- MDOT Public Involvement Guide
- MDOT Stakeholder Engagement Guide
- MDOT Highway Noise and Abatement Manual (Draft expected to be finalized by July 2011.)

Applicable Laws, Regulations, Orders and Procedures

Environmental Topic	Law	Implementing Regulations
Antiquities Act, 1906	16 USC 431-433	36 CFR 251.50-64 42 CFR 3
American Indian Religious Freedom Act, 1978	42 USC 1996	N/A
American with Disabilities Act, 1990	42 USC 126	23 CFR 652
Archeological and Historic Preservation Act, 1974	16 USC 469	36 CFR 66
Archeological Resources Protection Act, 1980	16 USC 470	43 CFR 7 18 CFR 1312 32 CFR 79 36 CFR 229 36 CFR 296
Bald and Golden Eagle Protection Act, 1940	16 USC 668	N/A
Title VI of the Civil Rights Act, 1964	42 USC 2000d et seq.	49 CFR 21 and 23 CFR 200
Civil Rights Restoration Act, 1987	20 USC 1681 et seq.	N/A
Clean Air Act, 1970	42 USC 7401 et seq. 42 USC 7509, 75219(a) 23 USC 109(J)	23 CFR 771 40 CFR 51 & 93
Clean Water Act, 1972	33 USC 1251 et seq.	33 CFR 26 40 CFR 122-124
Coastal Zone Management Act, 1972	16 USC 1451	15 CFR 923-930
Comprehensive Environmental Response, Compensation, and Liability Act, Superfund Amendments and Reauthorization Act,	42 USC 9601 et seq.	40 CFR 300 43 CFR 11
Department of Transportation Act, Section 4 (f), 1966	49 USC 303 23 USC 138	23 CFR 774
Endangered Species Act, 1973	16 USC 1531 et seq.	7 CFR 335; 50 CFR 17, 23, 81, 222, 225-227, 402, 424, 450, 453
Executive Order 11991, Protection and Enhancement of Environmental Quality, 1970	N/A	N/A
Executive Order 11988, Floodplain Management;	N/A	23 CFR 650, 771; 44 CFR 59-62, 64-68, 70-71, 75-77
Executive Order 11990, Protection of Wetlands	N/A	DOT Order 5660.1A 23 CFR 777
Environmental Topic	N/A	Federal Register Vol. 60, No. 125, pp. 33896- 33903
Executive Order 13166, Limited English Proficiency 2000		FR Vol. 59, No. 32

Environmental Topic	Law	Implementing Regulations
Wild and Scenic Rivers Act, 1968	16 USC 1271-1287	36 CFR 251, 297; 43 CFR 8350

Monitoring

The FHWA will monitor compliance with environmental requirements using project-by-project approval steps and, periodic quality assurance reviews of the environmental process.

Business Standards

Activity	MDOT Action	FHWA Action	Result
Level 1, 2, or 3 Categorical Exclusion (CE)	Prepare and Approve	Periodic Audit	Approved CE
Level 4 CE	Prepare, approve and submit to FHWA for approval	Approve CE (30 business days)	Approved CE or instructions for revision
Draft Environmental Assessment (EA)	Prepare and submit to FHWA for comment	Review and Comment (30 business days)	Comments
Environmental Assessment	Prepare, approve and submit to FHWA for approval	Approve EA for circulation or return for revision (15 business days)	Approved EA or instructions for revision
Finding of No Significant Impact (FONSI)	Prepare FONSI request and submit to FHWA	Prepare and Issue FONSI or notify MDOT of need for EIS (30 business days)	FONSI or consider NOI
Notice of Intent (NOI)	Prepare Draft Notice of Intent and forward to FHWA	Review and revise NOI and publish in the Federal Register (15 business days)	Published NOI in the Federal Register
Cooperating and Participating Agency Request Letters	Prepare and distribute request letters to state and local agencies	Prepare and distribute request letters to Federal agencies (15 business days)	Cooperating & Participating Agencies identified
Preliminary Draft Environmental Impact Statement (DEIS)	Prepare and submit to FHWA for review	Review and comment (30 business days)	Written comments
DEIS	Prepare, approve, and submit to FHWA for approval	Approve DEIS or return for revision (30 business days)	DEIS or instructions for revision
Draft Final Environmental Impact Statement (FEIS)	Prepare and submit to FHWA for review	Review and comment (30 business days)	Written Comments
FEIS Legal Sufficiency	Prepare and submit to FHWA for review	Request Legal Sufficiency review (15 business days)	FEIS Legal Sufficiency

Activity	MDOT Action	FHWA Action	Result
FEIS	Prepare, approve, and submit to FHWA for approval	Approve FEIS or return for revision (15 business days)	FEIS or instructions for revision
Record of Decision (ROD)	Prepare a Draft ROD and submit to FHWA	Review, Revise, and Issue ROD (30 business days)	ROD
Major Projects (total cost ≥ \$500 million) – Project Management Plans	Prepare Project Management Plans (PMP) in accordance with SAFETEA-LU and FHWA HQ Project Management Plan Guidance. PMPs must be completed and approved prior to issuing ROD or FONSI and prior to issuing request for authorization of Federal aid funds for right-of-way acquisition or construction.	Review and approve	Approved PMP
Programmatic Section 4(f) Evaluation with Level 1, 2, or 3 CE	Prepare and approve, submit to FHWA for opportunity to object	No action required. FHWA Michigan Division can object to MDOT's approval within 15 business days	Approved Section 4(f) evaluation
Draft Programmatic Section 4(f) Evaluation with Level 4 CE	Prepare and submit for FHWA approval	Approve Programmatic Section 4(f) Evaluation or return for revision (15 business days)	Approved Section 4(f) Evaluation or instructions for revision
Draft Individual Section 4(f) Evaluation Draft Programmatic Section 4(f) Evaluation with Level 4 CE	Prepare and submit to FHWA for review Prepare and submit for FHWA approval	Review and comment (30 business days) Approve Programmatic Section 4(f) Evaluation or return for revision (15 business days)	Comments Approved Section 4(f) Evaluation or instructions for revision
Section 4(f) Legal Sufficiency Draft Individual Section 4(f) Evaluation	Prepare and submit to FHWA for review. Prepare and submit to FHWA for review.	Request Legal Sufficiency review (30 business days). Review and comment (30 business days)	Section 4(f) Legal Sufficiency Comments
Final Section 4(f) Evaluation Section 4(f) Legal Sufficiency	Prepare and submit for FHWA approval; acquire SHPO concurrence. Prepare and submit to FHWA for review.	Review and approve or return for revision (15 business days) Request Legal Sufficiency review (30 business days)	Final Section 4(f) Evaluation or instructions for revision Section 4(f) Legal Sufficiency
Section 106 Adverse Effect Determination Final Section 4(f) Evaluation	Make determination and forward to the Advisory Council on Historic Preservation Prepare and submit for FHWA approval; acquire SHPO concurrence	No action required. Review and approve or return for revision (15 business days)	Adverse Effect Determination Final Section 4(f) Evaluation or instructions for revision

Activity	MDOT Action	FHWA Action	Result
Section 106 Memorandum of Agreement (MOA) Section 106 Adverse Effect Determination	Negotiate MOA with SHPO and consulting parties. If ACHP requests participation, FHWA and ACHP will be signatories to MOA. Make determination and forward to the Advisory Council on Historic Preservation	No action required, except when ACHP is a party to MOA.	Executed Section 106 MOA or instructions for revision Adverse Effect Determination
Draft written Re-evaluation Section 106 Memorandum of Agreement (MOA)	Prepare and submit to FHWA for review. Negotiate MOA with SHPO and consulting parties. If ACHP requests participation, FHWA and ACHP will be signatories to MOA	Review and comment (30 business days). No action required, except when ACHP is a party to MOA	Comments on Executed Section 106 MOA or instructions for revision
Written Re-evaluation Draft written Re-evaluation	Prepare and submit to FHWA for approval Prepare and submit to FHWA for review	Approve Re-evaluation or return for revision (15 business days). Review and comment (30 business days)	Comments, Re-evaluation, or instructions for revision
Written Re-evaluation	Prepare and submit to FHWA for approval	Approve Re-evaluation or return for revision (15 business days)	Re-evaluation or instructions for revision

MDOT and FHWA will share respective delivery and response time data, as well as other relevant information, on a quarterly basis.

Program Approval Actions

- MDOT has been delegated programmatic approval authority for specific categorical exclusions.
- MDOT has been delegated programmatic approval authority for specific Section 4(f) evaluations.
- MDOT has been delegated programmatic approval authority for Section 106 determinations and specific consultation actions.
- MDOT also acts as an FHWA non-federal representative for informal Section 7 ESA consultation.
- MDOT public involvement procedures have been approved by FHWA (November 2002).

Project Approval Actions

As early as practicable in a project's development, the FHWA and MDOT will collaborate on the proper environmental (NEPA) classification for a project:

- Class I = EIS
- Class II = CE
- Class III = EA

For all projects that require an action be taken by FHWA, FHWA and MDOT will work together in the project pre-engineering phase to ensure compliance with NEPA and other applicable laws before an alternative is selected. The level of involvement is commensurate with the level of environmental impacts or project complexity.

- FHWA will review and approve Level 4 Categorical Exclusions and associated Programmatic Section 4(f) Evaluations, EA, EIS, Section 4(f) Individual Evaluations, net benefit Section 4(f) evaluations, and Section 4(f) De Minimis determinations which are prepared by MDOT.
- FHWA is also an active member of individual project teams and helps guide the project planning.
- All documents requiring legal sufficiency review (final EIS and final Section 4(f) Evaluations) are sent to the FHWA Office of the Chief Counsel in Matteson, Illinois by the FHWA Michigan Division Office prior to approving these documents. The goal is to provide legal sufficiency review comments to the FHWA Michigan Division Office within 30 business days after receipt of the document. Environmental re-evaluations are conducted through informal consultation and formal written documentation when appropriate.

10. FINANCIAL MANAGEMENT

FHWA is responsible for overall program oversight and ensuring compliance with federal requirements in the delivery of the Federal-aid Highway Program to protect the public investment and ensure accountability in Federal-aid expenditures. FHWA responsibility is implemented through this Agreement and in partnership with MDOT.

FHWA is responsible to perform financial integrity, project delivery, and major project oversight reviews of MDOT's financial management systems. To strengthen the oversight of projects and increase the accountability of MDOT's project delivery process, all major projects exceeding \$100 million in total project costs are required to have finance plans.

MDOT recognizes that sound federal financial management stewardship and oversight encompasses the entire Federal-aid Highway Program from the authorization to proceed with preliminary engineering through construction and debt retirement. Further, that the correctness and propriety of all Federal-aid claims are MDOT's primary responsibility whether the primary cost document originates within MDOT or with some third party. This responsibility is fulfilled by MDOT maintaining adequate and tested financial and operating policies and procedures and a sound accounting system with proper internal controls together with suitable audit activities. In addition, MDOT is responsible for developing standards for estimating project costs.

FHWA recognizes a need for complete understanding of all pertinent financial and operating policies and procedures of MDOT. It is the responsibility of the FHWA to provide technical assistance and advice in funding and financial areas in a timely manner to meet the processing needs of MDOT.

The culmination of MDOT's and FHWA financial management stewardship and oversight is the annual Federal Managers' Financial Integrity Act certification, completed by FHWA Michigan Division Office, of internal and financial controls to substantiate MDOT's financial statements.

Applicable Laws, Regulations, Orders, and Procedures

The Federal-aid Highway Program is a state-administered, federally-assisted program. Federal-aid Highway funds are authorized by Congress to assist the States in providing for construction, reconstruction, and improvement of highways and bridges on eligible Federal-aid Highway routes and for other special purpose programs and projects. Below is a list of applicable laws, regulations, and policies used in implementing the Federal-aid Program:

- 23 CFR
- 23 USC
- 49 USC
- 49 CFR
- 48 CFR
- Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)

- The Federal Funding Accountability and Transparency Act (FFATA)
- Transportation Equity Act for the 21st Century
- Chief Financial Officer Act of 1990
- Federal Managers' Financial Integrity Act of 1992
- Cash Management Improvement Act of 1990
- OMB Circular A-123 (Management Accountability and Control)
- OMB Circular A-127 (Financial Management Systems)
- Financial Integrity Review and Evaluation (FIRE) Program Order and Toolkit
- FHWA SAFETEA-LU Implementing Guidance Memorandums
- FHWA MAP-21 Implementing Guidance Memorandums
- 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award
- Federal Cash Management Improvement Act
- Moving Ahead for Progress in the 21st Century (MAP-21)
- Highway and Transportation Funding Act of 2014 (P.L. 113-159)

Approved Procedures, Agreements, and Manuals

- Advance Construction Guidelines
- MDOT Indirect Cost Allocation Plan
- MDOT Single Audit Report Monitoring
- FHWA Project Authorization Standard Operating Procedure
- FHWA Inactive Obligations Management Process Standard Operating Procedure
- FHWA Billing Review Improper Payment Review Process Standard Operating Procedure
- FHWA Rapid Approval State Payment System¹ (RASPS) Standard Operating Procedure
- FHWA Project Close-out Standard Operating Procedure
- MDOT Right-of-Way B-Phase Obligation Adjustments
- FHWA 2 CFR 200 Implementation Guidance
- FHWA Project Fund Management Guidance
- FHWA / MDOT Inactive Project Restart Agreement

Monitoring

FHWA will monitor all financial management and accounting activities through process reviews, improper payment reviews, inactive Federal-aid projects reviews, and Federal-aid billing reviews, as prescribed by the FHWA Financial Integrity Review and Evaluation (FIRE) Program. FHWA will conduct verification activities to assure that the laws, regulations, policies and agreements are followed by MDOT in carrying out the assumed responsibilities.

