

Chapter 5

Program Administration

5.1 General Discussion

MDT will monitor and provide general oversight of locally sponsored projects.

Federal statute allows state transportation agencies to delegate authority to implement federal-aid projects to qualified local government and their consultants, through a certification program. Local agencies are required to adhere to the same regulations, policies, and procedures that apply to all MDT federal-aid programs. FHWA will continue to hold MDT responsible for ensuring that all federal-aid program requirements are met.

General guidelines for certification acceptance are contained in this manual. The Project Proposal Application, which provides general program information, requirements and simplifies the application process, is found in Chapter 6.

Appendix 4.61 in Chapter 4 shows the major project development and construction activities associated with implementing federal-aid projects. This flow chart can be used to assist Local agencies with financial management, and is used to inform the general public of a project's anticipated development schedule. Local agencies are encouraged to use this flow chart when developing a specific project's development schedule.

5.2 Local Government Responsibility

Recipients of FHWA funds are responsible for the following:

- Preparing their projects in a timely and satisfactory manner;
- Carrying out their projects substantially as they are described in the federally approved programming documents;
- Ensuring that only eligible activities are undertaken with federal-aid funds;
- Maintaining a financial management system that provides accurate information about project expenditures and assures financial accountability and control;
- No costs incurred before project phase authorization is eligible for reimbursement;
- Promoting equal opportunity in the implementation of project activity;
- Complying with the National Environmental Policy Act (NEPA); and
- Complying with all applicable laws and regulations, especially EEO, ADA, and Labor Compliance.

This chapter of the Guide summarizes the key considerations and important administrative steps, which the Local Elected Officials and staff should keep in mind as they implement their program and specific projects:

- Preparing the Projects Specific Agreements between MDT and the local agency;
- Establishing a Management Plan for project administration, Appendix 5.183;
- Preparing a Project Development Schedule;
- Establishing project files; and
- Incurring project costs.

5.3 Applicable Requirements

These regulations below make each state accountable for conducting such reviews of the units of general local government, as may be necessary or appropriate, to determine whether they have satisfied the applicable performance criteria which incorporate, among other things, the requirements of this Title 23 and other applicable laws.

5.3.1 Federal (select references)

- 23 USC 133 provides the statutory basis for the Federal Highway Administration (FHWA) nationwide transportation program. The FHWA has overall administrative responsibility for the distribution and use of funds that are allocated to the State.
- Title 23 of the Code of Federal Regulation (CFR), “Highways.” These regulations adopted by the FHWA provide the basis for states to receive Federal Highway Funding. These must be adhered to when spending Federal Highway Funding.

5.3.2 State (selected references)

- The Certification Acceptance Qualification Agreement establishes the basic requirements to be certified to locally administer projects.
- The Project Application form establishes the basic requirements governing an application for federal-aid funds and describes the various conditions associated with projects selected or funding.
- The LAG Manual describes policies, procedures, and recommendations governing the administration and management of this program as well as the development and construction of a federal-aid project by Local agencies.

5.4 Project Start-up

5.4.1 Project Approval Letter

The approval of a project to be developed under this manual will be sent to a local agency in the form of a Project Approval Letter and the letter informs the local agency that MDT agrees that the proposed project substantially meets the eligibility criteria. As the proposed project develops, MDT recognizes modifications to the work; program budget and design may be necessary. The lines of communication must remain open between the local agency and MDT to make these modifications, which will allow for successful project completion.

The letter providing approval of a project does not, by itself, authorize the local agency to begin incurring costs. At this point in the project start-up process, projects selected for funding do not have authorization to encumber or expend any federal or local agency matching funds. Federal funds cannot be used for program administrative costs, such as expenditures associated with project application preparation, or previous engineering, or studies, or plans.

MDT will issue by letter a specific authorization to the local agency when acceptable PE activities can begin. The following activities are environmentally exempt and are unlikely to cause any environmental impact:

- Advertising for and evaluation of consultants to include any associated contract negotiations.
- Initiation of Preliminary Engineering activities
- Environmental review activities, including publication of notices, preparation of the Environmental Review Record, and submittal of an Environmental Finding to MDT.

