



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

April 23, 2009

Mr. John D. Niemela, Director
County Road Association of Michigan
P.O. Box 12067
Lansing, Michigan 48901-2067

Mr. David Worthams, Asst. Director
State Affairs
Michigan Municipal League
208 North Capital Avenue, 1st Floor
Lansing, Michigan 48933

Dear Mr. Niemela and Mr. Worthams:

Reporting Requirements for Work Done by Local Agencies using Funding from the
American Recovery and Reinvestment Act of 2009 (ARRA)

The Michigan Department of Transportation (MDOT) is working closely with the Federal Highway Administration (FHWA) to comply with all the program requirements of the American Recovery and Reinvestment Act of 2009 (ARRA) legislation. MDOT will be reporting on a multiplicity of information including which projects were selected, how the funds were distributed, what percentage of the funding has been expended and the progress of individual projects. Information which can be obtained at the planning level will be input into the federal database, eliminating the need to contact the local agency for this information. The National Environmental Protection Act (NEPA) and federal permit information will also be input into the database as the reviews of the program applications occur. The reporting starts the first month after the projects are certified to the FHWA using the 1511 certification report. No further reporting is needed until the projects are obligated. Once the project is obligated, the project status, monthly labor statistics and project costs must be submitted by the local agency. The reporting will be required on a project basis until the project is completed. We have been instructed by the FHWA that failure to comply with the reporting requirements will result with the ARRA funds being withheld from the project, so the reporting requirements will be strictly enforced.

Based on the reporting requirements for the contracted portion of the stimulus projects, we have determined we will collect the information directly from the contractors for MDOT let projects (see attached Notice to Bidders). We will not allow local lettings for ARRA projects since we will not be able to directly influence the reporting without having a means for withholding payment to the contractors if they do not comply with the requirements.

Any project work which is done by force account will need to be posted on a federal website prior to the start of the project. If an ARRA project will include force account work, construction engineering or preliminary engineering, the local agency must report labor statistics directly to the department. This information should be sent in directly to the staff engineer listed on the e-802p authorization **no later than the tenth day of each month**. After consultation with the FHWA, we have determined that the Davis Bacon provision for wages is not required for public employees while performing these tasks. If any portion of the work is subcontracted, the contractors must pay prevailing wages. Compliance with the reporting requirements associated with the ARRA funding will be written into the cost participation agreements and will also be a condition of the authorization which will be issued on the e-802P system.

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Some project identification information will be collected along with the labor statistics. The required information to be submitted is as follows:

- The project description (e.g., resurfacing on Mt. Hope Road from Harrison Road to Hagadorn Road).
- The state project number (usually a six digit number with a phase associated e.g., 105978A).
- The federal project number (usually starts with three or four letters followed by a dash then four numbers and finally three more numbers in parenthesis e.g., ARUL – 6314(799).)
- The number of people employed for this specific project for the month which was just completed (if the operation varies depending on the daily activity use the maximum number).
- The wages paid to each employee for the project (do not include any overhead or fringe benefits, just the hourly wage).
- The city or county Data Universal Number System (DUNS) identifier (a unique nine digit sequence number used for federal contracts). **For more information on the purpose of a DUNS number and how to obtain one, please refer to the Dunn and Bradstreet website: www.dnb.com/US/duns_update**
- The day the work will start (or the actual date it started) and the plan completion date (or the actual finish date).
- The costs spent to date as of the last day of the reporting month.
- In addition to the information listed above, local agencies and their consultants will be required to comply with ARRA reporting requirements included in future FHWA or OMB guidelines.

Thank you for providing this information to your constituency. We look forward to working with them to deliver the projects selected for American Recovery and Reinvestment Act of 2009 (ARRA). As previously provided, the following link provides access to the most current information available by the Federal Highway Administration on the ARRA funding. It is an essential reference for guidelines, reporting requirements, and common questions and answers.

<http://www.fhwa.dot.gov/economicrecovery/>

If you have other questions, or need further information, please contact Mr. Rudolph S. Cadena, Local Agency Programs Engineer, at 517-335-2233.

Sincerely,



Mark Van Port Fleet, P.E., Director
Bureau of Development

cc: D. Wearsch
B. Kadzban

R. Cadena

M. Harrison

M. Harbison

NOTICE TO BIDDERS ARRA MONTHLY EMPLOYMENT REPORTS

The American Recovery and Reinvestment Act of 2009 (ARRA), requires states receiving stimulus funds for highway projects to provide monthly reports to the Federal Highway Administration (FHWA) regarding the number of employees of prime contractors, all-tier subcontractors and consultants on ARRA funded projects.

The cost for complying with this Notice to Bidders must be borne by the prime contractor, and all-tiers of subcontractors and consultants, as part of their overhead and is deemed to be included in the payments made under this contract.

Within 10 days after the end of each month in which work is performed on this contract, all prime contractors, and all-tier subcontractors and consultants, must provide the Engineer a monthly report, in a format and on forms approved by the Engineer, which shall include, for work performed in that preceding month:

- The total number of employees who performed work on this contract.
- The total number of hours worked by employees who performed work on this contract.
- The total wages of employees who performed work on this contract.

This Notice to Bidders shall be included as a part of each subcontract executed by the prime contractor, and all-tiers of subcontractors and consultants.

If necessary to conform to guidance provided by FHWA concerning the ARRA reporting requirements, the prime contractor, and all-tiers of subcontractors and consultants will revise their reporting as directed by the Engineer.

Failure to comply with the reporting requirements under ARRA would jeopardize the Department's continued receipt of ARRA funding.

Accordingly, if a contractor or any-tier of subcontractor or consultant fails to comply with this Notice to Bidders, the Department may withhold contract payments until compliance is achieved. If the Department is compelled to incur costs because of such a breach, the amount of those costs may be deducted from payments otherwise to be made under this contract. Additional sanctions may include reduction or elimination of prequalification ratings and removal of bidding privileges.