Reviews will encompass both MDOT and local agencies. Through periodic contact with MDOT personnel, FHWA will provide guidance and technical assistance in such areas as

¹ Rapid Approval State Payment System (RASPS) scheduled to be replaced by Current Bill module in FMIS 5 in early Fiscal Year 2016.

project finance plan preparation, fiscal document processing, cost eligibility determinations, financial management and reimbursement.

FHWA will, to the maximum extent possible, utilize the work of MDOT and State auditors to limit the scope of FHWA reviews. Risk assessment techniques will be used where appropriate to determine areas for review. Additionally, FHWA will promote best practices in financial management and project funds management to improve the efficiency in the administration of the Federal-aid Highway Program. FHWA also will promote the use of innovative finance techniques that are effective in leveraging funds, reducing project costs, or expediting project completion.

Business Standards

Work Activity	MDOT Action	FHWA Action	Remarks
RASPS Current Bill ² Billing	Submits electronically as often as desired	Act upon within the established deadline	Source documentation will be randomly sampled and reviewed by FHWA
Federal-aid Billing Review	Responds to requests for information and documentation to validate Federal-aid billing transactions from FHWA within 5 business days	Provide a listing of transactions being reviewed. Upon completion of review provide MDOT with results of Federal-aid Billing Review	Results of review used to support annual Federal Managers' Financial Integrity Act (FMFIA) certification
State Infrastructure Bank Annual Report	Prepare annually within 90 business days from the end of the Federal FY	Review the report and take appropriate action. Send copy of report to FHWA Office of Innovative Program Delivery.	
Major Projects (total cost > \$500 million) – Financial Plans and Cost Estimates	Prepare financial plans and cost estimates in accordance with MAP-21 and FHWA HQ Project Financial Plan Requirements Guidance Memorandum. Financial plan are to be completed prior to request for authorization of Federal-aid funds for construction	Review and approve as appropriate	Some Financial Plans in this category will require FHWA HQ approval

² Rapid Approval State Payment System (RASPS) scheduled to be replaced by Current Bill module in FMIS 5 in early Fiscal Year 2016.

Work Activity	MDOT Action	FHWA Action	Remarks
Other Projects (total cost between \$100 million & \$500 million) – Financial Plans Project Funds Management	Prepare financial plans in accordance with MAP-21 and FHWA HQ Project Financial Plan Requirements Guidance Memorandum. Financial plan are to be completed prior to request for authorization of Federal-aid funds for construction	Review financial plans as part of stewardship and oversight responsibility	N/A
Inactive Federal-aid Project Review	Review and address a designated list of inactive projects quarterly and provide certification that the obligations are (1) proper and valid; (2) the funds are being used effectively; and, (3) unused funds are properly safeguarded and/or de-obligated to minimize misuse.	Review and take appropriate action to provide reasonable assurance that the obligation amount is valid. Follow-up to ensure unneeded funds are de-obligated promptly	Results of review used to support annual FMFIA certification
Funds Transfer Requests	Prepare and submit Funds Transfer Requests as needed	Review and take appropriate action within 5 business days	Endorsed Funds Transfer Requests are submitted to FHWA HQ for further processing
MDOT Single Audit	Ensure MDOT is included in the annual Statewide Single Audit and copies of the audit report are submitted by June 30 of every year	Review and take action to ensure findings are resolved	Results of review used to support annual FMFIA certification
MDOT Sub-Recipient/ Single Audits	Review and take action to ensure findings are resolved, submit summary listing to FHWA	Review and take action to ensure compliance	N/A
Project Authorizations/ Agreements and Modifications	Prepare and submit as needed	Review and act upon within 5 business days	N/A
Consultant Audits	Annually conduct audits and risk-based pre-qualification reviews and submits listing of audits as requested.	Request listing as needed for review.	N/A

Work Activity	MDOT Action	FHWA Action	Remarks
Apportionments, Allotments, Obligations	Monitor apportionments, allotments, and obligations to ensure that all funding is used efficiently within each quarter and use all Obligation Authority (OA) by the end of the year.	Ensure apportionments, allotments, and obligation notices are provided to MDOT in a timely manner.	N/A
Approval of Indirect Cost Allocation Plans (ICAPs)	Certify that the ICAP was prepared in accordance with 2 CFR Subpart E.	Review and take appropriate action in a timely manner.	N/A
FIRE Program Activities	Provide oversight and conduct reviews to ensure Federal-aid compliance.	Prepare and execute and annual FIRE Plan. Review and monitor.	MDOT responsibilities include multiple task in support of risk assessments, conducting reviews, and implementation of recommendations
Audit Coordination/FHWA Financial Statement Audit/State External Audit Reviews/State Internal Audit Reviews	Assures corrective action is taken to resolve audit findings.	Monitor activities to ensure implementation.	
Improper Payments Review	Provide all information necessary to document sampled payments	Review and complete appropriate data submittal forms	
Reviews of State Transportation Departments Financial Management Systems - Financial Integrity	Maintain compliant financial systems.	Review financial managements systems and provide recommendations to MDOT.	23 USC 106(g)(2)(A) states that the Secretary shall perform annual reviews that address elements of the State transportation departments' financial management systems that affect projects approved under subsection (a).

Work Activity	MDOT Action	FHWA Action	Remarks
Review Adequacy of Subrecipient Project Delivery Systems and Sufficient Accounting Controls to Manage Federal Funds	Ensure subrecipient maintain adequate project delivery systems and have sufficient accounting control to manage Federal funds.	Provide assistance in reviewing subrecipient project delivery systems	
Approval of Increased Federal Share Agreement (Sliding Scale)	Prepare agreement for use of the increased Federal share allowable under 23 USC 120(b)(2). Demonstrate compliance with statute and agreement.	Review agreement and take appropriate action.	A State must enter into an agreement with FHWA for use of the increased Federal share allowable under this section, which must be reviewed and updated periodically as agreed to in the agreement.
Toll Credit and Maintenance of Effort (MOE) Calculation and Agreement	Calculate the amount of eligible toll credit and submit for approval.	Review and approve the request as appropriate.	
TIFIA Credit Program	Submit request for credit assistance to FHWA	Assist MDOT submit request for assistance and ensure submittal goes to the proper FHWA HQ Program Office.	Project sponsors submit requests for credit assistance to the TIFIA JPO for review; approval by the Secretary
GARVEEs	Prepare MOUs for each GARVEE issue.	Contact FHWA Office of Innovative Program Delivery for review/concurrence before final approval.	
Annual Audit of Toll Facility Records and Certification of Adequate Maintenance - Report Submittal	Submit annual reports to FHWA	Review reports and take appropriate actions	
Highway Statistics Reports	Submit required reports.	Ensure reports are submitted in timely manner.	State DOT of Division Office sends directly to HQ.
Motor Fuels Report	N/A	Ensure reports are submitted timely.	Michigan Department of Treasury submits reports within 60 days after end of each reporting month

Work Activity	MDOT Action	FHWA Action	Remarks
Vehicles and Drivers (561, 562, 566, and 571)	Submit required reports by April 1 st of each year.	Ensure reports are submitted by required due dates.	
Finance (531, 532, 541, 542, and 543 (optional))	Submit required reports by April 1 st of each year.	Ensure reports are submitted by required due dates.	
State DOT / Toll Authority Audits and Published Annual Reports and Form 539 (optional)	Submit required reports.	Ensure reports are submitted in timely manner.	Annually, Due as soon as available.
Finance (536)	Submit required reports.	Ensure reports are submitted in timely manner.	Biennially for odd numbered years. Due nine months after end of reporting year
Finance (534)	Submit required reports.	Ensure reports are submitted in timely manner.	Annually for State, Biennially for local
Motor Fuel Oversight Review	Review and verify annual progress reports.	Ensure a timely review and response to requests.	Annual progress reports and statement of verification by June 30.
Review of Biennial – Toll Facilities in the United States	Assist FHWA in conducting review.	Conduct and complete review and submit results to FHWA HQ.	
Highway Use Tax Evasion Grant Awards	N/A	In coordination with the Internal Revenue Service review applications and select awardees for projects designed to reduce or eliminate fuel tax evasion. Review annual progress reports on projects.	

Work Activity	MDOT Action	FHWA Action	Remarks
Heavy Vehicle Use Tax (HVUT) – Certification of verifying proof-of-payment of HVUT	N/A	Submit certification to FHWA HQ.	Each year, the Governor of each State, or a designee must certify that the State is verifying that the HVUT has been paid before they issue or renew registrations on vehicles over 55,000 lbs. The HVUT program is administered by the Internal Revenue Service. The Michigan Secretary of State administers the program in Michigan.
Heavy Vehicle Use Tax (HVUT) – Triennial review of State program	N/A	Perform a review every 3 years of the State's process for verifying that the HVUT has been paid before a registration can be issued or renewed for vehicles over 55,000 lbs.	The HVUT program is administered by the Internal Revenue Service. The Michigan Secretary of State administers the program in Michigan.

Program Approval Actions

- FHWA will approve the accounting process used to develop the payroll additive rates and indirect cost rates as needed.
- FHWA will approve the resolution of OIG and state audit findings as needed.
- FHWA will approve the Federal-aid current billing as needed.
- FHWA will approve MDOT's ICAP.
- FHWA will approve MDOT's Increase Federal Share Agreement.
- FHWA will approve MDOT's request for toll credits.

Project Approval Actions

- FHWA will approve final vouchers, project agreements, and modified project agreements on all projects.
- FHWA will approve finance plans and cost estimates for major projects exceeding \$500 million in total project costs.
- FHWA will approve fund transfer requests.

Performance Measures

Allow no Federal-aid funds to lapse or expire

11. INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

FHWA works in cooperation with MDOT in the development and implementation of Intelligent Transportation Systems (ITS) initiatives in Michigan. MDOT has established a multi-disciplinary ITS Steering Committee, of which FHWA is a member, to provide technical screening, strategic direction, and oversight at the program level.

FHWA and MDOT work cooperatively with Metropolitan Planning Organizations and Rural Task Force Committees to promote ITS planning, regional architecture use, and adoption and integration of ITS at the local level. MDOT and FHWA will work cooperatively to assure that ITS projects are consistent with the national ITS architecture, incorporate ITS standards, and are fully integrated.

FHWA and MDOT have formed partnerships in support of safety and congestion relief initiatives with other local, state, and international transportation agencies, including fire and law enforcement.

Approved Procedures, Agreements, and Manuals

- MDOT ITS Strategic Plan
- MDOT Connected Vehicle Strategic and Business Plan
- MDOT Regional ITS Architectures and Deployment Plans for the Bay Region; Grand Region; North Region; the Southeast Michigan Council of Governments (SEMCOG) including Livingston County; the Southwest and University regions except Livingston County; Superior Region; the Grand Valley Metropolitan Council; and the Tri-county Regional Planning Commission
- MDOT Bureau of Highway Instructional Memoranda
- National ITS Architecture (US DOT Research and Innovative Technology Administration – ITS Joint Program Office)
- Regional ITS Architecture Guidance (FHWA/FTA)

Monitoring

- FHWA will review project development, review and approve Plans, Specifications, and Estimates (PS&E) for major ITS projects and other projects selected for FHWA oversight.
- FHWA will provide ongoing technical assistance in the use of regional ITS architectures, systems engineering analysis, and ITS standards, include these areas in routine risk assessment evaluations, and work cooperatively with MDOT to use process review techniques to assess and improve processes and procedures.
- FHWA will participate in project steering committees or other ongoing oversight processes for all major ITS projects and Congressionally- designated ITS projects.

