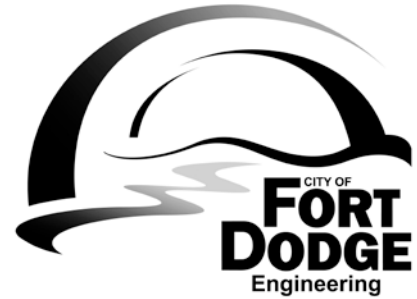


**May 19, 2014**

**To: Mayor Bemrich and City Council**  
**From: David Fierke, City Manager**  
**Subject: East Region Storm Sewer Project –  
Phase 2, Surface Transportation Program &  
Iowa Clean Air Attainment Program  
Approve Agreement with IDOT for Funds**

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**ACTION: For vote Tuesday, May 27, 2014**

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**Brief History**

On May 14<sup>th</sup>, 2012, City Council passed a resolution accepting the method of selection to choose an Engineering Firm to perform preliminary design on the East Region Storm Sewer Project – Phases 1-3. The qualifications for each firm were scored by a selection committee and based on their recommendation, City Council directed staff to prepare a contract with Snyder & Associates, which was approved on June 25<sup>th</sup>, 2012. The original contract includes preliminary engineering, design, administrative work necessary to seek funding and determine scope of the project, developing 30% plans, and communication with the public and neighborhood businesses.

Snyder & Associates is assisting the City in identifying potential grant sources for recommended roadway and traffic improvements. The Iowa Department of Transportation's Transportation Safety Improvement Program (TSIP) grant was approved by the IDOT and formally accepted by the Council on February 10, 2014 in the amount of \$315,000.

The City submitted an Iowa Clean Air Attainment Program (ICAAP) grant application on March 7, 2013.

The City submitted a Surface Transportation Program (STP) grant application on March 14, 2011.

**Analysis of Issue**

Applications for STP funds and ICAAP funds have been approved by the Iowa Department of Transportation. STP grant is in the amount of \$1,500,000. The ICAAP grant is in the amount of \$300,000. The STP grant is for improvements on S. 29<sup>th</sup> Street from 1<sup>st</sup> Ave. S. to 5<sup>th</sup> Ave. S. The ICAAP grant is for the construction of right-turn lanes at the intersections of S. 29<sup>th</sup> Street and 1<sup>st</sup> Avenue S., as well as S. 25<sup>th</sup> Street and 1<sup>st</sup> Avenue S. Attached is an agreement for approval to receive the \$1,500,000 STP grant and the \$300,000 ICAAP grant for this project.

### **Budget Impact**

Funding for this project will be continuously changing as design and planning progress. It is the intention to complete the project within the budget provided. Budget is highly dependent on grant success.

Table 1. Capital Improvement Plan Excerpt – East Region Storm Sewer, Phases 1-3

Funding Source	Totals	Fiscal Year					
		2014	2015	2016	2017	2018	2019
LOST	\$4,565,000		\$1,840,000	\$1,300,000	\$1,425,000		
GO Bonds							
RUT							
Federal	\$1,500,000			\$1,500,000			
Sewer Utility							
Water Utility							
SW Utility	\$2,450,000	\$2,062,000	\$388,000				
Other	\$1,935,000	\$210,000	\$1,205,000	\$520,000			
TOTAL	\$10,450,000	\$2,272,000	\$3,433,000	\$3,320,000	\$1,425,000		

Other funding may include TIF and Water Quality related loans or grants, and others. More details and further council action will be required to secure these funding sources.

### **Strategic Plan Impact**

Policy D.4.2: Advanced planning for all infrastructure facilities shall be supported and routinely updated. Facilities benefited by advanced planning shall include, at minimum, schools, health care, residential areas, roads, water, sewer, storm water management, parks, recreation, and greenways.

Policy C.3.5: Pedestrian-oriented streetscape improvements including, but not limited to, sidewalks, street trees, landscaping, street lights, street furniture, trash receptacles, and signage shall be made to create and maintain an environment attractive to investment.