If the environmental status of a particular activity is in doubt, the local agency should contact MDT for guidance. The Environmental Review process for federal-aid fund recipients is discussed in Chapter 10, Environmental Processes.

5.5 Reimbursement for Eligible Activities

Federal-aid funds will not become available until PSAs are fully executed, MDT issues a letter of authorization, and all contract conditions have been met. Project expenses will be the responsibility of the local agency. The PSA will determine the schedule for reimbursement by federal funding of incurred expenses.

If funds are obligated or costs are incurred without proper authorization those costs incurred will be the responsibility of the local agency. For this reason, MDT recommends that new participants not encumber funds or incur costs until they have been briefed on the requirements and responsibilities they assume in administering a federal-aid program and managing a federal-aid project.

Under no circumstance may the local agency expend funds for actual project construction until the environmental review and final project design has been completed and MDT issues a letter authorizing the local agency to begin the construction contract letting or materials procurement process.

5.6 Project Management Plan

MDT requires the local agency to have the capacity to undertake and satisfactorily complete projects in accordance with the Certification Acceptance Agreement. Once a project has been approved, MDT recommends the preparation of a project management plan that assigns roles and responsibilities to specific individuals for the day-to-day administration and management of the project. While reviewing this guide, bear in mind that someone will have to be responsible for assuring compliance with each of the requirements described.

Each local agency should prepare a project management plan that specifically demonstrates how and by whom the project will be managed. A carefully structured, appropriately supervised management plan will allow local officials to monitor project implementation more effectively. More specific information regarding the suggested content of the plan is contained in the Project Management Plan, Appendix 5.183.

If the decision is made to retain contracted services to assist with the management of your program or project, it is important that a local agency official or employee works closely with contracted individuals to gain a better understanding of the issues involved. No program administration activities and only some project management activities are eligible for federal-aid fund participation. If you have any questions regarding this subject contact MDT for a more detailed discussion.

As decisions are made on how the project will be managed, understand that administration of a project does not usually require the full-time attention of an employee or contracted service provider from the beginning of a project to its completion. It is not a prerequisite that local staff, or even a private consultant, have previous federal-aid program experience in order to be effective. The key concern for local agency officials is that the person who is assigned or contracted to serve as LPA be a conscientious and effective manager. The individual needs to be able to devote an appropriate amount of time to ensure that necessary tasks are properly completed.

Once elected, local agency officials decide on a general administrative approach to the program and project(s). They should meet with key staff (such as those responsible for project financial accounting), to discuss their individual roles and responsibilities. The meeting is an opportunity to discuss management plan details, operating procedures, and reporting requirements.

The process of finalizing the management plan will help identify any gaps in the assignment of duties that need to be addressed before beginning to implement the local project. Each person involved in the plan should have a copy of the task assignments and the project development schedule. In the event of staff turnovers, the plan will help familiarize new staff with the responsibilities and operating procedures required in project administration. The management plan should also be retained in your Project Management file.

5.7 Project Development Schedule

An important consideration in project management is the creation of a Project Development Schedule.

5.7.1 Project Start-Up Requirements

Each applicant:

- Must comply with all applicable state and federal requirements for project start-up;
- Must execute MDT/Local agency Project Specific Agreement (PSAs); and
- Must fulfill other appropriate agreement terms established by MDT.

5.7.2 Commitment of Non-FHWA Federal-Aid Financial Resources

Local agency projects which will require private, local, or state resources, as well as federal-aid funds, to implement, should have completed all necessary arrangements to ensure availability of those resources to guarantee timely project completion. The local agency may also have to consider any limitations on the use of those funds, as the overall project budget is prepared. Some programs allow their funds to be used for only certain purposes. These constraints should be kept in mind when deciding which funding source will finance each component of the project. A local agency must also keep in mind that if Federal-Aid is used to develop certain phases or activities (such as the environmental document) of a project than certain federal requirements may apply to all phases or activities regardless of the funding source.

5.7.3 Project Completion

Project schedule will be defined in the PSA. Failure to reasonably follow project schedule may result in the withdrawal of project approval. If local agency officials anticipate any problem in complying with these requirements, they should notify MDT as soon as possible.