Business Standards

- MDOT will provide FHWA with copies of ITS regional architectures or amendments within 30 business days of adoption. If the owners of the regional architectures choose to have FHWA concur in the architecture, FHWA will be allowed 21 business days, from receipt date, to review and act on the document.
- FHWA will follow prescribed processing requirements for individual project actions related to regional architecture conformity, systems engineering analysis completion, and standards conformity as defined in this program overview.
- FHWA will follow prescribed processing requirements for ITS “earmark” projects as defined in specific implementation processes issued by FHWA Headquarters for each appropriation cycle.

Project Approval Actions

- MDOT assumes the FHWA responsibility for all reviews and approvals for design, construction and final inspection of all ITS projects that are not major ITS projects. This applies to all ITS projects on NHS and on non-NHS facilities. FHWA will retain full federal oversight for major ITS projects, unless it is determined during project-by-project consultation and mutual agreement by FHWA and MDOT that MDOT assumes FHWA responsibility.
- All ITS projects (stand-alone or ITS-incorporated in other work) need to accommodate the interface requirements and information exchanges specified in the regional ITS architecture and there must be a commitment to the operations, management and maintenance of the overall system.
- MDOT will make a determination of conformity of ITS projects with the regional ITS architecture and document conformance using MDOT Form
- 2560 – Regional ITS Architecture Conformance and Maintenance Documentation Form. MDOT will forward the approved Form 2560 to FHWA for their records.
- All ITS projects need to be developed based on a systems engineering analysis. MDOT will make a determination of conformity of ITS projects with the systems engineering analysis requirement.
- All ITS projects need to use applicable ITS standards and interoperability tests that have been officially adopted, by rulemaking, by US DOT. MDOT will make a determination of conformity of ITS projects with the ITS standards requirement and notify the FHWA Michigan Division Office.
- Discretionary grants or earmarks (i.e., Integrated Mobile Observations program) are normally non-construction projects and will be advanced and/or approved on a case-by-case basis. Typically, the projects are designated by earmark in appropriations acts, or provided as part of a larger US DOT program, with specific implementation processes issued by FHWA headquarters for each appropriations cycle.

12. LOCAL PUBLIC AGENCIES

To protect the public investment in Federal aid highway projects, FHWA is required to assure compliance with Federal aid contract provisions on all local projects that utilize Federal aid funds. FHWA is responsible to assure specific advertisement and award procedures and effective highway project quality controls/quality assurance processes are utilized. In addition, FHWA is required to support transportation agencies by providing technical assistance and sharing best practices.

Title 23 USC does not recognize local entities as direct recipients of Federal aid funds; therefore, MDOT is responsible and accountable for ensuring that Federal aid requirements are met on all Local Public Agency (LPA) projects. FHWA will work in partnership with MDOT to ensure Federal aid requirements are met.

Act 51 of 1951 as amended, authorizes MDOT to act as agent and to accept Federal aid funds on behalf of local public agencies for transportation projects. MDOT is required by law to share the Federal aid funds with the LPA at a ratio of 75 percent for the trunkline and 25 percent for the LPA, excluding the bridge funds. Public agencies include counties, cities, villages, and port authorities. Nearly all transportation projects under the jurisdiction of local agencies are projects off the National Highway System (NHS), or Federal aid eligible projects on non-Federal aid public roads or facilities.

Although MDOT cannot delegate responsibility, activities can be delegated to the LPA under Federal Regulation 23 CFR 1.11 and 635.105. In those cases where activities are delegated to the LPA, MDOT will review and take actions necessary to assure local compliance with all requirements of state and federal laws, regulations, and policies.

Non-NHS projects administered through MDOT will be designed, constructed, operated, and maintained in accordance with State laws, regulations, directives, safety standards, design standards, and construction standards as permitted under 23 USC 109(o), in lieu of NHS-based Title 23 USC requirements (23 USC 106).

Title 23 USC requirements that are applicable to all Federal aid projects include, but are not limited to, transportation planning, procurement of professional services, Davis-Bacon wage rates (as applicable), advertising for bids, Buy America Act provisions, and other requirements. All Federal aid projects must comply with applicable non-Title 23 USC requirements, as described in Section II of this Agreement.

Local Technical Assistance Program (LTAP)

The Michigan Local Technical Assistance Program (LTAP) conducts annual surveys of local agency training needs. Survey results are used as the basis for developing the curriculum of technical workshops and deployment training courses offered during the next year, and is regulated under 23 USC 504(b). LTAP was created to provide educational training, technical assistance and related support services for rural, smaller urban and

tribal governments, as well as consultants and contractors that do work for local agencies on roads, bridges, and public transportation. The Michigan LTAP Center is located at Michigan Technological University, Houghton, Michigan.

Applicable Laws, Regulations, Orders, and Procedures

- 23 USC applies to all research and technology transfer activities.
- Title 23, CFR, Part 420 and 450 apply to State Planning and Research
- Program Administration
- MDOT Research, Development and Technology Transfer Manual of
- Procedures

Monitoring

- FHWA provides oversight to the LTAP program through review of the annual work program.

Business Standards

- FHWA will review and approve the LTAP annual work plan within 14 business days.

Program Approval Actions

- Michigan LTAP coordinates with the FHWA to draft an Annual Work Plan based on the State fiscal year. FHWA reviews the draft LTAP Work Plan. FHWA comments are incorporated into the draft work plan and the final version is approved by FHWA.

Project Activities Approval Chart

PROJECT ACTIVITIES		AGENCY RESPONSIBILITY		
Approval Action	Reference Document	Review	Approve	Remarks
LTAP	23 USC 504(b)(1) and (2)	FHWA	FHWA	Annually develop the work plan

Monitoring

- FHWA shall review and concur with the MDOT LPA Manual for the administration of the Federal aid Highway Program to local agencies.
- FHWA may request data at any time to support the administration of the Federal aid Highway Program.
- FHWA will periodically perform Program Reviews to improve the efficiency and accountability of the program.

- FHWA will monitor compliance with environmental requirements through project-by-project approval actions, biennial quality assurance reviews and improvement reviews of the MDOT Local Agency Programs unit.
- Additional monitoring may be done on a program-wide basis using process reviews.

Business Standards

- FHWA will review and comment on revisions to the LPA Manual and Policy within 30 business days.
- Project-level approvals will follow agreed business standards described elsewhere in this Agreement.
- MDOT will involve FHWA in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and
- appropriate decisions are made collectively.
- FHWA and MDOT will share respective delivery and response time data, as well as other relevant information on a monthly basis.

Program Approval Activities

To the extent permitted in 23 USC Section 109(o), non-NHS projects administered by MDOT or LPA will follow State laws, rules, and standards for State-aid funded projects, in lieu of Title 23 requirements. For LPA- administered projects, MDOT shall maintain a Local Program Administration manual that encompasses the requirements of local governments to utilize Federal aid funds. FHWA will review and concur in any additions, modifications, or changes to the manual. MDOT-administered projects will follow MDOT procedures.

MDOT retains its responsibilities under federal law and regulations for all delegated activities. MDOT will provide the necessary processes, approvals, oversight, and review to ensure that delegated projects receive adequate supervision and inspection, and that they are completed in conformance with approved plans and specifications and applicable federal requirements.

FHWA-specific construction monitoring responsibilities include stewardship in the following areas (but not limited to):

- Quality Control and Improvement
- Contract Claims
- Contract Modifications
- Work Orders
- Payment to Contractor
- Extensions of Contract Time
- Liquidated Damages
- Construction File Administration
- File Retention

The following activities will not be delegated to local agencies:

- NEPA Review and Approval
- Design Exception Approval
- Right-of-Way Certification
- DBE Goals and Waivers
- Final Inspection and Acceptance
- Sole Source and Proprietary Justification Approval
- Labor Compliance Enforcement
- Rejection of Bids
- Project Cost Eligibility
- Federal aid Payments

By written agreement with a local agency, MDOT may delegate all or some project activities to local agencies, whether or not Federal aid funds are used. Those activities include, but are not limited to:

- Environmental studies
- Procurement of consultant services
- Design
- Surveying
- Right-of-Way acquisition
- Work by railroads or utility companies
- Preparation of plans, specifications and estimates
- Preparation of bid proposal package
- Advertisement for letting
- Contracting
- Contract administration
- Inspection

Project Approval Activities

MDOT shall assume the responsibility and represent FHWA in behalf of administering the Federal aid system to local governments. The following is a list of some specific project-related actions that shall be performed on projects that use Federal aid funds. However, this list is not a comprehensive list and is subject to change due to federal law, regulation, and policy modification.

- Environmental clearance must be obtained from FHWA or acquired through MDOT prior to the final design or right-of-way actions.
- Projects will be developed in accordance with MDOT LPA and location and design manuals, the appropriate AASHTO publication, or other
- MDOT-approved standards. MDOT will ensure that there are LPA written design standards or otherwise the LPA must use AASHTO standards.
- MDOT shall review and approve design exceptions and sole source requests by local agencies.

- MDOT shall review plans, specifications, and estimates of projects prior to construction authorization for compliance with applicable state and federal law, regulation, and policy.
- Procurement of consultant services, to be reimbursed with Federal aid funds, will be performed in accordance with MDOT procedures and state statutes.
- Project funding will be in accordance with federal and state requirements.
- Projects will be let in accordance with federal statutes.
- MDOT shall concur on award of projects let and awarded by local agencies.
- Projects will be constructed in accordance with the current edition of MDOT's Standard Specifications or written local specifications. MDOT will ensure that there are LPA-written local specifications or otherwise the LPA must use MDOT Standard Specifications. MDOT oversight of the construction of local projects includes but is not limited to the review and approval of billings; review and approval of change orders, time extensions, and claims; and final project acceptance.
- For FHWA PoDI projects, review and approval actions will be undertaken as described elsewhere in this Agreement.

13. MAINTENANCE AND PRESERVATION

Title 23 USC defines maintenance as, "...the preservation of the entire highway, including surface, shoulders, roadsides, structures, and such traffic-control devices as are necessary for safe and efficient utilization of the highway." Title 23 further requires a state transportation department to maintain each project constructed with Federal aid funds until such time that it no longer constitutes a part of the Federal aid system. FHWA is responsible for ensuring that maintenance of Federal aid projects is adequate and providing technical assistance in disseminating information on successful maintenance techniques.

Routine maintenance is not eligible for Federal aid funds. Preventive maintenance activities are eligible for Federal aid funds provided MDOT demonstrates to FHWA satisfaction that the activity is a cost-effective means of extending the useful life of a Federal aid highway.

This section of the Agreement pertains to maintenance activities and the management of maintenance activities that are required to be accomplished by MDOT (or caused to be accomplished by MDOT) to fulfill its obligation under Title 23.

Applicable Laws, Regulations, Orders, and Procedures

- 23 USC 101 (a) (14)
- 23 USC 116 Maintenance
- 23 CFR 1.27 Maintenance

Approved Procedures, Agreements, and Manuals

- Local Agency Programs Guidance On Roadway Preventive Maintenance Projects

Monitoring

As a condition of receipt of federal funds, MDOT is required to maintain or cause to be maintained, the federally funded roadways and associated appurtenances in the state of Michigan. FHWA will review road and bridge maintenance through a sampling of field observations, process reviews, program reviews, and Quality Improvement Reviews. Any specific instances of inadequate maintenance or concerns regarding MDOT's overall maintenance program will be brought to the attention of MDOT by FHWA.

- MDOT, in compliance with 23 USC, formally conveys its maintenance obligation to local agencies through the use of various agreements.
- FHWA will monitor MDOT's Preventive Maintenance Program through construction inspections on FHWA oversight projects, as well as process reviews.
- FHWA will monitor the cost effectiveness of the Preventive Maintenance

- Program at extending the life of the system through periodic review of
- MDOT's asset management program.

Business Standards

- FHWA shall notify MDOT of instances of inadequate maintenance or concerns of MDOT's overall maintenance program.
- MDOT shall advise the FHWA of any major updates or changes to the MDOT maintenance program, or significant maintenance policy changes.
- FHWA will review and respond within 30 business days to MDOT for substantive changes to the Capital Preventive Maintenance Manual.

Program Approval Actions

There are no reporting or approval actions associated with maintenance activities or the management of maintenance activities that are required to be accomplished by MDOT (or caused to be accomplished by MDOT).

Preventive Maintenance eligibility determinations will be made by FHWA. MDOT demonstrates that preventive maintenance is a cost-effective means of extending the useful life of the system and therefore eligibility for Federal aid funds through the application of the MDOT asset management program and the guidelines established in the Capital Preventive Maintenance Manual.

Local Agency Preventive Maintenance guidelines are reviewed by FHWA.

Project Approval Actions

FHWA approval is not required on a project level for maintenance activities unless special or unusual circumstances exist. The maintenance agreement, which is part of the project agreement, is a project-level agreement in which MDOT agrees to maintain the constructed facility.