### **Impact on Existing Plans**

This project has been included in the Capital Improvement Plan, has leveraged Surface Transportation Funds, and includes all recommendations from the Cross-town Connector Report as well as the Business District Watershed Analysis.

### **Staff Conclusions / Recommendations**

It is Staff's recommendation to approve the agreement with the Iowa Department of Transportation for Surface Transportation Program and Iowa Clean Air Attainment Program funding in the amount of \$1,500,000 and \$300,000 respectively.

### **Alternatives**

City Council could reject this agreement, foregoing an opportunity for outside funding to leverage more than \$5 million in local funds for planned improvements for the East Region Storm Sewer area. This action would cause a portion of the planned improvements to be omitted from the project scope.

**Implementation and Accountability**

The Engineering Department and Snyder & Associates will be responsible for overseeing this project.

Signed

Approved



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Chad W. Schaeffer, P.E.  
City Engineer

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David Fierke  
City Manager

**IOWA DEPARTMENT OF TRANSPORTATION  
Federal-aid Agreement for a Non-Primary Highway Project**

Recipient: Fort Dodge

Project Number(s): STP-U-2690(624)--70-94  
STP-A-2690(625)--86-94

Iowa DOT Agreement Number: 01-14-STPU-020

CFDA No. and Title: 20.205 Highway Planning and Construction

This is an agreement between the city of Fort Dodge, Iowa (hereinafter referred to as the Recipient) and the Iowa Department of Transportation (hereinafter referred to as the Department). Iowa Code Sections 306A.7 and 307.44, provide for the Recipient and the Department to enter into agreements with each other for the purpose of financing transportation improvement projects on streets and highways in Iowa with Federal funds. Federal regulations require Federal funds to be administered by the Department.

The Recipient has received Federal funding through the Iowa Clean Air Attainment Program (ICAAP), which is funded by the Congestion Mitigation and Air Quality Program which was continued by the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), Public Law 112-141, and is now codified at Section 149 of Title 23, United States Code (U.S.C.).

The Recipient has received Federal funding through the Surface Transportation Program (STP), which was continued by the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), Public Law 112-141, now codified at Section 133(b) of Title 23, United States Code (U.S.C.). STP funds are available for construction, reconstruction, rehabilitation, resurfacing, restoration and operational or safety improvement projects on Federal-aid highways, bridges on any public road, and several other types of projects, as specified in 23 U.S.C. 133(b). Federal-aid highways include all Federal Functional Classifications, except for rural minor collectors or local roads.

Pursuant to the terms of this agreement and applicable statutes, the Department agrees to provide the funding named above to the Recipient for the authorized and approved costs for eligible items associated with the project.

Under this agreement, the parties further agree as follows:

1. The Recipient shall be the lead local governmental agency for carrying out the provisions of this agreement.
2. All notices required under this agreement shall be made in writing to the appropriate contact person. The Department's contact person shall be the District 1 Local Systems Engineer. The Recipient's contact person shall be the City Engineer.
3. The Recipient shall be responsible for the development and completion of the following described projects:
  - STP-U-2690(624)--70-94: Improvements on South 29<sup>th</sup> Street from 1<sup>st</sup> Avenue S. to 5<sup>th</sup> Avenue S.
  - STP-A-2690(625)--86-94: Improvements on 1<sup>st</sup> Avenue S. including construction of right-turn lanes on all approaches at the intersections of 1<sup>st</sup> Avenue S. and South 25<sup>th</sup> Street and 1<sup>st</sup> Avenue S. and South 29<sup>th</sup> Street and
4. The Recipient and the Department have previously entered into related agreement 2015-TS-004 for the traffic and safety improvement project described as follows:
  - CS-TSF-2690(622)--85-94: Construct right-turn lanes at the intersection of 1st Avenue S and S 25th Street (all approaches); combine driveways (reduce 11 driveway locations); convert S 25th Street from 4-lane to 3-lane; and reconstruct signals at the intersection of 1<sup>st</sup> Avenue S and S 25<sup>th</sup> Street.