The final schedule, which should be incorporated into the management plan, should use monthly milestones for each task. The schedule should be posted by the LPA for periodic reference to compare actual work completed with the original planned schedule.

5.7.4 Preparing the Project Specific Agreements (PSAs)

As part of the project start-up process, MDT and the local agency will work together to prepare the PSAs. The PSAs are the legal documents that govern the administration, development, and maintenance of the project and **must** include the following items:

- A project budget (by account) detailing funding splits by federal-aid funds, state funds, local agency match, and additional contributions involved in the project;
- The project scope;
- Project location;
- Proposed method of development; and
- The general terms and conditions associated with the program and project.

The negotiation process is limited to the project budget, scope of work, method of development, identification of any special conditions, and the definition of key elements of the project. Each contract consists of:

- Non-negotiable provisions common to all PSAs are generally referred as “boilerplate”. Those provisions refer to contract modification and amendment; method of payment; and compliance with applicable laws and regulations.
- Negotiable provisions specific to the agreement between the MDT and the local agency. These provisions refer to method of development and construction; the scope of work; the project budget; and any other special conditions.

Each provision is legally enforceable and spells out the respective obligations of MDT and the local agency.

MDT will prepare draft agreements for review by Local Agency officials. The drafts will reflect the key elements of the project as described in the original Project Application. Local agency officials should pay particular attention to the sections addressing scope of work, methods, conditions, and budget. It is recommended the local agency's legal counsel review the draft form of the PSAs to ensure each is consistent with the local agency's legal authority and interests. Any concerns should be communicated to the MDT. Once agreement is reached on the content, MDT will prepare final drafts for signature by local agency elected official(s) and MDT.

Federal-aid programming will not be requested from FHWA until the PSAs are fully executed.

If a project can be completed for less than the dollar amount in the PSA, the balance will be returned to the local agency's unobligated fund. For example, if actual construction award amount were less than the estimate included in the PSA, the FHWA construction account value would be established at the contract award amount.

In certain circumstances, additional funds may be used for an eligible activity, which further enhances the project. Prior to MDT allowing the additional activity, the local agency must demonstrate the activity will clearly enhance the overall impact of the original project; provide adequate benefits; be completed in a timely manner; and be completed with available funds. In addition the local agency must demonstrate satisfactory progress toward completion of the original project.

Amending the Project Specific Agreements (PSAs)

It is difficult to prepare a scope of work, budget, and an implementation schedule that anticipates all eventualities throughout the term of a project. Therefore, MDT will consider requests for PSA revision and/or modification. However, the local agency must request approval of revisions and/or modifications to the project in advance. Revisions and modifications that require approval include new termini, alteration of the existing activities or budget, or extending the schedule for project development and construction. Before MDT makes a determination to allow the modification, the local agency must provide a written request with justification that clearly demonstrates the change is appropriate and will enhance the overall impact of the original project.

MDT may require a public meeting, with reasonable public notification, by the local agency if the proposed amendment is determined to be a substantial change in project activities.

Substantial changes in project activities or the geographic area of the project may also obligate the local agency to publish legal notices and to conduct additional environmental analyses in order to comply with federal requirements.

5.8 Program & Project Files

This section provides a general outline of a suggested filing system for project records that meet MDT monitoring and record keeping requirements. By establishing and continuously updating the project files, the local agency will gather and organize all the information needed to assure effective project management, as well as documenting compliance with program requirements. Original and complete documentation for all files must be retained in the official offices of the local agency. These files need to be available during normal business hours to any person(s) authorized to review them, including state and federal representatives. Staff or consultants may also retain copies of key documents at a separate location.

Most projects will not require every file described below. The appropriate files for any project will vary depending on the type of project and activities involved.

The records retention policy for these files is seven years from the completion of the project. Project files for each phase must be retained until seven years after the final phase is completed and approved.

5.8.1 Program Administration File

This file contains the annual federal-aid sub-allocation notices, obligated, and expended fund balances. The LPA designation letter, lists of Project managers (PMs), and other program related correspondence, notes, etc. should also be kept in this file.