Preventive Maintenance project level approvals are as follows:

- Preventive Maintenance projects determined to be oversight will be approved by FHWA.
- Non-oversight projects will be approved by MDOT.
- Non-standard, pilot or experimental preventive maintenance treatments not outlined in the CPM Manual will be approved by FHWA.
- FHWA will approve project level changes to the CPM Manual on FHWA oversight projects.

Program/Project Activity Approval Charts

MDOT is directly responsible for the performance of maintenance operations for 17 counties. Maintenance operations for the remaining 66 counties are performed by the respective counties under contract by MDOT. The contract oversight is the responsibility of the regions to ensure that maintenance operations are adequate for preservation of the National Highway System and projects constructed with Federal aid funds.

MAINTENANCE ACTIVITIES		
AGENCY RESPONSIBLE FOR MAINTENANCE/MONITORING		
Interstate	State highways	Local Highways
FHWA/MDOT/Locals	FHWA/MDOT/Locals	MDOT/Locals

PREVENTIVE MAINTENANCE		
Activity/Item	MDOT Action	FHWA Action
Local Agency Preventive Maintenance Guidelines	Develop and implement	Review and make recommendations for consideration (as necessary)

14. OPERATIONS PROGRAM OVERVIEW

FHWA works collaboratively with MDOT on development and deployment of initiatives to improve safety and mobility and reduce congestion across the State of Michigan. FHWA and MDOT have formed numerous partnerships in support of increased safety, enhanced mobility, and congestion relief. This collaborative effort has engaged stakeholders (e.g., emergency service providers, law enforcement agencies, local government agencies, metropolitan planning organizations, other state departments of transportation, modal advocacy groups, and private companies) to improve safety and mobility and reduce congestion.

Traffic Operations is a cross-functional program area that considers a variety of elements of the highway program. Traffic Operations contributes to project planning, development, and delivery through engineering analysis of freight, vehicle, pedestrian, bicyclist, and other modal movements that are needed to produce sound project-level decisions affecting safe and efficient highway and non-motorist operations. Traffic Operations supports operations of highway facilities by providing operational techniques, procedures, processes, guidance, and data analysis.

FHWA regulations describe work zone safety and mobility expectations as well as uniform traffic control device standards. FHWA and MDOT collaborate to address work zone safety and mobility and address congestion as described below.

Management of Non-Recurring Congestion

- Traffic Incident Management:
 - a. Provides for the identification and response to vehicle crashes and breakdowns with appropriate emergency services to restore normal traffic flow and reduce secondary crashes.
 - b. Provides guidance, training, and support of law enforcement and emergency service operations on highway facilities, as well as coordination and cooperation with these agencies. Participates in regional TIM committees to collaborate and share best practices.
 - c. The utilization of Transportation Operation Centers (TOC) and Road Weather Information System (RWIS) deployments across the state to improve traffic flow on freeways by monitoring traffic, speeds, incidents, weather, and roadway conditions. These centers provide traffic and roadway information to motorists through dynamic message signs and the Mi Drive traffic information website.
- Work Zone Safety and Mobility:
 - a. Temporary traffic control helps to improve safety and efficiency of vehicular, bicycle, and pedestrian movement through work zones.
 - b. FHWA is invited to participate on MDOT committees and review teams that examine and improve MDOT standards, practices, and applications of work zone safety and traffic control.

Management of Recurring Congestion

- Highway Operations
 - a. The expanded utilization of Transportation Operation Centers (TOC) to provide traffic information to motorists through dynamic message signs and the MiDrive website.
 - b. Traffic signal coordination and optimization of traffic flow by adjusting timing and patterns either based on time-of-day or in response to real-time traffic data.
 - c. Use of third party data and web based analysis software to produce the annual freeway performance report which provides performance measurement on all state freeways and allows trend analysis and system monitoring.
- Bottleneck Reduction Program
 - a. The review and analysis of potential bottleneck locations for low cost solutions, such as signal timing alterations, additional turning lanes, and geometric enhancements.

General Traffic Operations and Safety

- Traffic Control and Standards
 - a. This includes the adoption and use of standard traffic control devices, such as signing, pavement markings, signals, and work zones detailed in the Manual on Uniform Traffic Control Devices (MUTCD) and the Michigan MUTCD. The FHWA is an active participant on MDOT committees to prepare revisions to the Michigan MUTCD.
- Work Zone Safety and Mobility
 - a. The FHWA partners with MDOT and provides compliance dialogue concerning the work zone final rule for subpart J and K. FHWA and MDOT partner in all aspects of work zone safety and mobility.
 - b. MDOT maintains and ensures compliance to statewide manual and policy regarding Work Zone Safety and Mobility. MDOT engages FHWA on bi-annual review and update of this manual.

Approved Procedures, Agreements, and Manuals

- MDOT Special Details
- MDOT Bureau of Highway Instructional Memorandum
- Michigan Work Zone Safety and Mobility Manual
- Michigan Signal Optimization Guidelines, and other signal operations guidelines

Monitoring

- FHWA will conduct routine project and final inspections of Traffic Operations aspects on FHWA Oversight projects. For all other projects, FHWA may conduct process reviews.
- FHWA will conduct routine evaluation of the maintenance of traffic on active
- Federal aid projects to assure Traffic Operations components are being adequately maintained.
- FHWA will provide ongoing technical assistance in the area of Traffic Operations, will include this area in routine risk assessment evaluations, and will work cooperatively with MDOT to use process reviews to assess and improve processes and procedures.

Business Standards

- MDOT will notify FHWA of the adoption or significant locally produced application of regulatory provisions including the MUTCD, AASHTO Policy and Work Zone Safety and Mobility Regulations within 30 business days of adoption.
- FHWA will follow prescribed processing requirements for individual project actions related to Traffic Operations as defined in this Agreement.
- MDOT will fully involve FHWA in all aspects of freeway interchange addition or change studies and proposals.

Project Approval Actions

- FHWA-specific approval of Traffic Operations elements of project development will occur coincident with environmental approvals when the Traffic Operations studies are supporting alternative selection decisions.
- FHWA-specific approval of Traffic Operations elements of project plans will be approved coincident with PS&E approval dependent on the project's exemption status.
- FHWA approval of traffic analyses that support interchange/access modification will be approved coincident to the interchange/access modification.

15. PAVEMENTS AND MATERIALS

Pavements: 23 CFR 626 requires that pavements be designed in accordance with current and predicted traffic needs in a safe, durable, and cost-effective manner. The regulations do not specify the procedures to be followed to meet this requirement. MDOT is expected to use an appropriate design procedure.

Materials: Subsection (a) of 23 USC 109 requires that the FHWA ensure that the plans and specifications for all proposed Federal aid highway projects provide for facilities that will adequately serve the existing and planned future traffic in a manner that is conducive to safety, durability, and economy of maintenance. To fulfill this requirement for all Federal aid highway projects, the FHWA Michigan Division Office prime objectives are to:

- Maintain a close working relationship with MDOT materials and construction staff.
- Promote improvements when new approaches or technologies are developed and where deficiencies are identified.
- Ensure that the materials incorporated in the construction work are of sufficient quality to help ensure the final product performs and provides the expected service life to the public.

Furthermore, FHWA is required, by means of an approved quality assurance program, to assure the quality of materials incorporated into Federal aid highway projects on the NHS. For Federal aid projects on the NHS, the primary objectives are to:

- Ensure that the materials incorporated in the construction work, and the construction operations controlled by sampling and testing, are in conformity with the approved plans and specifications.
- Provide oversight of construction materials and compliance with federal requirements on a statewide basis.
- Ensure adequate and qualified staff to maintain MDOT's Quality Assurance responsibility as part of its Acceptance Program.
- Ensure adequate and qualified staff to maintain MDOT's Independent Assurance responsibility as part of its Acceptance Program.
- Ensure compliance with, and assist in, maintaining the MDOT Technician Qualification Program.

Applicable Laws, Regulations, Orders, and Procedures

- Title 23 USC, 106, 109, 114
- 23 CFR 625.4 Standards, policies, and standard specifications
- 23 CFR 635 Construction and Maintenance

Monitoring

- FHWA will monitor MDOT's Acceptance Program through construction inspections on FHWA oversight projects, as well as process reviews.

- FHWA will monitor the acceptance and testing of materials in accordance with MDOT's Construction and Material Specifications and the MDOT
- Quality Assurance Procedures Manual on Federal aid projects through construction inspections and process reviews.
- MDOT will report annually on the Acceptance Programs Independent Assurance activities.

Business Standards

- FHWA will review and respond within 30 business days to MDOT for substantive changes in its Acceptance Program.
- See Quality Assurance Program Summary Table for more business standard details.

Program Activities Approval Chart

All NHS			Non-NHS	
Activity/Item	MDOT Action	FHWA Action	MDOT Action	FHWA Action
Quality Assurance Program Acceptance Requirements, Materials test methods, Field Sampling and Testing	Maintain (ongoing)	Review and Act Upon (10 Business days)	MDOT prepares and approves	Review, make recommendations for consideration (as necessary)
Buy America Provisions and Waivers	Develop and prepare	Review and approve	Develop and prepare	Review and approve
Laboratory and Technician Certification Programs	Develop and implement	Review and Act Upon when updated (10 Business days)	Required by MDOT	No action
Material or Product Selection: proprietary products, recycled materials, public interest findings (23 CFR 635.411)	Develop and prepare	Review and approve on FHWA Oversight projects only	Develop and prepare	No action

Program Approval Actions

- Each state must develop an acceptance program that will assure that materials and workmanship incorporated into each Federal aid highway construction project on the NHS are in conformity with the requirements of the approved plans and specifications. The program must be approved by FHWA.
- The MDOT Standard Specifications are approved by FHWA on a program basis to facilitate project approvals.

- Supplemental Specifications and Frequently Used Special Provisions are approved by FHWA on a program basis.

Project Approval Actions

- FHWA will approve changes in project specifications for materials on FHWA oversight projects.
- FHWA will approve project specific Special Provisions for FHWA oversight projects.
- FHWA will approve the Final Inspection/Acceptance and Certification Report for FHWA oversight projects.

16. PLANNING

Work Programs: Title 23 CFR, Part 420, Planning and Research Program Administration contains the policies and procedures for administering activities and studies undertaken by States and Metropolitan Planning Organizations (MPO) funded through their respective Work Program or as separate projects not included in a Work Program.

- **Statewide Planning and Research (SPR) Work Program:** MDOT prepares the Work Program annually. FHWA provides pre-program guidance, draft review comments, approves the Work Program, and authorizes SPR funds. FHWA monitors the work throughout the year using day-to-day involvement as appropriate. MDOT submits annual progress reports to FHWA consistent with 23 CFR 420.117.
- **MPO Unified Planning Work Program (UPWP):** The UPWP is prepared annually by each MPO and reviewed by MDOT, FHWA and Federal Transit Administration (FTA). FHWA authorizes Planning Funds upon joint FHWA/FTA approval of the individual UPWP. These funds are traditionally referred to as “PL” funds. MDOT and FHWA monitor the Work Program through participation in MPO meetings, pre-UPWP meetings, and annual reports.

When MDOT receives a notification from an MPO that it intends to use Flexible Match, MDOT will forward the request with supporting documentation to FHWA for approval. Upon receiving FHWA approval, the appropriate MDOT program manager will forward the approval letter to the MPO to be included in the UPWP.

Statewide Transportation Planning: Title 23 CFR, Part 450, Subpart B, addresses the requirements of the statewide transportation planning process.

- **Statewide Long Range Transportation Planning:** MDOT develops a Statewide Long Range Transportation Plan (Transportation Plan) which considers all modes of transportation. The Transportation Plan covers at least a 20-year planning horizon, considers the planning factors as outlined in the CFR, provides an opportunity for consultation and participation by interested parties, and is coordinated with the Metropolitan Transportation Plans of each MPO.
- **Statewide Transportation Improvement Program (STIP):** MDOT develops a STIP containing all projects proposed to be funded by FHWA and FTA for a four-year period. The STIP is amended, modified, or updated by MDOT and submitted to FHWA and FTA on an agreed-to schedule, but updates shall happen at least every four years. Projects contained in the STIP must be consistent with the Statewide Transportation Plan and the MPO plans, and must provide reasonable opportunity for consultation and participation by interested parties. Along with the STIP, MDOT will certify that the projects in the STIP are based on a planning process that meets the requirements of 23 CFR 450.218.

Metropolitan Transportation Planning: Title 23, CFR Part 450, Subpart C, addresses metropolitan planning requirements.

