



American Recovery and Reinvestment Act (ARRA) of 2009 Project Financial Reviews

The ARRA calls for unprecedented levels of transparency and accountability. As a result, the Florida Department of Transportation (FDOT), Office of Inspector General (OIG) and the Federal Highway Administration (FHWA) will review all ARRA funded transportation projects over the next several years. In an effort to minimize the impact to District Offices, the OIG and FHWA will conduct joint project reviews.

The OIG and FHWA would like to provide information to assist District Offices in preparation for finance-related reviews of ARRA funded transportation projects. The reviews will concentrate on the following elements: 1) contract documentation, 2) authorization documentation, 3) Local Agency Program documentation, and 4) project billing documentation. Additional elements may be added as necessary. Specifically, the review teams will verify the following information:

Contract Elements

- Contract awarded based on responsive low-bid in accordance with 23 Code of Federal Regulations, Section 635 (supporting documentation for the same)
- Davis-Bacon prevailing wage rates were paid by the contractor
- A copy of the wage rate table is included in contract documentation
- Davis-Bacon provisions were included in the bid documents
- Buy America steel and iron product requirements were included in contract documents
- FHWA Form 1273 was included in contract documentation
- All patented or proprietary products approved by FHWA or FDOT were approved with a cost effectiveness finding
- Change order provisions were included in the contract
- Claim provisions were included in the bid documentation
- Whether an approval letter from FHWA regarding the Disadvantaged Business Enterprise (DBE) program plan and availability is contained in the contract documentation and whether the DBE goals and/or special conditions included in the bid documentation
- Prohibition against convict-produced materials were included in the contract
- FDOT review of Local Agency Program (LAP) procedures to ensure compliance with plans and specifications

Authorization Elements

- Authorization date is after the advertising date (unless state funds were used prior to federal authorization)
- Advertisement, award and Notice to Proceed dates are recorded in file
- Project combines ARRA funds with Advanced Construction authorizations on a new project (if so, a review of related projects will be conducted)

- Work performed on a Federal-aid eligible route
- Activity eligibility for Federal-aid funding
- Appropriate use of program codes
- Authorization in agreement with the FHWA Form 1511 certification
- ARRA Section 902 (access to information) language requirements included in contract
- Federal share is accurate for ARRA and other funding codes
- State Transportation Improvement Program (STIP) information corresponds to STIP documents
- Project file contains appropriate National Environmental Policy Act and Right-of-Way documentation
- Plans, Specifications, and Estimates packages are signed prior to the project authorization date

Local Agency Program Elements

- Local Agency certification and certification date
- Completeness of Administrative and Construction Checklists
- FDOT review of Plan and Specification packages
- Local Agency use of department of their own specifications
- Notice to Proceed issued
- LAP Agreement executed after federal funding approval by FHWA
- LAP Agreement on file at the District Office
- Work completed after full execution of the LAP Agreement
- FDOT reimbursement of the local agency
- Timeliness of reimbursement

Billing Elements

- Costs incurred prior to authorization (Except if state funds were used prior to federal authorization or change order costs incurred after the date that funds were obligated to the project.)
- Payment eligible for Federal participation
- Costs charged to the correct project
- Payment approved by the appropriate official
- Cost distribution in accordance with Federally-approved plans
- Amount within the allowable Federal share
- Timeliness of reimbursement
- Payment based upon and supported by appropriate contract documents and Fiscal Management Information System provisions
- Proper authorization of work phase, proper payment for work performed after Federal authorization
- Eligibility of work performed based on program codes submitted
- Amount billed to date exceeds federal funds available and authorized for the project and program code
- Payment amount matches source documents
- Adherence to match provisions
- Adherence to in-kind regulations
- Eligibility of indirect costs and proper charges
- Compliance of third party payments made by FDOT (in compliance with established FDOT standards)