5.8.2 Project Application/Project Specific Agreements File

This file contains a copy of the local agency's original Project Application, all supporting documentation including publication notices, records of the required public hearing, correspondence and any other documentation used to prepare the application. Executed copies of the PSAs between the local agency and MDT should be retained in this file. Any related correspondence, telephone notes, or subsequent amendments to the PSA must be retained in this file.

5.8.3 Project Management & General Correspondence File

This file contains the project management plan, implementation schedule, notes, memorandums, or correspondence regarding project management that are not more appropriate to the specific topic files.

Copies of special directives from MDT pertaining to issues of policy or procedure affecting administration of the project belong here, as well as copies of local policies or procedures pertinent to the project. Copies of correspondence, telephone notes, or other documentation related to inquiries concerning potential conflicts of interest or requests to MDT for determination of a conflict of interest reside here. Copies of legal opinions or recommendations from the local agency attorney or from MDT that are relevant to the project belong here. Records of other contracts regarding legal issues should also be kept in the file.

5.8.4 Project Consultant/Contracted Services File

This file should contain records of the procedures followed in the solicitation for services, a copy of the agreement between the local agency and the Consultant, and contract administration documentation. Each contract should have its own subfolder as per standard MDT procedures.

5.8.5 Project Environmental Review File

This file contains all data and documentation prepared in response to the environmental review requirements including all notices, public comments, the preliminary environmental review or environmental assessment, and the final environmental document distributed by MDT.

5.8.6 Project Financial Management File

This file contains a complete record of all financial transactions concerning the project. The financial management file maintained by the LPA usually consists of several documents including a copy of all requests for reimbursement, project progress reports, and other supporting information submitted to MDT with the reimbursement request. This file needs to include up-to-date financial information regarding the status of federal, state, and other funds involved in the project. The official and detailed financial records, including all original source documentation, original invoices, or claims must be

maintained by the local agency's financial office. It is important the LPA and the local agency's financial officers work together to monitor project finances.

5.8.7 Project Civil Rights File

This file contains all documentation related to local agency compliance with state and federal civil rights requirements. Items like Disadvantaged Business Enterprise (DBE) Requirements, spot check interview forms, DBE Monitoring forms, and contractor's EEO policy are examples of documents that should be kept in this file.

5.8.8 Project Labor Standards File

This file contains all documentation related to compliance with applicable state and federal labor requirements. Prevailing wage rates forms are an example of documents to keep in this file.

5.8.9 Project Acquisition/Relocation File

This file contains a copy of records on acquisition activities and established policies and procedures used for relocating any displaced households and/or businesses. Keep a separate sub-file on each parcel, which includes copies of all notices, case information, and evidence of successful relocations with appropriate compensation or other assistance.

5.8.10 Project Design File

This file contains scope of work reports, plan in hand reports and design reports. It should also include investigation and special study reports, surveys, plans, specifications, detailed drawings, supporting calculations, design related meeting minutes, and correspondence. Detailed cost estimate reports and quantity summaries are kept in this file. Materials certification/testing requirements should be identified, recorded, and retained in this file.

5.8.11 Project Construction File

This file contains a separate sub-file for each project construction contract to include the request for bids, bid document, contract document, certified copies of legal advertisements, minutes of the pre-construction conference, permits, inspection reports, and all other related materials. All construction inspection, material certifications, and test results should be retained in the appropriate construction file.

5.8.12 Project Audit File

This file contains copies of any audit published for the local agency that covers the time period between award of the Urban funds and project closeout by MDT.

5.8.13 Project Closeout File

This file contains a copy of the local agency's preliminary and final closeout reports and any correspondence to or from MDT regarding closeout.

5.9 Public Involvement

The Federal Highways Administration (FHWA) and the Montana Department of Transportation (MDT) require citizen participation in the federal-aid program. As an applicant for federal-aid funds, your agency must hold meetings to solicit citizen comments on community needs. This section describes the requirements and obligations a federal-aid recipient has for involving the public during implementation of a federal-aid project.