- **MPO Transportation Plan:** Each MPO must update its Metropolitan Transportation Plan every four years for non-attainment and maintenance areas and every five years for attainment areas. The plan must cover at least a 20-year planning horizon; include long range and short range strategies which lead to an integrated Intermodal plan; include a financial plan which compares estimated revenues with costs of construction, maintenance, capital purchases, and operations; consider the planning factors as outlined in the CFR; and provide opportunity for public participation and comment.
- **MPO Transportation Improvement Program (TIP):** Each MPO, in cooperation with the state and public transit operators, develops a TIP containing all projects proposed to be funded by FHWA and FTA for a four year period. The TIP is amended, modified, or updated by the MPO and submitted to FHWA and FTA on an agreed-upon schedule, but updates shall happen at least every four years. The TIP shall include all required information as outlined in 23 CFR 450.324. The TIP development process must provide a reasonable opportunity for public participation and comment. Along with the STIP, MDOT will certify that the projects in the TIP are based on a planning process that meets the requirements of 23 CFR 450.334.

Traffic Monitoring: Title 23 CFR, Part 500, Subpart B provides the regulatory guidance for the development and operation of a traffic monitoring system for highways including traffic counting, vehicle classification, and weigh-in-motion programs. The system is guided by the AASHTO Guidelines for Traffic Data Programs, augmented by the FHWA Traffic Monitoring Guide and the Highway Performance Monitoring System Field Manual. The required traffic data is collected by MDOT (with some assistance from local agencies) and are reported electronically to FHWA through the Traffic Monitoring Analysis System (TMAS) and through the Highway Performance Monitoring System (HPMS). The FHWA works with MDOT to ensure that the applicable regulations are being followed and that the required information is submitted in an accurate and timely fashion. FHWA conducts periodic quality control reviews and works with MDOT to resolve any issues that might arise.

Highway Performance Monitoring System (HPMS): Title 23 CFR, Part 420 addresses the policy for states to provide data that support FHWA responsibilities to the Congress and to the public. The Highway Performance Monitoring System Field Manual provides instructions for collecting and reporting quality and timely data on the condition and performance of the highways and streets. The required data is collected by MDOT (with some assistance from local agencies) and is submitted electronically to FHWA on an annual basis. The FHWA works with MDOT to ensure that the applicable regulations are being followed and that the required information is submitted in an accurate and timely fashion. FHWA conducts periodic quality control reviews and works with MDOT to resolve issues that might arise. FHWA must annually attest to the accuracy of the HPMS data used in the apportionment process.

Certification of Public Road Mileage: Title 23 CFR, Part 460 addresses the policies and procedures for identifying and reporting public road mileage for utilization in the statutory formula for the apportionment of Highway Safety funds under 23 USC 402(C). Submitted to FHWA Headquarters by June 1 of each year, the Governor or MDOT Director certifies the public road mileage in the State as of the end of the previous calendar year. In Michigan, the MDOT Director has been selected as the Governor's designee. MDOT submits to the FHWA Michigan Division Office, which in turn submits it to FHWA headquarters.

Federal Aid Highway Systems: Title 23 CFR, Part 470 describes the Federal aid Highway System, its designation and description. MDOT will have the primary responsibility for developing and updating a statewide highway functional classification in rural and urban areas. MDOT shall cooperate with responsible local officials, or appropriate federal agency in the case of areas under federal jurisdiction, in developing and updating the functional classification. Proposed changes to the Highway Functional Classification or National Highway System (NHS) shall be mapped and submitted to FHWA for approval.

Other areas of interest: Title 23 CFR requires states to compile and submit to FHWA (1) a Highways Statistics Report, (2) a Certification of Enforcement of Heavy Vehicle Use Tax Certification, which the Secretary of State completes, (3) the Vehicle (Truck) Size and Weight Enforcement Certification and supporting information on related activities, which is completed by the Traffic Safety Division of the Michigan Department of State Police, and (4) a report outlining the Annual Truck Weight Characteristics Data.

Applicable Laws, Regulations, Orders, and Procedures

- Title 23 CFR, Part 420
- Title 23 CFR, Part 450, Subpart B
- Title 23 CFR Part 450, Subpart C
- Title 23 CFR, Part 460
- Title 23 CFR, Part 470
- Title 23 CFR, Part 500
- Title 23 CFR, Part 657
- Title 23 CFR, Part 669

Approved Procedures, Agreements, and Manuals

- MDOT is required to submit to FHWA and FTA, for joint approval, a Statewide Transportation Improvement Program (STIP). MDOT is required to update the STIP and submit for approval to FHWA and FTA at least every four years.
- MDOT and the MPO shall annually certify to FHWA that the planning process is addressing the major issues facing the area and is being conducted in accordance with all applicable requirements. This certification is submitted with the STIP.

- Other documents influencing the implementation of this agreement include the Joint FTA/FHWA Planning Memorandum of Agreement and annual work program, and MDOT guidance documents for STIP Development, General Program Accounts (GPA's), and use of Flexible Match.

Monitoring

- MDOT will monitor all SPR and UPWP activities to assure the work is being managed and performed satisfactorily and that time schedules are being met. MDOT will submit a report annually to FHWA documenting the results of its monitoring process.
- MDOT will periodically review its statewide long-range transportation plan to assure its goals and objectives are still relevant, and that the plan still meets the requirements of 23 CFR 450.214. If MDOT deems it necessary, MDOT will update or reaffirm the long-range transportation plan.
- FHWA and MDOT periodically monitor MPO plans and activities to ensure they are in conformance with all applicable federal and state guidelines.
- FHWA conducts certification reviews of Transportation Management Areas (TMA) on a four-year cycle.
- With the passage of MAP-21, a performance based planning and programming approach will be implemented. As of May 2015, the final rules were being developed. When the final rules are in place, FHWA staff will work with their planning partners at MDOT, FTA, and the MPO's to provide training and guidance to ensure that the implementation of related requirements are accomplished in a collaborative and timely fashion.

Business Standards

- MDOT will provide FHWA (and FTA and EPA where appropriate) at least 30 business days to review and comment on the draft and final Statewide Transportation Improvement Program, Metropolitan Transportation Improvement Program, State Planning and Research Work Program, the Metropolitan Planning Organization Unified Planning and Work Program, and the Statewide and Metropolitan Transportation Plans.
- MDOT will involve FHWA in decisions involving special and unusual circumstances at the earliest reasonable time to ensure thorough and appropriate decisions can be made collectively.

Program Approval Actions

As a condition for receipt of Federal aid funds, MDOT agrees to develop plans and work programs for statewide transportation planning activities, as required in 23 CFR, Parts 420 and 450, and in cooperation with Metropolitan Planning Organizations. FHWA will review these plans and programs to assure they meet applicable laws and regulations.

Programs requiring oversight include:

- State and metropolitan planning sub-programs under the State Planning and Research Program.
- Statewide transportation planning process, including the STIP.
- Metropolitan Planning Organization transportation planning process.

MDOT also must submit other planning-related reports to FHWA. The reports include information on public road mileage for apportionment of highway safety funds; information collected from the Highway Performance Monitoring System; and information relating to the identification of Federal aid highways, the functional classification of roads and streets, the designation of urban area boundaries and the designation of routes on the Federal aid highway systems

Project Approval Action

Projects not originally included in an approved work program or TIP/STIP will need approval from FHWA to be amended to the appropriate planning documents.

Please refer to the following sections of the current Stewardship and Oversight Agreement (SOA) for further details on Planning and other programs: Appendix A: Project Action Responsibility Matrix, Appendix B: Program Responsibility Matrix, and Appendix D: Stewardship and Oversight Indicators of the

17. REAL ESTATE

The purpose of this section is to address real property transactions for Federal aid projects and real property management. Real property transactions (fee title, easements, consents to grade, etc.) for Federal aid projects involve unique processes:

- Authority to begin real property acquisition
- Process for acquiring real property – Uniform Act
- Right-of-Way (ROW) Certification

FHWA and MDOT approval activities are related to the business process rather than the type of highway, i.e., Interstate system, National Highway System (NHS), and non-NHS. In this case FHWA approval (action) pertains to prior authorization for funding the ROW phase and ROW Certification approval prior to advertising a project. The activities relating to real property transactions are under full MDOT oversight. Special situations relating to early acquisition credit for Federal match and Federal reimbursement for hardship acquisition and protective buying require prior FHWA approval for all Federal Aid projects.

Property management activities relating to the Interstate and Limited Access Right-of-Way require FHWA prior approval. Disposal of excess property purchased with Federal aid funds, federal land transfer, and relinquishment of Federal aid facilities also require FHWA prior approval.

Applicable Laws, Regulations, Orders, and Procedures

- 23 USC 106, Project Approval and Oversight
- 23 USC 107, Acquisition of rights-of-way-Interstate System
- 23 USC 108 Advance Acquisition of Real Property
- 23 USC 109 Standards
- 23 USC 111 Agreements Relating to Use of and Access to Rights-of-Way-Interstate System
- 23 USC 131 Control of Outdoor Advertising
- 23 USC 323 Donations and Credits
- 42 USC 4601, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended
- 23 CFR 1.23, Right of Way
- 23 CFR Part 620, Subpart B, Relinquishment of Highway Facilities
- 23 CFR Part 630, Subpart A, Project Authorization and Agreements (630.102-112)
- 23 CFR Part 635, Subpart C, Physical Construction Authorization (635.102-309)
- 23 CFR Part 645, Subpart B, Accommodation of Utilities
- 23 CFR Part 646, Subpart B, Railroad-Highway Projects
- 23 CFR Part 710, Right-of-Way and Real Estate
- 23 CFR 750, Highway Beautification

- 23 CFR 751, Junkyard Control and Acquisition
- 49 CFR Part 18, Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments
- 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs, Subpart G Certification

Monitoring

- FHWA monitors the real estate program through prior approvals for specific activities (Federal aid project and real property management) and through procedure and policy approvals prior to implementation.

Federal aid Project and Real Property Management

- FHWA prior approval for Federal aid participation in the ROW phase (funding obligation and authorization) is required before costs are incurred for this phase of project work. This is required for all ROW phase work with Federal aid funds and assures conformity with the Federal aid process, along with ensuring the best estimated cost for the ROW phase is being requested.
- FHWA ROW Certification approval for Interstate and NHS FHWA oversight projects (as identified in Section 4, Construction and Contract Administration) is required before the project is advertised. This ensures the higher cost projects are in conformity Federal requirements. All other MDOT oversight Federal aid projects are monitored by FHWA through process reviews and spot checks of projects in comparison with MDOT written processes. All conditional ROW Certifications require FHWA approval prior to advertising the project.
- MDOT monitors Uniform Act requirements by conducting annual Quality Assurance/Quality Control (QA/QC) reviews in each Region of the State in accordance with MDOT Real Estate Procedures Manual. The annual QA/QC project review reports by Region and Statewide summary are sent to FHWA for review to assure conformity with 49 CFR Part 24. FHWA also may participate during QA/QC reviews for monitoring conformity.
- MDOT develops an annual real estate statistical report regarding acquisitions and relocations in conformity with 49 CFR Part 24 (covering October 1 thru September 30 each fiscal year)—and submits it to FHWA during November of each year. This report is forwarded to FHWA headquarters for national trend analysis and state-to-state comparisons.
- MDOT develops periodic reports regarding site acquisitions and actual sign removals and submits it to FHWA on FHWA Form 1424.
- Other real property management activities are monitored by FHWA through prior approvals and through program reviews.

FHWA Approval of Procedures and Policies

Real Estate Procedures Manual:

- MDOT is responsible for maintaining a manual describing its Real Estate organization, policies and procedures. MDOT functions and procedures shall be

described for all phases of the real estate program, including property acquisition, relocation, and property management.

- Changes to the manual will be made on a quarterly basis. Changes based on new FHWA requirements or changes in state law, etc., will be sent to
- FHWA within the respective quarter of the fiscal year for approval. An updated manual involving grammar and language clarity revisions will be sent to FHWA for informational purposes and does not require FHWA approval.
- In accordance with 23 CFR 710.201(c), MDOT’s Chief Operation Officer shall certify to the FHWA every five years or less, that the Real Estate Procedures Manual conforms to existing practices and contains necessary procedures to ensure compliance with federal and state real estate laws and regulation.

Utility Accommodation Policy:

- This policy document is formally revised or updated as federal or state statutes and regulations change. Revisions require FHWA approval prior to implementation.

Highway Advertising Procedure and Desk Operating Manuals:

- This policy and procedures document is formally revised or updated as federal or state statutes and regulations change. Revisions require FHWA approval prior to implementation.