Agreement 2015-TS-004 was executed by the Department and Recipient on March 7, 2014 and February 14, 2014, respectively. All previously executed agreements shall remain in effect except as amended herein.

5. The Recipient shall receive reimbursement for costs of authorized and approved eligible project activities from ICAAP funds. The portion of the project costs reimbursed with ICAAP funds shall be limited to a maximum of

either 80 percent of eligible costs (other than those reimbursed with other Federal funds) or \$300,000, whichever is less. Eligibility criteria and other provisions specific to ICAAP funds are as listed above for project number STP-A-2690(624)--86-94 and as contained in Exhibit 1, which is attached hereto and by this reference is incorporated into this agreement.

6. The Recipient shall receive reimbursement for costs of authorized and approved eligible project activities for project number STP-U-2690(625)--70-94 as described above from STP funds. The portion of the project costs reimbursed with STP funds shall be limited to a maximum of either 80 percent of eligible costs (other than those reimbursed with other Federal funds) or the amount stipulated in the approved Statewide Transportation Improvement Program (STIP), whichever is less.
7. The Recipient shall comply with Exhibit 2, General Agreement Provisions for use of Federal Highway Funds on Non-primary Highways, which is attached hereto and by this reference is incorporated into this agreement.
8. The Recipient shall let the project for bids through the Department.
9. If any part of this agreement is found to be void and unenforceable, the remaining provisions of this agreement shall remain in effect.
10. It is the intent of both parties that no third party beneficiaries be created by this agreement.
11. This agreement shall be executed and delivered in two or more copies, each of which so executed and delivered shall be deemed to be an original and shall constitute but one and the same agreement.
12. This agreement and the attached exhibits constitute the entire agreement between the Department and the Recipient concerning this project. Representations made before the signing of this agreement are not binding, and neither party has relied upon conflicting representations in entering into this agreement. Any change or alteration to the terms of this agreement shall be made in the form of an addendum to this agreement. The addendum shall become effective only upon written approval of the Department and the Recipient.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date shown opposite its signature below.

**City of Fort Dodge:**

By \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_

Title \_\_\_\_\_

I, \_\_\_\_\_, certify that I am the City Clerk of Fort Dodge, and  
that \_\_\_\_\_, who signed said Agreement for and on behalf of the City was duly  
authorized to execute the same by virtue of a formal Resolution duly passed and adopted by the city on the  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signed \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_

City Clerk of Fort Dodge, Iowa

**Iowa Department of Transportation:**

Highway Division

By \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_

Gregg Durbin, P.E.  
District 1 Local Systems Engineer

**EXHIBIT 1**  
**Agreement Provisions for Iowa Clean Air Attainment Program (ICAAP) Funds**

As a condition of receiving ICAAP funds, the Recipient shall comply with the following additional provisions:

1. The Recipient shall submit to the Department, no later than 30 days subsequent to the Recipient's signature date on this agreement, a timetable outlining the project schedule. If the Recipient fails to do so, the portions of this agreement pertaining to ICAAP funds may be considered in default.
2. The Recipient must have let the contract or construction started within 3 years of the date this project is approved by Department. If the Recipient does not do this, they will be in default for which the Department can revoke ICAAP funding commitments. This agreement may be extended for periods up to six months upon receipt of a written request from the Recipient at least 60 days prior to the deadline.
3. The portions of the agreement pertaining to ICAAP funding may be declared to be in default by the Department if the Department determines that the Recipient's application for ICAAP funding contained inaccuracies, omissions, errors or misrepresentations; or if the Department determines that the project is not developed as described in the application.
4. If the Recipient fails to perform any of the obligations of this agreement, the Department shall have the right, after first giving thirty (30) days written notice to Recipient by certified mail return receipt requested, to declare the portions of this agreement relating to ICAAP funds in default. The Recipient shall have thirty (30) days from date of mailing of notice to cure the default. If the Recipient cures the default, the Recipient shall notify Department no later than five (5) days after cure or before the end of said thirty (30) day period to cure default. Within ten (10) working days of receipt of Recipient's notice of cure, the Department shall issue either a notice of acceptance of cure or notice of continued default.
5. In the event a default is not cured the Department may revoke ICAAP funding commitments and/or seek repayment of ICAAP funds provided by this agreement. By signing this agreement the Recipient agrees to repay said funding if they are found to be in default. Repayment methods must be approved by the Department Commission and may include cash repayment, installment repayments with negotiable interest rates, charges against the Recipient's share of Road Use Tax funds, or other methods as approved by the Commission.
6. Eligible project activities will be limited to the following: construction, engineering, inspection, and right-of-way acquisition. Under certain circumstances, eligible activities may also include utility relocation or railroad work that is required for construction of the project.

