

Michigan Department of Transportation Real Estate Support Area Utility Coordination and Permits Section Construction Permit Manual	<div style="text-align: right;">12.23</div> <div style="text-align: center;">PERMIT REQUIREMENTS FOR LOCAL GOVERNMENT PROJECTS</div> <div style="display: flex; justify-content: space-between;"> May 5, 2003 Page 1 of 2 </div>
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General Information

A basic tenant of the construction permit program is that anyone who works in state trunkline right-of-way requires a permit, excluding MDOT staff and MDOT construction contractors. As MDOT is committed to providing an integrated transportation system to the motoring public, it is important to ensure that the permit process for these types of projects is comprehensive, manageable, and used uniformly.

Local agencies regularly require access to state trunkline right-of-way during construction of federal or state funded projects and other locally funded projects. These projects are located directly on or intersect with state trunkline right-of-way, or require state trunkline right-of-way for detours or construction signing.

Regardless of the type of oversight for local agency projects, the permit package shall be included in the proposal. When appropriate, the permit package shall also include all detour routes, sign postings, permitted construction operational hours, and other appropriate regulatory documentation or stipulations. It is important for the local agency to procure the approved permit from the appropriate Region/TSC in a timely fashion so that right-of-way can be certified prior to letting the project, and MDOT can validate the certification. The permit shall stipulate an expiration date. If a permitted project is not let within the permitted time frame, the permit becomes invalid.

**Local Agency Projects
with MDOT Oversight**

These types of construction projects are authorized through the same process as other MDOT construction projects and *may* require significant oversight by MDOT staff. Examples include projects administered by MDOT's Local Agency Programs Unit, locally let enhancement projects, and force account projects. Permits issued under these circumstances shall be a no-fee-permit. Since liability insurance and performance surety documents are required in MDOT construction contracts, the permit *may* be issued without securing these two supporting documents.

**Local Agency Projects
without MDOT Oversight**

These types of construction projects are authorized through a different process than other MDOT construction projects and *may* require involvement by MDOT staff when the project affects operation of the state trunkline. The local agency is responsible for providing project oversight by a qualified engineer and quality control and testing consistent with MDOT construction standards. Furthermore, the project *may* be subject to audit and post construction review. Examples include locally funded resurfacing or water main projects.

Since liability insurance and performance surety documents *may not* be required in the local construction contract, MDOT shall ensure that these two legal instruments are obtained prior to issuing a permit. When a local agency submits a construction permit application, typically no contractor has been selected yet. Since a certificate of insurance or construction performance bond cannot be obtained from a not-yet-named-contractor, the following procedure shall be followed:

Procedure

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| Permit | 1. The permit applicant shall be the local agency. A permit is required if the proposed work is located within state trunkline right-of-way. The permit package shall include traffic control plans as a minimum. |
| Fee | 2. An appropriate fee <i>may</i> be required to issue the permit if the local agency is working outside their jurisdictional boundary. Appropriate inspection fees <i>may</i> also be identified at this time. |
| Insurance | 3. Previously established statewide minimum liability insurance <i>may</i> be required. A permit attachment shall indicate that the construction contractor's insurance carrier will deliver a certificate of insurance to MDOT prior to beginning construction of the project. |
| Performance Surety | 4. Performance surety guarantees <i>may</i> be required. An indemnification resolution, retainer letter, or construction performance bond <i>may</i> be appropriate to document this objective. The amount of the performance surety shall be determined by the Region/TSC permit agent/engineer and should represent the cost associated with repairing the structural integrity of the road bed and making the roadway safe, if needed. If the local agency requires the construction contractor to supply the performance bond, another permit attachment shall indicate that the construction contractor will deliver a performance bond to MDOT prior to beginning construction of the project. |