Business Standards

Work Activity	MDOT Action	FHWA Action	Result
Early Acquisition (Federal aid Credit for Match)	Approve	Concur	Eligible for Matching Credit
Real Property Donations (Federal aid Credit for Match)	Approve	Concur	Eligible for Matching Credit
State and Local Contributions (Federal aid Credit for Match)	Approve	Concur	Eligible for Matching Credit
Hardship Acquisition and Protective Buying	Prepare Submission	Review, Approve, and Authorize	Federal Reimbursement for eligible costs and Property Ownership
ROW Phase Funding, Authorization, and Agreement	Requests	Authorize – All Projects	Authorization & Agreements
Real Property Acquisitions/transactions	Perform, Review, and Approve – All Projects	N/A	Property Ownership (Title/Easements) or legal access (Consents)
Relocations	Perform and Approve – All Projects	N/A	Occupants Relocated
ROW Certification	Approve	Approve	Certificates

Work Activity	MDOT Action	FHWA Action	Result
Conditional ROW Certification	Approve	Approve	Construction project is advertised
Functional Replacement	Approval and Oversight	Concur	Functional Replacement of Real Property
Air Rights – Interstate (Non-highway purposes)	Request	Review and Approve	Airspace Agreement
Airspace Leases/Joint Use Agreements	Request (Federal aid facilities)	Approve (Federal Aid facilities)	Leases/Agreements
Disposal of Excess Property (outside existing Highway ROW)	Approve (at fair market value)	When less than fair market value-Review and Approve	Property Sale & Revenue to Transportation Fund
Federal Land Transfer	Prepare Request	Review and Approve	Transfer Deeds
Change/Break in Limited Access ROW	Review/Approve/Request	Review and Approve	Limited Access Changed and Adjacent Property Access Granted
Relinquishment of Highway Facilities	Review/Approve/Request	Review and Approve	Conveyance of Highway Facility to another Government Agency
Real Estate Procedures Manual	Prepare and Maintain Manual	Review and Approve	Manual with updates
Highway Advertising Procedure and Desk Operating Manual	Prepare and Maintain Manual	Review and Approve	Manual with updates
Utility Accommodation Policy	Prepare and Maintain Policy	Review and Approve	Updated Policy

Program Approval Actions

The approval of the MDOT Real Estate Procedures manual is a program approval action required by 23 CFR 710.201(c).

FHWA Property Management Approval Actions:

- Interstate Access, use or occupancy changes
- Change/Break in Limited Access ROW
- Alternative use of a Federal aid facility

- Disposal of excess property purchased with Federal aid funds and sold at less than fair market value.
- Federal land transfer
- Relinquishment of Federal aid highway facilities
- Utility use of Limited Access ROW not covered by the MDOT Accommodation Policy

Project Approval Actions

FHWA project-level approval actions include authorization of Federal aid ROW activities, early acquisition approval, acceptance of project ROW certifications, etc. See the Project Activity Approval Chart for more detail.

- Early Acquisition Credit – All projects
- Hardship Acquisition and Protective Buying – All projects
- ROW Phase Funding – All projects
- ROW Certification – Interstate and NHS projects identified in Section 4 of this agreement and all Conditional ROW Certifications
- Functional Replacements – All Projects

Project Activity Approval Chart

PROJECT ACTIVITIES		AGENCY RESPONSIBLE			
Approval Action	Reference Document	Interstate	Non-Interstate NHS	Non-NHS Projects	Other Projects Subject to FHWA Oversight by Mutual Agreement
Early Acquisition (Federal aid Credit for Match)	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Real Property Donations (Federal aid Credit for Match)	23 CFR 710	FHWA	FHWA	FHWA	FHWA
State and Local Contributions (Federal aid Credit for Match)	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Hardship Acquisition and Protective Buying	23 CFR 710	FHWA	FHWA	FHWA	FHWA
ROW Phase Funding, Authorization and Agreement	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Real Property Acquisitions/transactions	23 CFR 710 49 CFR 24	MDOT	MDOT	MDOT	MDOT
Relocations	23 CFR 710 49 CFR 24	MDOT	MDOT	MDOT	MDOT
ROW Authorizations and Agreements	23 CFR 710	FHWA	FHWA	FHWA	FHWA
ROW Certification	23 CFR 710 23 CFR 635 49 CFR 24	MDOT FHWA**	MDOT FHWA**	MDOT	FHWA
Conditional ROW Certification	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Functional Replacement (Federal Funds in ROW)	23 CFR 710	FHWA	FHWA	FHWA	FHWA

Approval Action	Reference Document	Interstate	Non-Interstate NHS	Non-NHS Projects	Other Projects Subject to FHWA Oversight by Mutual Agreement
Air Rights – Interstate (Non-highway purposes)	23 CFR 710	FHWA	N/A	N/A	N/A
Airspace Leases/Joint Use Agreements	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Disposal of Excess ROW	23 CFR 710	MDOT FHWA*	MDOT FHWA*	MDOT FHWA*	FHWA
Federal Land Transfer	23 CFR 710	FHWA	FHWA	FHWA	FHWA
Change/Break in Limited Access Right-of-Way	23 CFR 710 23 CFR 620	FHWA	FHWA	FHWA	FHWA
Relinquishment of Highway Facilities	23 CFR 620	FHWA	FHWA	FHWA	FHWA

* Below fair market value if Federal aid funds were used in the purchase of the property.

** FHWA oversight projects - Interstate and NHS projects identified in this Agreement.

18. RESEARCH, DEVELOPMENT, AND TECHNOLOGY TRANSFER

The purpose of this program is to implement the provisions of 23 USC 505 State Planning and Research (SPR) for effectively utilizing FHWA SPR funds by undertaking research and development activities that have a direct bearing on improving Michigan's transportation program. A primary element of 23 CFR Part 420—Planning and Research Program Administration is to utilize SPR Part II funds for developing and implementing the Research, Development, and Technology Transfer Program. Through the establishment of this program:

- An annual work program and budget is established.
- Research, development, and technology transfer activities are monitored.
- Program performance and expenditure reports are submitted.
- Peer exchanges are conducted.
- Research and development management process is established.
- Research deliverables are incorporated into MDOT's transportation program processes (manuals), materials, and/or best practices.

MDOT is responsible for coordinating and monitoring the SPR Part II Program that operates on the basis of the state's fiscal year. MDOT may process amendments and revisions to the annual work program and budget as necessary.

Approved Agreements and Manuals

MDOT Research & Implementation Manual

Business Standards

- Draft work program and budget documents are provided to FHWA by August 1, with the final work program and budget documents provided to FHWA by September 1, for approval prior to the beginning of the next fiscal year.
- MDOT request for federal authorization and obligation of funds is to be made prior to the first week of October of each fiscal year.

Monitoring

- The FHWA Michigan Division is involved during the research idea development phase.
- Each proposed research idea is vetted and approved by the associated
- MDOT specialty group and the problem statement properly developed prior to the proposed study being added to the research priority list.
- FHWA reviews MDOT's prioritized project list of research ideas for eligibility and implementation.
- FHWA reviews and approves the work program and budget prior to authorization and obligation of funds.

- FHWA reviews and approves of each work program amendment and modified budget. MDOT will not conduct work on a project prior to FHWA approving the project's addition to the program.
- As appropriate, FHWA personnel may participate in peer exchanges.
- MDOT submits an annual performance and expenditure report to the FHWA Michigan Division Office in accordance with the requirements in 23 CFR, Part 420.117, (a) (c).
- MDOT hosts a peer exchange and reports its findings to the FHWA Michigan Division Office in accordance with 23 CFR, Part 420.209. In addition, MDOT program staff participates in peer exchanges hosted by other states and uses the knowledge gained to improve the MDOT research program.

Project Approval Actions

- MDOT identifies and implements research studies that address high priority transportation issues. An interactive process involving MDOT management, as described in the MDOT Research & Implementation Manual, is used for the identification and prioritization of projects to be included in the research work program. A list of research ideas will be reviewed for eligibility and implementation by FHWA prior to MDOT finalizing each problem statement. MDOT shall determine the funding level at which the identified and prioritized projects will be supported with FHWA research funds.
- Based on the approved list of prioritized studies, MDOT will develop a work program and budget for the next two subsequent fiscal years. MDOT will manage project activities and project costs within the FHWA approved annual (fiscal year) work program and budget. Only those projects contained in the FHWA-approved list are eligible to be added to an annual program. Removing or adding projects to the work program will require FHWA prior approval. Any significant project scope change requires FHWA approval prior to MDOT conducting additional work. MDOT may advertise requests for proposals (RFP) once the SPR II work program has been approved by FHWA.

Program Approval Actions

- MDOT administers the research program in accordance with the MDOT *Research & Implementation Manual* and 23 CFR Part 420 Planning and Research Program Administration. Changes to the manual pertaining to management procedures are reviewed and approved by the FHWA Michigan Division Office prior to implementation.
- In accordance with 23 CFR 420.115 Approval and Authorization Procedures, each annual SPR Part II work program and budget is reviewed by the FHWA Michigan Division Office and compared with the FHWA approved list of proposed research ideas. Upon the FHWA Michigan Division Office's formal concurrence of work program and budget, MDOT may request authorization and obligation of funds for approval prior to beginning work on activities in the

work program. Obligation of funds is based on the total estimated cost for all the projects listed in the approved work program.

- Proposed amendments to an annual work program and budget by MDOT require FHWA prior approval before individual FHWA-funded project activities are begun. Funding changes will be based on the total program costs.

Program Activities Approval Chart

PROJECT ACTIVITIES		AGENCY RESPONSIBLE		
Approval Action	Reference	Review	Approve	Result
MDOT submits final list of prioritized research ideas to FHWA.	N/A	FHWA	N/A	Review list of research ideas for eligibility and implementation.
MDOT submits the State Planning & Research (SPR) Part II work program and budget documents and FHWA reviews, comments, and approves it.	3 CFR 420.115	FHWA	FHWA	Annual work program and budget is approved for implementation.
Based on FHWA annual work program and budget approval, MDOT submits an MFOS electronic funding request. FHWA processes an Authorization/Obligation of SPR Part II funds through FMIS.	49 CFR Part 18	FHWA	FHWA	Authorization to proceed with project activities and incur project costs.
MDOT submits an amended work program and budget document and FHWA reviews, comments, and approves it.	23 CFR 420.115	FHWA	FHWA Within 5 business days*	Adding/removing projects into the annual work program.
Should the amended work program and budget require additional Federal aid funds, MDOT submits an MFOS electronic funding request and justification to modify the program's authorized funding amount. FHWA processes an Authorization/Obligation of SPR Part II funds through FMIS.	49 CFR Part 18	FHWA	FHWA	Work program budget is modified to accommodate project changes.

*FHWA will respond (approve, reject, or need additional information) to an amendment request within 5 business days.

19. TRAFFIC SAFETY

The Strategic Highway Safety Plan (SHSP): Title 23 USC Section 148 requires that each state develop and implement an SHSP to ensure that the state focuses its resources on the most critical safety needs while addressing them from the perspectives of the “4E’s” – engineering, education, enforcement and emergency medical services. The Governor’s Traffic Safety Advisory Commission (GTSAC) is responsible for the SHSP and it updates.

The GTSAC is comprised of state and local representatives with a stake in traffic safety. The SHSP is required to be updated periodically (every four to five years, but may be updated as needed) to ensure that it remains reflective of the State’s safety problems. The GTSAC reviews and considers SHSP updates by holding traffic safety strategic planning meeting(s), where Michigan’s traffic safety partners from across the state and nationally, including FHWA, review traffic crash data and the progress of the SHSP and the individual emphasis area action plan implementation. The SHSP is updated and revised based upon the results of the data analysis and implementation activities. FHWA approved the process for the initial approval and serves as a member with MDOT on the GTSAC steering committee.

FHWA and MDOT serve as members of the engineering-related SHSP emphasis area committees providing direction in strategies. The MDOT safety program strategy is aligned with the strategies in the SHSP emphasis area action plans.

Highway Safety Improvement Program (HSIP): Title 23 USC Section 148 establishes a program area for purposes of hazard elimination and rail-highway crossing safety. This program also includes addressing safety on High Risk Rural Roads. MDOT performs HSIP components of Planning, Implementation, and Evaluation to accomplish requirements of the program for highway locations and railroad grade crossings. These components involve identification of high-volume crash locations, developing an annual program to address the locations, and an annual report on progress and effectiveness. FHWA provides input and informal technical assistance throughout the process.

Safe Routes to School (SRTS): Section 1404 of SAFETEA-LU established this program to: (1) to enable and encourage children, including those with disabilities, in grades K – 8 to walk and bicycle to school; (2) to make bicycling and walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle from an early age; and (3) to facilitate the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. MDOT administers the program for the state including the awarding of grants. FHWA provides input and informal technical assistance throughout the process.

Crash Data Collection: Title 23 USC 148 requires each state to collect and maintain data covering all public roads to ensure all local roadway agencies have access to crash data. Roadway agencies use crash data to conduct system wide analysis of their

roadway networks in the identification of high crash locations. FHWA provides input to the state's Traffic Records Coordinating Committee (TRCC) and serves a member of the TRCC working subcommittee. The charge of TRCC is to improve the quality and timeliness of crash data from all law enforcement agencies within the state.

Finally, MAP-21 introduces performance measures in several areas, including safety. Each state will be required to establish yearly goals and report on the frequency and rates of fatalities and serious injuries once the final rule has been issued.

Monitoring

- FHWA participates as a team member in MDOT-led task forces and teams, including road safety audits, formed as needed to address perceived needs or problems.
- FHWA participates as a member of the MDOT Traffic Recommendations Committee that is responsible for assessing traffic control practices and safety, as well as new traffic and safety-related technology and devices.
- FHWA may conduct inspections, including finals, on a statewide sampling basis through annual and process reviews.
- FHWA will provide ongoing technical assistance in the planning, implementation, and evaluation components of the HSIP.
- FHWA and MDOT will monitor performance indicators.

Business Standards

- FHWA will review and approve the process used to develop SHSP updates within 14 business days.
- MDOT will submit a draft of its HSIP annual report to FHWA by August 31 of each year. FHWA will provide comments back to MDOT on the draft HSIP within five business days. MDOT will then submit a finalized HSIP report to FHWA by September 24 of each year.

Project Approval Actions

MDOT verifies that projects meet HSIP requirements on all Section 130 and Section 148 projects.

20. SPECIFICATIONS

Specifications provide for the basis of payment and facilitate the administration of contracts. Specifications delineate the means and methods for the work, establish levels of acceptability, and serve as the basis for project decisions. In sum, specifications serve as the basis for delivering the highway product to the end user. Specifications include:

- MDOT Standard Specifications for Construction
- Supplemental Specifications
- Special Provisions-Frequently Used
- Project Specific/Inserted Special Provisions
- Local Agency Special Provisions
- Proposal Notes

Regulations require that the Plans, Specifications, and Estimates (PS&E) for Federal aid highway projects on the NHS be approved on a project-by-project basis prior to advertisement of the project. Standard specifications, supplemental specifications, and frequently used special provisions are not regulated documents, but are approved by the FHWA to simplify the PS&E review process. Once approved, standard specifications can be used on Federal aid projects without further review. In the absence of pre-approved standard specifications, all of the required specification information would have to be included and approved as part of the PS&E package for each project.

MDOT does not differentiate between NHS and non-NHS projects. When it comes to the development and implementation of standard specifications, a single set of standard specifications is used.

Applicable Laws, Regulations, Orders, and Procedures

- 23 USC 106 and 109
- 23 CFR 625
- 23 CFR 630 Subpart B
- 23 CFR 635.127 Federal aid Policy Guide Non-Regulatory Supplement NS
- 23 CFR 630B
- FHWA, Technical Advisory T 5080.16, Development and Review of Specifications

Approved Procedures, Agreements, and Manuals

- MDOT Design Manual
- BOHIM 2003-10, Review and Approval Process for Special Provisions
- BOHIM 1999-12, Special Provision Process Upgrade
- BOHIM 1998-11, Special Provisions for Maintaining Traffic

Monitoring

- FHWA will participate in the various specification committees.
- FHWA will assess the performance of individual specifications via program, process, and project reviews conducted in accordance with this Agreement.

Business Standards

- FHWA will participate on the various revision committees for the complete revision of the Standard Specifications for Construction Division. Final review timeframe and approval of the Standard Specifications for Construction will be negotiated prior to the activity.
- FHWA will review and respond to MDOT for Frequently Used Special Provision and Project Specific/Inserted Special Provisions revisions within 14 business days of receipt.

Program Approval Actions

- The MDOT Standard Specifications for Construction, Supplemental Specifications, Special Provisions-Frequently Used are approved by FHWA on a program basis to facilitate project approvals.

Project Approval Actions

- Non-standard Construction and Material Specifications or Project Specific/Inserted Special Provisions, and Previously Approved Project Special Provisions are approved on a project-by-project basis at the time of PS&E, in accordance with the agreed level of project oversight.

21. VENDOR PROCUREMENT

MDOT uses Federal aid funds to procure consultant/vendor services. In accordance with FHWA/MDOT Stewardship and Oversight Agreement, Attachment A, FHWA is responsible for approving MDOT's consultant/vendor procurement guidelines and major changes such as modified or new procedures, and exceptions. FHWA has direct oversight of the consultant/vendor procurement on major projects valued at over \$500 million.

MDOT utilizes separate guidelines for Local Public Agencies (LPA) that utilizes third-party agreements. MDOT's Local Agency Program employs a FHWA approved process for its oversight of the LPA consultant selection. The engineering or architectural contract is a third-party contract between the LPA and the LPA consultant. This third party contract is required to be in place as part of the cost sharing agreement, between MDOT and the LPA, an agreement that is executed for each phase of the project. The MDOT Local Agency Program (LAP) unit periodically updates and revises the LPA consultant selection document to meet current requirements. In accordance with the FHWA/MDOT Stewardship and Oversight Agreement, Attachment A, major changes in the document are approved by FHWA.

In addition to approving MDOT and LPA consultant/vendor procurement guidelines, FHWA is responsible for periodic program/process review to assure compliance with the approved selection guidelines. This review generally occurs every three years and applies to the both MDOT's and the Local Agency Program consultant/vendor procurement/selection processes.

MDOT uses a qualification-based selection (QBS) process, a low-bid process, best value process, and a qualification review and low-bid process for procuring consultant/vendor services. Request for Proposals (RFP) for all services greater than \$50,000 are posted on MDOT's Web site.

"Brooks Act" services for projects valued at \$150,000 or more, are defined as "professional services of an architectural or engineering nature, as defined by State law, if applicable, which are required to be performed or approved by a person licensed, registered, or certified to provide such services as described in this paragraph; professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may locally or justifiably perform studies, investigations, surveying and mapping, tests, evaluation, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services."

Some services, whether QBS, low bid, or best value, will require a consultant/vendor to be prequalified to be eligible to participate in the selection. For these services, the RFP will clearly state what prequalification classification(s) is required. The only exception to prequalification is the MDOT Small Business Development Program (pilot program).

MDOT's current approved process is comprised of three tiers plus a small purchase process for services estimated less than \$50,000. The three Tiers are:

- Tier I Services (Services Estimated Between \$50,000 and \$150,000)
- Tier II (Greater than \$150,000 to \$1,000,000)
- Tier III (Greater than \$1,000,000)

Tiers II and III comply with QBS and the Brooks Act, if the selection involves professional engineering or architectural services as noted above.

Applicable Laws, Regulations, Orders, and Procedures*

*(*which are not covered in FHWA/MDOT Stewardship and Oversight Agreement and Attachments)*

- 23 USC 302, State Transportation Department
- 23 USC 306, Mapping
- 40 USC 11, Selection of Architects and Engineers (Brooks Act)
- 41 USC 403(11), Public Contracts, Definitions, Simplified Acquisition

Threshold

- 23 CFR 1.11 Engineering Services
- 23 CFR 1.33, Conflicts of Interest
- 2 CFR 200 Administrative Requirements, Cost Principles, and Audit

Requirements for Federal-Aid Awards

- 48 CFR 31, Contract Cost Principles and Procedures
- 49 CFR 26, Participation By Disadvantaged Business Enterprises In Department Of Transportation Financial Assistance Programs

Monitoring

FHWA will monitor the consultant/vendor selection through periodic program/process reviews, generally every three years. This is done on both MDOT Contract Services Division and Local Agency Program (LAP) Unit activities. Written procedures as well as a sample of contracts will be reviewed for compliance with 23 CFR 172.9(a). This will be done according FHWA Michigan Division Standard Operating Procedures (SOP) Consultant Procurement, Management, and Administration and generally covers scope, solicitation of proposals, negotiations, and monitoring consultant's work.

Business Standards

- FHWA has a 5-business day review period to approve or deny an exception to procedures and requests relating to a major project consultant selection.
- FHWA has a 21-business day review period to approve or deny major changes to the program or procedures.

Program/Project Approval Actions*

*(*which are not covered in the FHWA/MDOT Stewardship and Oversight Agreement and Appendices)*

- In accordance with 23 CFR172.9(b), FHWA will approve contract and contract settlements involving design services for design services that do not fall under the small purchase procedures in 172.5(a) (2).

Performance Measures

- Establish baseline for the rate of completed vendor evaluations each year. The goal is to improve the baseline by 10% per year to a minimum standard of 80%.

APPENDIX A: FHWA/MDOT PoDI Identification Form

FHWA/MDOT

PoDI Identification Form

PoDI projects will generally be on the Interstate or National Highway System. However, other Federal-aid projects may also be selected.

Federal Project Number: _____

State Number: _____

Estimated Cost (Federal funds): _____

Project Description
<p>(Add short description of the project)</p>

Project Selection Criteria	Potential for Risk-Based Activity
<p>Use criteria to determine potential risk-based involvement</p> <p>Note: Check mark the areas of potential risk-based activity for informing your decision for risk-based project involvement.</p>	
<p>Significant Project :</p> <ul style="list-style-type: none"> • Identified as a PoCI – If yes, then will be PoDI • Project size • Project on the NHS/Interstate • High Volume / High Freight • Regional importance 	

<ul style="list-style-type: none"> • Directly supports one or more USDOT/FHWA Initiatives (e.g. TIGER) • Multimodal (e.g., Joint FHWA/FTA funded project) • Unique safety features or implications 	
<p>Complex Project:</p> <ul style="list-style-type: none"> • New design features • Access Control Issues • ROW impacts (major relocations) • Innovative Construction methods • Innovative Contracting Techniques • Traffic impacts/Complex MOT • Difficult location (constructability issues) • State Capacity 	
<p>Complex Tunnel or Bridge Project:</p> <ul style="list-style-type: none"> • New design features • Difficult locations for construction (over water ways, urban setting, etc.) • Traffic impacts/Complex MOT • State experience in design or construction of bridge type • State experience in design or construction of tunnels 	
<p>Environmental/Legal Considerations</p> <ul style="list-style-type: none"> • Class (EIS/EA/CE) • Natural Resources • Cultural Resources • Human impacts • Public Controversy 	

<ul style="list-style-type: none"> • Law suits (pending or anticipated) 	
<p>LPA Administered Projects LPA capacity to manage project</p> <ul style="list-style-type: none"> • LPA capacity to design project • LPA capacity to construct project • LPA experience with Federal-aid projects 	
<p>Political/Public Interest</p> <ul style="list-style-type: none"> • State (Governor, DOT, other stake holders) • Congressional delegation • Other Federal agencies • Local governments/MPOs • Other stake holders 	

SUMMARY	Result
<p>Is the project identified for <u>potential</u> risk-based stewardship and oversight? (Major Projects and PoCIs will be selected)</p>	Y or N
Notes:	

Concurred on by:

STA (optional) _____

Date: _____

FHWA _____

Date: _____

APPENDIX B: Programmatic PoDI S&O Report Template

#	ACTION	Retained? (Y/N) <small>(Note: NA indicates that action cannot be assumed by the State)</small>	What is the rationale for this retention? (i.e. what is the risk or resource needs that do not allow you to have the action assumed by the State)	Retained Project Categories (Interstate, NHS, Non-NHS (only if requested in writing by the State), LPA, subcategory, etc.)	Estimated Number of Relevant Projects for Upcoming PY
PROGRAMMING (All phases)					
01	Ensure project in Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP)				
02	Identify proposed funding category				
FINANCIAL MANAGMENT (All phases)					
03	Obligate funds/approve Federal-aid project agreement, modifications, and project closures (project authorizations) (Note: this action cannot be assumed by State)	NA			
04	Authorize current bill (Note: this action cannot be assumed by State)	NA			
05	Review and Accept Financial Plan and Annual Updates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] (Note: this action cannot be assumed by State)	NA			
06	Review Cost Estimates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] (Note: this action cannot be assumed by State)	NA			
07	Develop Financial Plan for Federal Projects between \$100 million and \$500 million. [23 U.S.C. 106(i)]				

ENVIRONMENT (All phases)					
08	All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations. (Note: this action cannot be assumed by STATE except under 23 U.S.C. 327)	NA			
09	Categorical Exclusion approval actions (Note this action cannot be assumed by the State except through an assignment under 23 U.S.C. 326 or 327, or through a programmatic agreement pursuant to Section 1318(d) of MAP-21 and 23 CFR 771.117(g))	NA			
PRELIMINARY DESIGN (Design Phase)					
10	Consultant Contract Selection				
11	Sole source Consultant Contract Selection				
12	Approve hiring of consultant to serve in a “management” role (Note: this action cannot be assumed by State) [23 CFR 172.9]	NA			
13	Approve consultant agreements and agreement revisions (Federal non-Major Projects) [23 CFR 172.9]				
14	Approve consultant agreements and agreement revisions on Federal Major Projects [23 CFR 172.9] (Note: this action cannot be assumed by State)	NA			
15	Approve exceptions to design standards [23 CFR 625.3(f)]				
16	Interstate System Access Change [23 USC 111] (Note: this action cannot be assumed by State)	NA			
17	Interstate System Access Justification Report [23 USC 111] (Note: action may be assumed by State pursuant to 23 USC 111(e))				

18	Airport highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104]				
19	Approve Project Management Plan for Federal Major Projects over \$500 million [23 USC 106(h)] (Note: this action cannot be assumed by State)	NA			
20	Approve innovative and Public-Private Partnership projects in accordance with SEP-14 and SEP-15 (Note: this action cannot be assumed by State)	NA			
21	Provide pre-approval for preventive maintenance project (until FHWA concurs with STATE procedures) (Note: this action cannot be assumed by State)	NA			
DETAILED / FINAL DESIGN (Design Phase)					
22	Provide approval of preliminary plans for unusual/complex bridges or structures on the Interstate. [23 USC 109(a) and FHWA Policy]	NA			
23	Provide approval of preliminary plans for unusual/complex bridges or structures (non-Interstate). [23 USC 109(a) and FHWA Policy]				
24	Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c)]				
25	Approve use of local force account agreements [23 CFR 635.104 & 204]				
26	Approve use of publicly owned equipment [23 CFR 635.106]				
27	Approve the use of proprietary products, processes [23 CFR 635.411]				
28	Concur in use of publicly furnished materials [23 CFR				

	635.407]				
	RIGHT-OF-WAY (Design and Operational Phases)				
29	Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work [23 CFR 635.309(b)]				
30	Make public interest finding on whether State may proceed with bid advertisement even though ROW acquisition/relocation activities are not complete for some parcels [23 CFR 635.309(c)(3)]				
31	Ensure compliant ROW certificate is in place [23 CFR 635.309(c)]				
32	Approve Hardship and Protective Buying [23 CFR 710.503] (If a Federal-aid project) (Note: this action cannot be assumed by State)	NA			
33	Approve Interstate Real Property Interest Use Agreements [23 CFR 710.405] (Note: this action cannot be assumed by State)	NA			
34	Approve non-highway use and occupancy [23 CFR 1.23(c)]				
35	Approve disposal at less than fair market value of federally funded right-of-way, including disposals of access control [23 U.S.C. 156] (Note: this action cannot be assumed by State)	NA			

36	Approve disposal at fair market value of federally funded right-of-way, including disposals of access control [23 CFR 710.409] (Note: 23 CFR 710.201 authorizes FHWA and STATE to agree to scope of property-related oversight and approvals for all actions except those on the Interstate System)				
37	Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations or other contributions applied to a project (note: this action cannot be assumed by State)	NA			
38	Federal land transfers [23 CFR 710, Subpart F] (Note: this action cannot be assumed by State)	NA			
39	Functional replacement of property [23 CFR 710.509] (Note: this action cannot be assumed by State)	NA			
SYSTEM OPERATIONS AND PRESERVATION (Design Phase)					
40	Accept Transportation Management Plans (23 CFR 630.1012(b))				
41	Approval of System Engineering Analysis (for ITS) [23 CFR 940.11]				
PS&E AND ADVERTISING (Design Phase)					
42	Approve PS&E [23 CFR 630.201]				
43	Authorize advance construction and conversions [23 CFR 630.703 & 709] (Note: this action cannot be assumed by State)	NA			
44	Approve utility or railroad force account work [23 CFR 645.113 & 646.216]				

45	Approve utility and railroad agreements [23 CFR 645.113 & 646.216]				
46	Approve use of consultants by utility companies [23 CFR 645.109(b)]				
47	Approve exceptions to maximum railroad protective insurance limits [23 CFR 646.111]				
48	Authorize (approve) advertising for bids [23 CFR 635.112, 309]				
	CONTRACT ADVERTISEMENT AND AWARD (Design Phase) All contracts to be done by competitive bidding unless otherwise authorized by law				
49	Approve cost-effectiveness determinations for construction work performed by force account or by contract awarded by other than competitive bidding [23 CFR 635.104 &.204]				
50	Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 &.204]				
51	Approve construction engineering by local agency [23 CFR 635.105]				
52	Approve advertising period less than 3 weeks [23 CFR 635.112]				
53	Approve addenda during advertising period [23 CFR 635.112]				
54	Concur in award of contract [23 CFR 635.114]				
55	Concur in rejection of all bids [23 CFR 635.114]				
56	Approval of Design-Build Requests-for-Proposals and Addenda [23 CFR 635.112]				
	CONSTRUCTION				

(Construction Phase)					
57	Approve changes and extra work [23 CFR 635.120]				
58	Approve contract time extensions [23 CFR 635.120]				
59	Concur in use of mandatory borrow/disposal sites [23 CFR 635.407]				
60	Accept materials certification [23 CFR 637.207]				
61	Concur in settlement of contract claims [23 CFR 635.124]				
62	Concur in termination of construction contracts [23 CFR 635.125]				
63	Waive Buy America provisions [23 CFR 635.410] (Note: this action cannot be assumed by State)	NA			
64	Final inspection/acceptance of completed work [23 USC 114(a)]				
CIVIL RIGHTS (All phases)					
65	Approval of Disadvantaged Business Enterprise (DBE) Project Contract Goal set by the State DOT under 49 CFR 26.51(d). [49 CFR 26.51(e)(3)]				
66	Acceptance of Bidder's Good Faith Efforts to Meet Contract Goal [49 CFR 26.53] or of Prime Contractor's Good Faith Efforts to Find Another DBE Subcontractor When a DBE Subcontractor is Terminated or Fails to Complete Its Work [49 CFR 26.53(g)] (Note: this action cannot be performed by the FHWA)				
67	Equal Employment Opportunity (EEO) Contract Compliance Review Approval [23 CFR Part 230, Subpart D]).				
68	Training Special Provision – Approval of Project Goal for training slots or hours				

	[23 CFR Part 230, Subpart A]				
69	Training Special Provision – Approval of New Project Training Programs (Note: this action cannot be assumed by State) [23 CFR 230.111(d), (e)]	NA			
	Other				
70	Specify				
71	Specify				
72	Specify				
73	Specify				
74	Specify				
75	Specify				

APPENDIX C: PoDI Stewardship & Oversight Plan Example

Project Name	Description	State/County	FMIS #	State ID #	FHWA Contact
Click here to enter text.					

1. Is this PoDI project completed? Yes No
 - a. If yes, what were the results of the Division’s involvement in the project?
 - b. If no, keep this project on the Current PoDI List? Yes No

2. Is this PoDI also a PoCI? Yes No

3. What is the PoDI Type (select one)?
 - Major Project (>\$500M); 23 USC 106(h)
 - Appalachian Development Highway Project
 - TIGER Discretionary Grant Project
 - Projects Selected for Risk-based Stewardship & Oversight; 23 USC 106(g)

4. What are the applicable risk areas associated with the PoDI (select all that apply):
 - Complexity
 - Cost
 - Schedule
 - Urgency
 - Environment & Stakeholders
 - Funding
 - Project Administration
 - National/Regional Significance
 - Corporate Actions
 - Local Considerations
 - Other: Describe:

Please provide a general description of the risks:

5. What are the general project elements that will be reviewed (select all that apply):
 - Project Authorization and Project Agreement
 - Project Planning and Programming
 - Project Financing

- Environmental Clearances/NEPA
- Preliminary Design
- Final Design
- Plan, Specification, & Estimate Development
- Advertising and Award
- Innovative Contracting/Design Build
- Contract Administration
- Construction Inspection & Quality
- Other – Describe: [Click here to enter text.](#)

Please provide a specific description of the elements that will be reviewed:

6. What are the general S&O activities that the Division will conduct in response to risk (select all that apply):

- Retained Project Approval Actions
- Project/Technical Meetings
- Document/Plan Review
- Field Review/Inspection & Report
- Program/Process Reviews & Report
- CAP Review
- Special Review
- Other – Describe: [Click here to enter text.](#)

Please provide a specific description of the activities that will be conducted:

7. Please provide a specific description of the elements to be reviewed:
8. Please provide a specific description of the activities that will be conducted:
9. If the project is a PoCI, what specific corporate resources were committed to this project?
10. Additional Information:

APPENDIX D: ACRONYMS

AASHTO	American Association of State Highway and Transportation Officials
ACHP	Advisory Council on Historic Preservation
ADA	Americans with Disabilities Act
BOHIM	Bureau of Highways Instructional Memos
BPD	Base Plan Date
CAP	Compliance Assessment Program
CE	Categorical Exclusion
CFR	Code of Federal Regulations
CMAQ	Congestion Mitigation and Air Quality
CPG	Consolidated Planning Grant
CPM	Capital Preventative Maintenance
DBE	Disadvantaged Business Enterprise
DBE/SS	Disadvantaged Business Enterprise/Supportive Services
DEIS	Draft Environmental Impact Statement
DOT	State Department of Transportation
EA	Environmental Assessment
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
EO	Executive Order
EPA	Environmental Protection Agency
ER	Emergency Relief
ESA	Environmental Site Assessment
FAA	Federal Aviation Administration
FAHP	Federal aid Highway Program
FAPG	Federal aid Policy Guide
FHWA	Federal Highway Administration
FHWA-HQ	Federal Highway Administration Headquarters (D.C)
FIRE	Financial Integrity Review and Evaluation
FMIS	Federal Management Information
FONSI	Finding of No Significant Impact
FTA	Federal Transit Administration
GARVEE	Grant Anticipation Revenue Vehicle System
GIS	Geographic Information System
GTSAC	Governor's Traffic Safety Advisory Commission
HOT	High Occupancy Toll
HOV	Highway Occupancy Vehicle
HPMS	Highway Performance Monitoring System
HRRR	High Risk Rural Roads
HSIP	Highway Safety Improvement Program
HVUT	Heavy Vehicle Use Tax
IACR	Interstate System Access Change Request
IAJR	Interstate System Access Justification Reports

APPENDIX D: ACRONYMS

ICAP	Indirect Costs Allocation Plans
ISACR	Information System Access Change Request
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
ITS	Intelligent Transportation Systems
L&D	Location & Design
LAP	Local Agency Program
LPA	Local Public Agency
LRFD	Load and Resistance Factor Design
LTAP	Local Technical Assistance Program
MAP- 21	Moving Ahead of Progress in the 21 st Century
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MDPS	Michigan Department of Public Safety
MFOS	MAP Financial Obligation System
MIOSHA	Michigan Occupational Safety and Health Administration
MMUTCD	Michigan Manual on Uniform Traffic Control Devices
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MUTCD	Manual on Uniform Traffic Control Devices
NAAQS	National Ambient Air Quality Standards
NBI	National Bridge Inspection
NBIS	National Bridge Inspection Standards
NEPA	National Environmental Policy Act of 1969
NHS	National Highway System
NHTSA	National Highway Traffic & Safety Administration
NOI	Notice of Intent
NSTI	National Summer Transportation Institute
OHSP	Office of Highway Safety Planning
OIG	USDOT Office of Inspector General
OJT	On-the-Job Training
OJT/SS	On-the- Job Training/Supportive Services
OMB	U.S. Office of Management and Budget
OPI	Organizational Performance Indicators
POA	Plans of Action
MPL	Metropolitan Planning Funds
MPO	Metropolitan Planning Organization
NSTI	National Summer Transportation Institute
PMP	Project Management Plans
PoCI	Projects of Corporate Interest
PoDI	Projects of Division Interest
PS&E	Plans, Specifications, and Estimate

APPENDIX D: ACRONYMS

RAC	Research Advisory Committee
RASPS	Rapid Approval State Payment System
RDC	Rail Development Commission
RFP	Request for Proposal
RHCP	Railroad Highway Crossing Program
ROD	Record of Decision
ROW	Right-Of-Way
RWIS	Road Weather Information System
S&O	Stewardship and Oversight Agreement
SAFETEA-LU	Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users
SEP	Special Experimental Projects
SHPO	State Historic Preservation Office
SHSP	Strategic Highway Safety Plan
SIP	State Implementation Plan
SLRTP	State Long-Range Transportation Plan
SOP	Standard Operating Procedure
SOW	Statement of Work
SPR	Statewide Planning and Research
SRTS	Safe Routes to School
STIP	Statewide Transportation Improvement Program
STRAHNET	Strategic Highway Network
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIP	Transportation Improvement Plan
TEA-21	Transportation Equity Act for the 21st Century
TMA	Transportation Management Area
TMP	Transportation Management Plans
TOC	Traffic Operations Center
TPM	Transportation Performance Management
TRAC	Transportation Review Advisory Council
TRCC	Traffic Records Coordinating Committee
TSC	Transportation Service Center
UPWP	Unified Planning Work Program
USACE	United States Army Corps of Engineer
USC	United States Code
USFWS	United States Fish and Wildlife Service
VE	Value Engineering