5.9.1 Applicable Requirements

Federal

Title 23 USC

- Provide for and encourage citizen participation;
- Provide citizens with reasonable and timely access to local meetings, information, and records relating to the local government's (local agency) proposed use of funds;
- Provide for technical assistance to groups that request such assistance in developing proposals with the level and type of assistance to be determined by the local agency;
- Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the program development. Hearings shall be held following adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
- Provide for timely written answers to written complaints and grievances; and
- Provide for the need of non-English speaking residents, where a significant number of non-English speaking residents can reasonably be expected to participate.

State

- Each municipal governing body, shall develop procedures for permitting and encouraging the public to participate in decisions that are of significant interest to the public (7-1-4142 MCA);
- In any meeting required to be open to the public, the governing body shall adopt rules for conducting the meeting, affording citizens a reasonable opportunity to participate prior to the final decision (7-1-4143 MCA);
- All records, with limited exceptions and other written materials in the possession of a municipality shall be available for inspection and reproduction by any person during normal office hours.

5.9.2 Local Government Responsibilities

Involving the Public

All local agencies must keep the public informed about the federal-aid program and project on a continuing basis.

Federal law, Title 23 USC requires each state to develop a public involvement process that provides complete, continual, and timely information. Expectations are the same for all LAG certified governments. Refer to MDT's Public Involvement Handbook for guidance. <http://www.mdt.mt.gov/publications/docs/manuals/pubinvhb.pdf>

5.9.3 Resolving Complaints

Unfortunately, no discussion of public relations for a federal-aid project would be complete without mentioning the local agency's responsibility for dealing with complaints.

Though local officials do their best to improve their communities through their federal-aid project; human nature seems to guarantee that some citizens will probably be dissatisfied with some aspect of the

project. In a public facility project, a taxpayer may feel the proposed project is poorly designed or too expensive.

As the federal law cited at the beginning of this chapter makes clear, local citizens have the right to offer their views at any point during the federal-aid projects development and implementation. Any comment, suggestion, criticism, or complaint made by a citizen should be taken seriously and deserves a prompt response.

As a rule, the more promptly local officials can investigate the basis of a complaint and offer a reasonable solution, the better. It is human nature for the citizen lodging the complaint to feel that he or she is being ignored if the local agency does not respond with at least a telephone call immediately to investigate the situation. The longer the time before contact is made, the greater will be the frustration or anger. The usual pattern, if a citizen does not receive a quick and adequate response, is the next complaint is lodged with the MDT, Governor, FHWA, or a member of Montana's congressional delegation. A complaint at this level can create a lasting negative impression regarding the worth or effectiveness of the federal-aid program or the soundness of the state's or the local government's administration of the program.

The normal procedure if a complaint is filed with the local agency Mayor or Council, MDT, Governor, FHWA, or a member of the congressional delegation, is for the complaint to be referred to the appropriate local officials for response. MDT will not dictate the form or manner of the response to local officials. The Department's staff is available to advise the community regarding any federal or state requirement that may be in question.

In all cases, the final resolution of the complaint is the authority and responsibility of the local agency. When the local agency has reached a decision regarding how the complaint is to be resolved, MDT will communicate the local government's decision to the agency or office that originally referred it to the MDT.

Records of all citizens comments, whether in the form of letters or summarized telephones or oral comments, and the local agency's letter of reply should be placed in the appropriate project file. Hopefully, the file will be filled with compliments, rather than complaints.

5.10 Single Audit Act

Circular No. A-133 Revised June 27, 2003, and later revised June 26, 2007, Subpart B Audits .200

(a) Audit required. Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in .205.

5.11 Summary

In summary, this chapter sets forth the following important steps the local agency needs to undertake to begin and continue a project.

1. Receive the required MDT authorization to incur costs for activities that are environmentally exempt.
2. Prepare the recommended Management Plan, Appendix 5.184 and Project Development schedule for project administration and management purposes.
 - a. Determine whether public employees or private contractors will manage the various project activities under local agency guidance or direction.
 - b. Comply with federal and state law regarding employment practices and hiring and/or procurement procedures.
 - c. Assign responsibilities to individuals for all aspects of project management.
 - d. Prepare final schedule prior to project implementation.
3. Develop the required Project Specific Agreements with MDT.
 - a. Coordinate with MDT on preparation of the draft agreements
 - b. Arrange for review by the local agency attorneys.
 - c. Sign final agreements
4. Secure the firm commitment of any non-FHWA/MDT resources to be involved in the project.
5. Develop an effective public relations program.
6. Address and resolve citizen complaints.

5.12 Appendices

5.12.1 Acronym & Glossary Terms

5.12.2 Project Management Plan

5.12.3 Project Development Schedule

Appendix 5.12.1 Acronyms & Glossary Terms

Specification Manual:

http://www.mdt.mt.gov/business/contracting/standard_specs.shtml

Transportation Acronym Guide (TAG):

<http://mdtinfo.mdt.mt.gov/tranplan/docs/tag.pdf>

Management Plan-General

Preparing of a project management plan does not have to be a difficult task. Each project should have a management plan that describes how it will be managed. Preparation of the plan is a matter of how and who will manage the project. The plan should cover the following three basic areas.

1. Overall Program Administrative Structure (this will be the same for all projects)

This element will describe how the local agency will integrate project management with its existing organizational structure. The most common alternatives for management (as discussed in the text of this chapter) are either administration by local staff or through contracted services. This portion of the plan should include a description of:

- ◆ The role of the mayor and council (or County Commission Chairperson and County Commission, or) in oversight of project administration and the expenditure of project funds and how this is to be coordinated by the Local Program Administrator (LPA);
- ◆ The role of the local agency's attorney in preparing and/or reviewing any proposed contracts required for the project;
- ◆ The key persons who will be involved in project management and administration including the chief elected official, the local agency's financial officer, the LPA, the LPA, the local agency's attorney, and any other officials or staff who will have a direct role in administering the project. The list should include names, titles, telephone numbers, and a brief description of their role in the project's administration.

2. Specific Project Management (this section may change for each individual project)

This element should describe the procedures to be followed and the persons who will be responsible for specific project management activities including ensuring documentation of the local agency's compliance with all applicable requirements such as the environmental review, consultant/construction contract administration, preparation of project progress and closeout reports, etc. For example:

- ◆ If professional architect/engineering (AE) services will be required, a description of the role and responsibilities of elected officials and local staff in soliciting, evaluating, selecting, contract negotiation, contract award, and consultant contract administration; or
- ◆ For construction program management, a description of the role and responsibilities of elected officials, local staff (and/or contracted service provider) for compliance with general construction requirements; preparation of plans, specifications and estimate; contract documents; contract letting; conduct of pre-construction conferences; conducting on-site interviews with construction personnel for Labor and EEO compliance, quantity measurement, contractor payments, project inspections, and testing.

3. Financial Management

This portion of the plan should describe the procedures to be used and the officials or staff that will be responsible for ensuring proper expenditure of and internal control over the use of funds. This description should:

- ◆ address the procedures to be followed for reviewing and approving expenditures, preparing and submitting reimbursement requests to MDT, processing payments, etc.;

- ◆ identify the persons who will be responsible for maintenance of the required financial records or processing of project funds;
- ◆ explain any arrangements with financial institutions or contractors which involve management of project funds;
- ◆ describe the accounting and management system to be used, such as the Budgetary, Accounting and Reporting System (BARS) or the Town Accounting System (TAS); and
- ◆ the role of the governing body in approving expenditures for the project.

The project implementation schedule should be included with the management plan demonstrating how the tasks described in the plan will be dealt with chronologically.

Sample Management Plan Format for a federal-aid transportation project administered and managed by Local Staff

I. Program Administrative Structure

The City of _____ is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administration and management of the City's Transportation Enhancement project:

Mayor _____, as the City's chief elected official, will, as Local Program Administrator (LPA), have responsibility for all official contacts with the Montana Department of Transportation (MDT). The Mayor and City Council will have ultimate authority and responsibility for program administration and project management activities and the expenditure of funds. The LPA will ensure effective program management and develop Project Specific Agreements (PSAs) with MDT and assist the City with all requirements related to effective project start-up through completion. The approval of all contracts and reimbursement requests will be the responsibility of the City Council. (Telephone _____)

_____, Clerk-Treasurer, as the City's chief financial officer, will assist the LPA with fiscal management of program funds, and record keeping of all funds involved in the financing of this project. Approximately one-tenth of this position's time will be devoted to financial administration during the term of this program. (Telephone _____)