## EXHIBIT 2

### General Agreement Provisions for use of Federal Highway Funds on Non-primary Projects

Unless otherwise specified in this agreement, the Recipient shall be responsible for the following:

#### 1. General Requirements.

- a. The Recipient shall take the necessary actions to comply with applicable State and Federal laws and regulations. To assist the Recipient, the Department has provided guidance in the Federal-aid Project Development Guide (Guide) and the Instructional Memorandums to Local Public Agencies (I.M.s) that are referenced by the Guide. Both are available on-line at: [http://www.iowadot.gov/local\\_systems/publications/im/lpa\\_ims.htm](http://www.iowadot.gov/local_systems/publications/im/lpa_ims.htm). The Recipient shall follow the applicable procedures and guidelines contained in the Guide and I.M.s in effect at the time project activities are conducted.
- b. In accordance with Title VI of the Civil Rights Act of 1964 and associated subsequent nondiscrimination laws, regulations, and executive orders, the Recipient shall not discriminate against any person on the basis of race, color, national origin, sex, age, or disability. In accordance with Iowa Code Chapter 216, the Recipient shall not discriminate against any person on the basis of race, color, creed, age, sex, sexual orientation, gender identity, national origin, religion, pregnancy, or disability. The Recipient agrees to comply with the requirements outlined in I.M. 1.070, Title VI and Nondiscrimination Requirements which includes the requirement to provide a copy of the Recipient's Title VI Plan or Agreement and Standard DOT Title VI Assurances to the Department.
- c. The Recipient shall comply with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973 (Section 504), the associated Code of Federal Regulations (CFR) that implement these laws, and the guidance provided in I.M. 1.080, ADA Requirements. When pedestrian facilities are constructed, reconstructed, or altered, the Recipient shall make such facilities compliant with the ADA and Section 504.
- d. To the extent allowable by law, the Recipient agrees to indemnify, defend, and hold the Department harmless from any action or liability arising out of the design, construction, maintenance, placement of traffic control devices, inspection, or use of this project. This agreement to indemnify, defend, and hold harmless applies to all aspects of the Department's application review and approval process, plan and construction reviews, and funding participation.
- e. As required by 49 CFR 18.26, the Recipient is responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S. C. 7501-7507) and revised Office of Management and Budget (OMB) Circular A-133. Subpart B of OMB Circular A-133 stipulates that non-Federal entities expending \$500,000 or more in Federal awards in a year shall have a single or program-specific audit conducted for that year in accordance with the provision of that part. Auditee responsibilities are addressed in subpart C of OMB Circular A-133. The Federal funds provided by this agreement shall be reported on the appropriate Schedule of Expenditures of Federal Awards (SEFA) using the Catalog of Federal Domestic Assistance (CFDA) number and title as shown on the first page of this agreement. If the Recipient will pay initial project costs and request reimbursement from the Department, the Recipient shall report this project on its SEFA. If the Department will pay initial project costs and then credit those accounts from which initial costs were paid, the Department will report this project on its SEFA. In this case, the Recipient shall not report this project on its SEFA.
- f. The Recipient shall supply the Department with all information required by the Federal Funding Accountability and Transparency Act of 2006 and 2 CFR Part 170.
- g. The Recipient shall comply with the following Disadvantaged Business Enterprise (DBE) requirements:
  - i. The Recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any Department-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Department-assisted contracts.
  - ii. The Recipient shall comply with the requirements of I.M. 3.710, DBE Guidelines.

