

Chapter 9 Projects Sponsored by Others

Section 1 Construction Contract Administration for Projects Sponsored by Others

9-101 General

Caltrans encourages local and private sponsoring of state highway improvements. Local agencies develop and implement local funding programs that supplement federal and state funding programs to meet their current and future transportation needs. Projects sponsored by others that are constructed on the State Highway System may be implemented by a city, county, local transportation authority, local transit agency, or private entity and use local or private funding.

Local revenues for state highway projects may include local sales tax, other local funds, local federal-aid funds, such as funds from Surface Transportation Program, Congestion Mitigation Air Quality, or Active Transportation Program, and private funds. Local agencies may combine their funds with state funds, such as the State Transportation Improvement Program, State Highway Operation and Protection Program, or Minor Programs, to develop transportation improvements.

The term “local agency” used throughout this section means any public entity, including federal and state agencies, that sponsors or acts as implementing agency for a construction contract on the State Highway System. In addition, any private entity that sponsors or administers construction contracts on the State Highway System, unless otherwise noted, can be considered a local agency.

Caltrans policy states that the local or private entities sponsoring State Highway System projects financed with local and private funds will select the implementing agency for construction contract administration. Caltrans will consider acting as implementing agency for a construction contract on a reimbursement basis in certain cases that are described in Section 9-103, “Caltrans Administered Projects Sponsored by Others,” of this manual.

9-102 Advertise, Award, and Administer Construction Contracts

Caltrans policy states that advertising, award, and contract administration must not be divided among different entities; that is, the entity that advertises the project must also award and administer the construction contract. Only the chief of the Division of Construction can waive this policy.

9-103 Caltrans Administered Projects Sponsored by Others

The district may honor local agency requests that Caltrans advertise, award, and administer the construction contract for locally sponsored projects at the discretion of the district director, and subject to availability of resources. The local agency must accept the processing procedures normally applied to state highway projects, because the locally sponsored project will be processed along with Caltrans’ regular workload associated with developing the statewide transportation program.

The district director determines the appropriate method for advertising, awarding, and administering a construction contract project sponsored by others. The district director should consider advertising, awarding, and administering contracts if:

- The project involves major urban freeway or expressway construction, where heavy public traffic will occur through construction.
- The project requires extensive night work.
- The project involves long and unusual structures.
- The Federal Highway Administration requests administration by Caltrans.

Caltrans-administered projects that are sponsored by others follow the guidance of this manual and the terms of the cooperative agreement. Whenever Caltrans advertises, awards, and administers the contract, the project is considered to be “state-administered.” Caltrans personnel perform the construction engineering in most cases. Arrangements may be made, however, for Caltrans to provide the resident engineer, structures representative, lead inspectors, and the remainder of the construction engineering staff to be local agency personnel, local agency hired consultants, or a combination of the two. In a combined effort, the Caltrans district, not the local agency, must properly staff such a project whether or not the local agency can furnish the expected personnel. The cost of the construction engineering team provided by a local agency is considered part of the local agency’s share of the project costs.

Caltrans personnel make charges against the project identification number for state administered projects similar to charging practices used on Caltrans projects. As a result of using this charging method, the local agency shares the engineering costs in accordance with the cooperative agreement between the local agency and Caltrans. Charges made for the local agency’s personnel or consultants on state administered projects are also charged against the project and shared in accordance with the cooperative agreement. The method of charging the project for local agency personnel may vary depending on the entity and the agreement.

The Caltrans claims process in consultation with the fund provider is used when Caltrans administers a construction contract. For more information about this process, refer to Section 5-4, “Disputes,” of this manual. The agreement must state that the fund provider will abide by the outcome of the Caltrans claims process.

9-103A Requesting Additional Funds for Local Federal-Aid (Subvention) Projects

If the project is funded in whole or part with local federal-aid funds, and the resident engineer determines that additional funds are needed, the resident engineer follows the procedures outlined in Section 5-203, “Obtaining Additional Funds,” of this manual, with the following changes:

- The meeting with the resident engineer, construction engineer, Construction field coordinator, and project manager to discuss funding needs and alternatives must also include the district Local Assistance engineer and a representative of the local agency that sponsored the project. The meeting should include a

representative of the local regional transportation agency (RTPA) if the local federal-aid funds are programmed by the RTPA. The meeting should include the Federal Highway Administration transportation engineer for projects with appropriate risk levels.

- The memorandum to request additional funds will be processed through the RTPA or district local assistance engineer. The meeting participants decide who receives the memorandum.
- If state funds pay for part of the project costs, the meeting will determine the responsibilities for the additional funds request. Project managers process the request for additional state funds as outlined in Section 9-103B, "Requesting Additional Local Funds for Locally Sponsored Projects," of this manual. The request for additional local federal-aid funds will be processed as determined at the meeting.

9-103B Requesting Additional Local Funds for Locally Sponsored Projects

If the project is not funded by local federal-aid funds, and the resident engineer determines that additional funds are needed, the resident engineer follows the procedures outlined in Section 5-203, "Obtaining Additional Funds," of this manual, with the following changes:

- Include a representative of the local agency that sponsored the project when discussing funding need and alternatives during the meeting with the resident engineer, construction engineer, Construction field coordinator, and project manager.
- Send the memorandum to request additional local funds to the local agency.
- Determine the split on the responsibility for the additional funds request during the meeting, if state funds are paying for part of the project costs. Project managers process the request for additional state funds as outlined. The request for additional local funds will be processed as determined at the meeting.