



*Expires – Upon Issuance of LPP*

## Period of Performance

### I. BACKGROUND

On December 26, 2013, the Office of Management and Budget published Title 2 of the Code of Federal Regulations (CFR) Part 200 (referred to as the “Supercircular”) to streamline the administrative requirements, cost principles, and audit requirements of federal awards. One of the significant changes within this regulation is the introduction of the Period of Performance (2 CFR Part 200.309). The Period of Performance, which defines when federally reimbursable costs can be incurred, is now required to be identified within the Federal Highway Administration’s (FHWA) Fiscal Management Information System (FMIS). The Period of Performance begins when FHWA approves the initial authorization to proceed with the project. It ends when the local agency has finished incurring costs for all reimbursable work. FHWA’s 2 CFR 200 Implementation Guidance requires the local agency to identify the date when the Period of Performance ends.

Office Bulletin 16-02 established a procedure to identify a Period of Performance End Date (PPED), to establish when the Period of Performance ends, and an Agreement End Date (AED) to define when the project would be closed in FMIS. After putting this procedure into practice for two years, it was reviewed by FHWA and DLA and determined that only one date will be used to define when the Period of Performance ends. As a result, this office bulletin is being published to revise the procedure. Essentially, when it coincides with the Period of Performance, it eliminates the Period of Performance End Date and establishes that only one date will need to be established to identify the end of the Period of Performance. This date is the Agreement End Date (AED).

The purpose of this Office Bulletin is to define the date required to be collected for the Period of Performance of each federally-funded project.

### II. POLICY

To comply with the Period of Performance reporting requirements, the following date will need to be identified at time of authorization and updated during project delivery.

#### Agreement End Date (AED)

The Period of Performance is defined as the time frame during which eligible federal project costs can be incurred. The beginning of the Period of Performance is established when the project’s first authorization (E-76) is approved by FHWA. The end of the Period of Performance is when the agency has finished incurring federally reimbursable costs. As a result of these eligible costs being incurred within the Period of Performance, they are eligible for reimbursement.

The Agreement End Date (AED) is the date that an agency must estimate in order to identify the end of the project’s Period of Performance. It is defined as the date after which no additional costs may be incurred for an authorized phase of work and coincides with when the agency submits its complete and accurate Final Report of Expenditures (FROE) to the District Local Assistance Engineer (DLAE). Any costs incurred after this date will not be eligible for federal



reimbursement. The AED is established by adding twelve (12) months to the local agency’s estimated date of completing the authorized phase of work. The completion of the Preliminary Engineering and Right of Way phases of work is estimated as the anticipated advertising date for construction. For the Construction phase of work, completion is estimated as board/council construction contract acceptance. Upon adding a future phase of work, the local agency must also revise the AED. Revisions to the AED require Caltrans concurrence and FHWA approval. If the AED is revised after the authorized AED has past, any costs incurred between the expiration of the authorized AED and the revised AED are ineligible for reimbursement.

### III. PROCEDURE

#### Establishing the AED

Effective immediately, local agencies are required to estimate the AED and include it at the time of their authorization request. The AED is required to be shown on the Local Federal-Aid Project Finance Letter (Local Assistance Procedures Manual (LAPM) Exhibit 3-O) and submitted with every Request for Authorization package for the project. The figure below highlights where the AED must be entered. When preparing the E-76, the DLAE will enter this date into the Agreement End Date field in the Caltrans Federal Aid Data System (FADS). After Caltrans concurrence and FHWA approval, Caltrans will notify the local agency of the established AED along with the project authorization.

3-O SAMPLE LOCAL FEDERAL AID PROJECT FINANCE LETTER

**Superseded By LPP 18-01**

Anticipated Advertisement Date: \_\_\_\_\_

Anticipated Award Date (CON only): \_\_\_\_\_

Anticipated Contract Acceptance Date (CON only): \_\_\_\_\_

Agreement End Date: \_\_\_\_\_

*Figure 1, Local Agency Project Finance Letter*

#### Revising the AED

The local agency is expected to monitor the progress of its project. If the need arises, the local agency may need to revise the AED to accurately reflect the amount of time needed to complete the project or phase of the project. This is readily done and documented as part of an agency’s authorization request when the project progresses from one phase of work to the next, as the project’s delivery schedule will be more refined. While working within a particular phase of work, however, to request a revision to the AED, the local agency must submit an updated Local Federal-Aid Project Finance Letter and adequate justification to the District Local Assistance Engineer (DLAE). Examples of situations which may justify a revision to the AED include, but are not limited to: litigation, major changes in design, environmental or permit issues, construction claims, differing site conditions, significant additional work, area-wide material shortages, labor strikes, unusually severe weather, or other events which are outside the control of the local agency. This documentation must be submitted as a separate request to the DLAE. Revisions to the AED without Caltrans concurrence and FHWA approval may result in costs not being eligible for reimbursement.



**IV. APPLICABILITY/IMPACTS**

This Office Bulletin revises Office Bulletin 16-02. It clarifies what the Period of Performance is, eliminates the Period of Performance End Date (PPED) and establishes that only one date will need to be established to identify the end of the Period of Performance. This date is the Agreement End Date (AED).

An AED must be established on all projects requiring federal authorization. Local agencies must monitor this date to ensure federal reimbursement eligibility of project costs. They also must be careful to monitor how the AED relates to other funding/project deadlines, such as the state budget authority Reversion Date (shown on the project finance letters) as well as Timely Use of Funds deadlines associated with CTC allocated funding.

For projects that have already established PPEDs and AEDs from when Office Bulletin 16-02 was in effect, the AED will be honored as the valid date for when the Period of Performance ends, as it has already been established in FADS and FMIS. When the next E76 is processed for those projects, the AED can be updated at that time if necessary.

Recommended: Winton Emmett 3/9/2018  
Winton Emmett, Chief, Date  
Office of Project Implementation - North

Approved: Superseded By LPP 18-01 3/14/2018  
Winton Emmett, Chief, Date  
Office of Project Implementation - North

**Attachments:**

1. LAPM Exhibit 3-A, Request for Authorization to Proceed with Preliminary Engineering
2. LAPM Exhibit 3-B, Request for Authorization to Proceed with Right of Way
3. LAPM Exhibit 3-C, Request for Authorization to Proceed with Utility Relocation
4. LAPM Exhibit 3-D, Request for Authorization to Proceed with Construction
5. LAPM Exhibit 3-O, Local Federal-Aid Project Finance Letter
6. LAPM Exhibit 3-Q, Request for Authorization to Proceed with Non-Infrastructure Project
7. LAPM Exhibit 5-J, Local Agency Invoice Review Checklist