iii. The Department's DBE program, as required by 49 CFR Part 26 and as approved by the Federal Highway Administration (FHWA), is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- h. Termination of funds. Notwithstanding anything in this agreement to the contrary, and subject to the limitations set forth below, the Department shall have the right to terminate this agreement without penalty and without any advance notice as a result of any of the following: 1) The Federal government, legislature or governor fail in the sole opinion of the Department to appropriate funds sufficient to allow the Department to either meet its obligations under this agreement or to operate as required and to fulfill its obligations under this agreement; or 2) If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Department to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Department in its sole discretion; or 3) If the Department's authorization to conduct its business or engage in activities or operations related to the subject matter of this agreement is withdrawn or materially altered or modified. The Department shall provide the Recipient with written notice of termination pursuant to this section.

## **2. Programming and Federal Authorization.**

- a. The Recipient shall be responsible for including the project in the appropriate Regional Planning Affiliation (RPA) or Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP). The Recipient shall also ensure that the appropriate RPA or MPO, through their TIP submittal to the Department, includes the project in the Statewide Transportation Improvement Program (STIP). If the project is not included in the appropriate fiscal year of the STIP, Federal funds cannot be authorized.
- b. Before beginning any work for which Federal funding reimbursement will be requested, the Recipient shall contact the Department to obtain the procedures necessary to secure FHWA authorization. The Recipient shall submit a written request for FHWA authorization to the Department. After reviewing the Recipient's request, the Department will forward the request to the FHWA for authorization and obligation of Federal funds. The Department will notify the Recipient when FHWA authorization is obtained. The cost of work performed prior to FHWA authorization will not be reimbursed with Federal funds.

## **3. Federal Participation in Work Performed by Recipient Employees.**

- a. If Federal reimbursement will be requested for engineering, construction inspection, right-of-way acquisition or other services provided by employees of the Recipient, the Recipient shall follow the procedures in I.M. 3.310, Federal-aid Participation in In-House Services.
- b. If Federal reimbursement will be requested for construction performed by employees of the Recipient, the Recipient shall follow the procedures in I.M. 3.810, Federal-aid Construction by Local Agency Forces.
- c. If the Recipient desires to claim indirect costs associated with work performed by its employees, the Recipient shall prepare and submit to the Department an indirect cost rate proposal and related documentation in accordance with the requirements of 2 CFR 225. Before incurring any indirect costs, such indirect cost rate proposal shall be certified by the FHWA or the Federal agency providing the largest amount of Federal funds to the Recipient.

## **4. Design and Consultant Services**

- a. The Recipient shall be responsible for the design of the project, including all necessary plans, specifications, and estimates (PS&E). The project shall be designed in accordance with the design guidelines provided or referenced by the Department in the Guide and applicable I.M.s.
- b. If the Recipient requests Federal funds for consultant services, the Recipient and the Consultant shall prepare a contract for consultant services in accordance with 23 CFR Part 172. These regulations require a qualifications-based selection process. The Recipient shall follow the procedures for selecting and using consultants outlined in I.M. 3.305, Federal-aid Participation in Consultant Costs.



- c. If Preliminary Engineering (PE) work is Federally funded, and if right-of-way acquisition or actual construction of the project is not started by the close of the tenth fiscal year following the fiscal year in which the Federal funds were authorized, the Recipient shall repay to the Department the amount of Federal funds reimbursed to the Recipient for such PE work. PE includes work that is part of the development of the PS&E for a construction project. This includes environmental studies and documents, preliminary design, and final design up through and including the preparation of bidding documents. PE does not include planning or other activities that are not intended to lead to a construction project. