



600 LOCAL GOVERNMENT HURF EXCHANGE PROJECTS

This guide has been developed by the Arizona Department of Transportation to assist Metropolitan Planning Organizations (MPO), Council of Government Organizations (COG), and local agencies with planning, project development, and receiving of HURF exchange funds for local government projects. The HURF exchange program, in accordance with Arizona Revised Statute 28-6993.G, allows a local agency to exchange their Federal funds programmed in the appropriate TIP for state HURF funds at a 90% exchange rate.

Local agencies assume all responsibility for project design, environmental clearance, advertisement, award, and construction administration. The MPO/COG should be involved during the programming and project review phases. ADOT's minimal involvement is to insure the project qualifies for funding, establish an Intergovernmental Agreement (IGA) with the project sponsor, and reimburse funds to the local agency.

610 PLANNING AND PROGRAMMING

MPOs and COGs develop a multi-year transportation improvement program (TIP) in cooperation with the regional transportation Technical Advisory Committee (TAC) and Executive Board or Administration Committees with approval by the Regional Council in consultation with the ADOT Transportation Planning Division.

HURF exchange projects selected for inclusion in the TIP are transportation capital improvement projects such as reconstruction, new construction, widening, and resurfacing. Maintenance type activities such as chip seals do not qualify for the HURF exchange program.

During development of updates of the TIP and regional system plans, a review of the current FHWA functional classification system is conducted. Federal functional classification definitions are used in the development of the regional system plan to identify routes for federal-aid eligibility. Using the definitions established in the regional transportation policy plan, additional routes known as area roads of local importance are identified and evaluated with ADOT for federal-aid eligibility.

Maps are prepared which identify all off-state system federal-aid eligible routes with technical assistance of ADOT. The system plan is developed in coordination by the regional TAC, with approval by ADOT and the Regional Council or Executive Board.

620 PROJECT DEVELOPMENT

A project sponsor or MPO/COG requesting to exchange federal-aid apportionment for HURF funds on an eligible project programmed in the TIP must submit a scoping letter to the ADOT Local Government Engineer describing the project scope, the estimated bid advertisement date, the amount of federal apportionment or obligation authority (OA) programmed in the TIP, and the amount of HURF funds expected to be exchanged with ADOT for federal funds.



Subsequent to funding being verified, the ADOT Local Government Section will request a project number and initiate an Intergovernmental Agreement (IGA) based on the federal funds or OA described in the scoping letter and verified by the MPO/COG TIP.

Project sponsors are responsible for the design and development of plans, specifications, and a bid package in accordance with Regional Plan and local policies and procedures. A final set of construction plans and bid package must be placed on file with the ADOT Local Government Section and MPO/COG prior to advertisement. The Local Government Section will review the final plans prior to advertisement to verify that the work and location meet the requirements for HURF exchange. This is not a technical review, the project sponsor is responsible for completeness and accuracy of the construction plans and special provisions. In addition, ADOT is not involved in the construction administration of the project. The sponsor is responsible for all inspection, quality control, and quality assurance during the design and construction phases.

Eligible project construction work may not be performed by local jurisdiction work forces unless the local jurisdiction has submitted the lowest bid on the work, the work qualifies and satisfies force account requirements, and as approved by state statute.

The project sponsor must submit to the Local Government project manager, the name of the contractor, bid award amount, the start date, and the expected finish date for work by the contractor. If the bid award amount for the project comes in UNDER the bid estimate and additional eligible work is change ordered, a letter should be submitted immediately to the Local Government project manager describing any proposed change order work for the project. Change order work for the project may be included in the project cost as long as the work is constructed on the original route that is eligible for federal-aid funds and the work activity is eligible for federal funds participation. Change order requests should be submitted to ADOT prior to the contractor starting work on the project. The Local Government project manager will transmit a letter to the project sponsor approving the change order work to be included in the total project cost. All administrative activities shall be conducted in an expedient manner.

630 FUNDING AND REIMBURSEMENT

The exchange of HURF funds for eligible federal funds became effective on October 1, 1997, the start of federal fiscal year 1998. The total amount of HURF funds exchanged shall not exceed 90% of the OA available to the MPOs and COGs, excluding the local off-state system Bridge, Safety, and Enhancement Programs.

Project funding is carried out through an IGA between the project sponsor and ADOT. Federal-aid of an eligible project may be exchanged with HURF equal to 90% of the O.A. available at the time the project advertises for bid. The IGA will describe the HURF funds to be exchanged according to 90% of the prevailing OA at the time the IGA is prepared. If the OA percentage factor changes prior to advertisement, the IGA will be amended accordingly. The IGA can be amended only once after the bids are opened and the project

