

PART 1
Program Development

Chapter 2

Qualifications for Federal and
State-Aid Project Administration

Locally Administered
Projects (LAP) Manual

CHAPTER 2

QUALIFICATIONS FOR FEDERAL AND STATE-AID PROJECT ADMINISTRATION

2.1 BACKGROUND

In order to receive authorization to administer a transportation project, LPAs must demonstrate minimal capabilities as outlined below. When an LPA submits a Request to Administer (RtA) form, the LPA's qualifications and capabilities are considered by the District before a recommendation is made to the Chief Engineer regarding authorization for the LPA to administer the project. A more detailed discussion of the RtA and agreement process is provided in [Chapter 10](#).

2.2 FEDERAL-AID PROJECTS

Section §1904 of SAFETEA-LU, requires that the states be responsible for determining that sub-recipients of federal funds have adequate project delivery systems and sufficient accounting controls to properly manage federal funds.

Adequate project delivery systems can be demonstrated in a several different ways.

- Capital project experience: experience with projects of similar nature, size and complexity.
- Certification of their capital project delivery processes through nationally recognized programs such as the American Public Works Association.
- Staff experience and education: staff experience with projects of similar nature, size, and complexity and/or documented professional education in transportation-related disciplines.
- Experience with federal-aid projects

Sufficient Accounting Controls:

All LPAs must demonstrate appropriate accounting controls for state aid, pursuant to State law and regulations promulgated by the Auditor of Public Accounts (APA).

The LPA must be able to identify, track, and maintain records for all expenses for which full or partial reimbursement is requested. VDOT and/or Federal Highway Administration (FHWA) may audit all financial records related to federal-aid projects and LPAs may be required to return federal funds for which adequate financial records cannot be provided.

All LPAs receiving federal aid (over \$500,000 annually) must submit an annual audit prepared in accordance with [OMB Circular A-133](#) Subpart C – Auditees, Section 300, Auditee Responsibilities (e). A more detailed discussion of this submittal requirement is provided in [Chapter 19](#).

2.3 STATE AID VDOT PROJECTS

Virginia Code sections [33.1-12](#) and [33.1-75.3 \(c\)](#), require VDOT's concurrence for a LPA to administer a VDOT-funded project. Since state-aid transportation project requirements are substantially similar to local government capital outlay projects requirements, VDOT's responsibilities are to assist the LPA understand those aspects of project delivery that are unique to transportation, such as design and highway construction administration. VDOT's oversight is intended to protect VDOT's interests in cases where the constructed project will be operated and maintained by VDOT and to ensure transportation funds are utilized in a manner as agreed to with the department.

[Chapter five](#), of this Part, provides a detailed discussion of requirements for state-aid (non- federal-aid) projects.

2.4 REQUIREMENTS FOR ADMINISTERING PROJECTS ON NHS OR PRIMARY SYSTEM

Generally, VDOT will only concur with local administration of projects on the National Highway System or Primary System by very experienced LPAs or where the local government has operational control of those highways within their jurisdiction. When an LPA requests to administer this type of project, a more thorough assessment of LPA's qualifications and capabilities will be performed. Additional requirements and agreement conditions outside those identified in this manual may be required and increased VDOT oversight should be expected.

2.5 LPA FUNDED PROJECTS

This Manual is not directly applicable to locally funded, locally administered projects, but may provide useful project management guidance for locally funded projects. Locally funded projects that will be subsequently maintained by VDOT are administered in accordance with the land-use permit process. Plans will be reviewed and VDOT will have an oversight role during construction. For any project funded in it's entirely with local funds but administered by VDOT, an agreement is required (see [chapter 10](#)) and VDOT will typically follow its normal process for state funded projects.