_____, Director of the City-County Planning Board, will be designated as Project Manager (PM) and will have overall responsibility for consultant and construction contract administration and for ensuring compliance with applicable federal and State requirements for this project. The PM will report to the LPA and will also serve as this project's designated Civil Rights Compliance Officer, Environmental Certifying Officer and Labor Standards Officer. Approximately one-fourth of this position's time will be devoted to project management activities during the term of the project. (Telephone _____)

_____, City Attorney, as the City's legal counsel, will review and advise the Mayor and Council regarding any proposed contractual agreements associated with the project and provide any other legal guidance as requested. (Telephone _____)

The selected project Architect/Engineer (AE) will report to the PM for City authorizations and approvals and be responsible for the preparation of the project plans, specifications and estimates, and construction oversight.

II. Specific Project Management

A. The Project Manager (PM) will be responsible for:

1. Establishing and maintaining complete and accurate project files and preparing all documentation and reports incidental to the management of the project.

2. Assisting the City with selection of the AE service provider, in conformance with MDT program procurement requirements.
3. Preparing the Environmental Review Record (ERR) to ensure full compliance with the National and Montana Environmental Policy Acts, completion of the statutory checklist, and any other applicable environmental requirements. The PM will also be responsible for preparing any legal notices required to be published for the ERR process and conducting any required public hearings or informational meetings.
4. Submission of the ERR to MDT for review and approval.
5. Review of all proposed project expenditures or requests for payment to ensure their propriety and proper allocation of expenditures to the project budget.
6. In cooperation with the Clerk-Treasurer, process contractor payment requests and reimbursement requests for MDT.
7. Monitor the construction contract letting process, to include advertising, plan holders list maintenance, addenda issuance, tabulation and evaluation of bids received for conformance with federal and state requirements. Approval of the AE prepared award recommendation for LPA and City Council approval, and MDT concurrence. The PM will review the construction contract provisions for program compliance and make recommendations to the LPA. The LPA will obtain City award authority contingent on MDT concurrence before a contract is awarded.
8. Attend the pre-construction conference and monthly construction progress meetings. These meetings will be conducted by the AE.
9. Monitor consultant and construction contractors for compliance with applicable federal and state requirements.
10. Serve as the project's designated labor compliance officer ensuring prime and subcontractor compliance with all labor standards requirements. Responsibilities will include the review of weekly certified payroll reports to ensure compliance with Davis-Bacon prevailing wage requirements; periodic visits to the construction site to ensure that required posters and wage rate determinations have been posted by prime and each subcontractor; and conduct on-site interviews with prime and subcontractor construction personnel to ensure contractor compliance.
11. Ensure compliance with applicable civil rights requirements by periodically visiting the construction site to ensure that required, EEO Policy Statement, complaint form, and EEO Officer appointment letter have been posted by prime and each subcontractor; conducting on-site interviews

with construction personnel to ensure prime and subcontractor employees have attended monthly EEO meetings and know who the prime and subcontractor's EEO Officer are; and reviewing prime and each subcontractor's EEO meeting minutes.

12. Submit all required performance reports and closeout documents to the LPA for local approval.
13. Act as the project spokesperson at any public meetings, as deemed necessary by the LPA.

B. The Architect/Engineer (AE) will be responsible for:

1. Design investigations, calculations and design report preparation.
2. Preparation of the construction bid package in conformance with applicable federal-aid program requirements and conduct the construction contract letting process, to include ad preparation and advertising, project manual distribution and plan holders list maintenance, addenda issuance, tabulation and evaluation of bids received for conformance with state and federal requirements. Prepare award recommendation for local approval and MDT concurrence. Prepare the construction contract and request PM approval before issuance of the notice of award. The notice of award and other construction contract administration correspondence will be prepared for the PM's signature.
3. Assisting the PM with the pre-construction conference. Prepare correspondence such as the notice to proceed, contract time notices, change orders, additional work orders, etc.
4. Construction oversight and preparation of construction oversight documents; project diary, staking notes, daily inspection reports, quantity measurement, materials testing and acceptance, and responsible for obtaining contractor submittals.
5. Review and preliminary approval of all contractor requests for payment and submitting the approved requests to the PM for further approval and payment.
6. Schedule and conduct final construction review with PM and MDT Liaison.