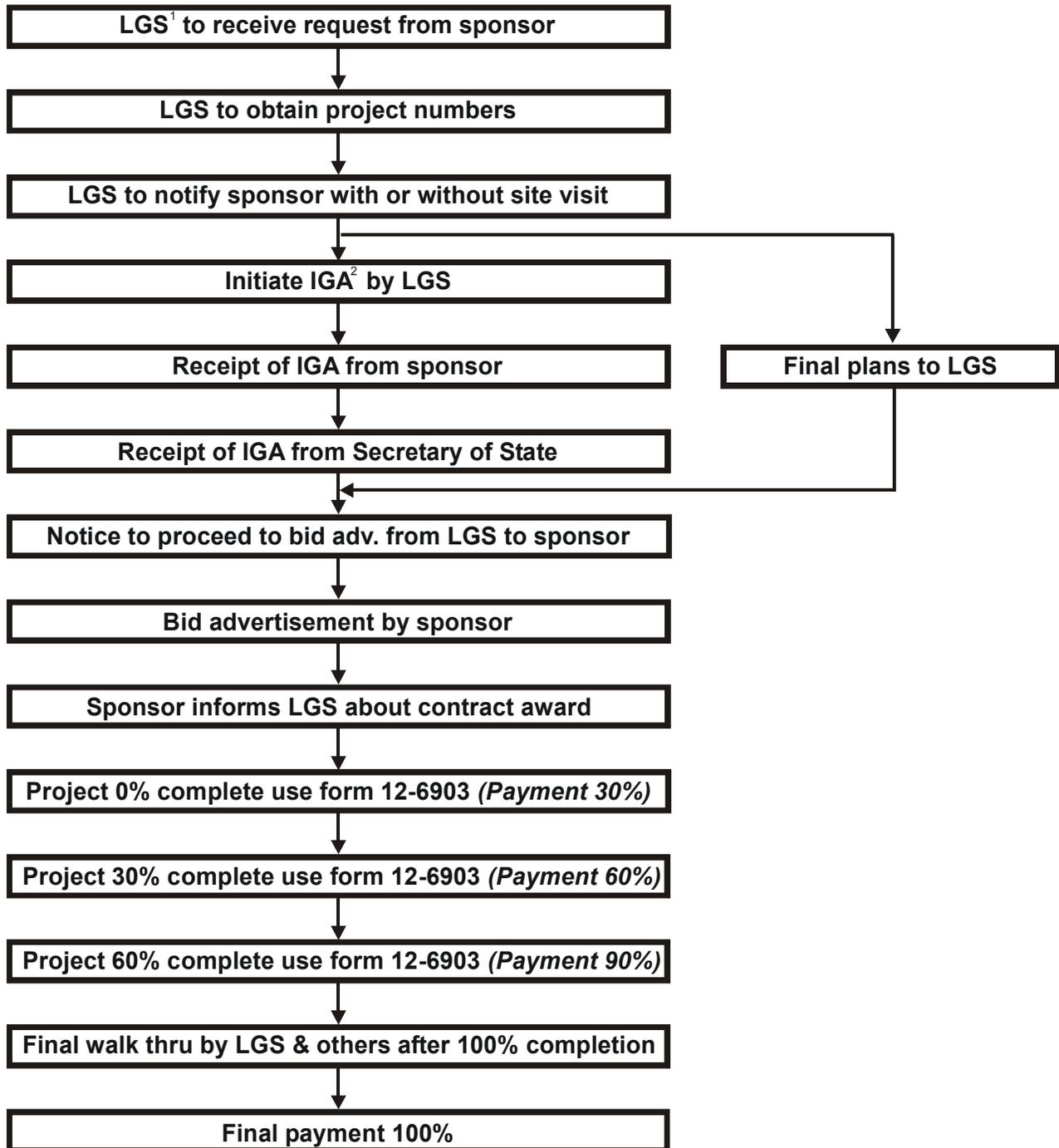


is awarded. An amendment will facilitate any increase of federal funds provided by the MPO/COG for the project should bids be in excess of the estimate.

At the start of construction, the project sponsor will receive a 30% lump sum advance of the total HURF amount described in the IGA. Subsequent payments in 30% increments are paid at the 30% and 60% project completion stages. The sponsor is responsible for requesting payments at the 30% and 60% completion stages using an ADOT-prescribed format.

The final 10% is payable after a final project review is conducted. Upon project completion, the sponsor, MPO/COG representative, and ADOT representative(s) from the Local Government Section and/or Construction District will visit the project site to conduct the final project review in an expedient manner. Final project review by the MPO/COG and ADOT is only procedural, not technical in nature, and certifies completeness of the activities identified in the scope of the project. When the project work is accepted as complete and consistent with the scope of work described in the scoping letter and identified in the regional TIP, then ADOT will approve and process the final ten percent (10%) payment to the project sponsor.

HURF Exchange Project Development Process



¹ LGS -- Local Government Section of ADOT

² IGA -- Intergovernmental Agreement



Checklist for Processing HURF Exchange Funded Projects

Completed by	Date	Item	
		Receipt of request letter from project sponsor or MPO/COG to exchange federal aid eligibility for HURF of an eligible project programmed in the TIP.	
		Project sponsor to meet with ADOT's Local Government Section to discuss HURF Exchange Program requirements.	
		LGS to verify project is an eligible project programmed in the TIP.	
		ADOT's Local Programs Team to verify programming of federal funds.	
		LGS will notify project sponsor, request TRACS and project numbers, process HURF Intergovernmental Agreement Checklist and initiate the Intergovernmental Agreement (IGA).	
		Notify Debbie Garrett with request letter and TRACS Number.	
		LGS to review draft IGA.	
		LGS to forward copy of executed contract to MPO/COG and to ADOT's Local Programs Team.	
		LGS to receive a final set of half-size construction plans and bid package from project sponsor prior to advertisement.	
		LGS to review final plans prior to advertisement to verify that the scope of work and location meet the requirements for HURF Exchange. This is not a technical review.	
		Project Completion (%)	Cumulative Payment (%)
		0	30
		30	60
		60	90
		100	100
		Upon project completion, ADOT LGS or Construction District representative will visit project site, along with project sponsor or MPO/COG, to conduct final project review (review is procedural, not technical).	
		When project is complete and consistent with scope identified in the regional TIP, then LGS will approve the final 10% payment to the project sponsor.	