III. Financial Management

A. The Clerk-Treasurer's responsibilities will be as follows:

1. Disbursement of project funds, based on claims and supporting documents approved by the LPA.

2. Entering all project transactions into the City's existing accounting system (BARS), and prepare checks/warrants for approved expenditures.
 3. With the assistance of the LPA, prepare a Request for Payment and Status of Funds Report (reimbursement request) to be submitted to MDT. All reimbursement requests will be signed by two of the three following persons: Mayor, Clerk-Treasurer, and Council President. No expenditures will be made without the approval of the Council at a regular meeting.
 4. With the assistance of the LPA, prepare the final financial reports for project closeout.
- B. The LPA and Clerk-Treasurer will review all proposed expenditures of funds and will prepare reimbursement requests, which will be signed by the officials cited above. All disbursements will be handled in accordance with the City's established claim review procedures. Before submitting the claim to the Clerk-Treasurer, the LPA will attach a certification to each claim stating that the proposed expenditure is an eligible expense of the project and consistent with the PSA's scope of work and budget. The Council will review all claims before approving them.
- C. Financial record keeping will be done in conformance with the recommendations of the Department of Commerce/Local Government Services Bureau. The original financial documents (claims with attached supporting material) will be retained in the City's offices.

Note: while the management plan is not required, the use of this tool is highly recommended to aid the local agency in ensuring effective and efficient program administration and project management.

Appendix 5.12.3 Project Development Schedule

SAMPLE

PROJECT SCHEDULE

A. START-UP

| | | |
|---|--------------------------|----------|
| 1. Prepare Management Plan | Local governing body/LPA | Apr 200X |
| 2. Establish Project Files | PM | Apr 200X |
| 3. Determine Audit Requirements | Financial Officer | May 200X |
| 4. Schedule Local Govt. Audit | Local governing body | May 200X |
| 5. Award AE contract after MDT review and approval-Authorize Preliminary Design | Local governing body | Aug 200X |
| 6. Complete ERR | PM | Oct 200X |
| 7. Secure MDT Approval of ERR | LPA | Oct 200X |
| 8. Complete Preliminary Design and submit to PM for local review and comment | AE | Oct 200X |

B. IMPLEMENTATION

| | | |
|---|----------------------|----------|
| 1. Authorize Final Design | PM | Nov 200X |
| 2. Complete Final Plans | AE | Dec 200X |
| 3. Submit Bid Documents to PM | AE | Dec 200X |
| 4. Secure Wage Determination | AE | Dec 200X |
| 5. Transmit locally approved Bid Documents to MDT for review | LPA | Jan 200X |
| 6. Authorize Advertisement For Bids | Local governing body | Feb 200X |
| 7. Bid Opening | AE | Mar 200X |
| 8. Bid tabs/award recommendation sent to Local governing body for approval contingent on MDT concurrence. | Local governing body | Mar 200X |

| | | | |
|------------------------|--|-------------------------|-----------|
| 9. | Request Concurrence from MDT | LPA | Apr 200X |
| C. CONSTRUCTION | | | |
| 1. | Submit Compliance Documents | Contractor | Apr 200X |
| 2. | Pre-construction Conference | AE, PM | Apr 200X |
| 3. | Start Construction | PE, Contractor | May 200X |
| 4. | Labor Standards Monitoring | AE, PM | Ongoing |
| 5. | Final Inspection | A/E, PM, MDT Liaison | Aug 200X |
| 6. | Final Payment to Contractor | Local governing body | Aug 200X |
| 7. | Final Payment to Engineer | Local governing body | Aug 200X |
| 8. | Certificate of Completion | PM | Aug 200X |
| D. CLOSEOUT | | | |
| 1. | Project Closeout Begins | LPA | Sept 200X |
| 2. | Project Completion Report | LPA | Oct 200X |
| 3. | Submit Final Reimbursement Request to MDT | LPA | Oct 200X |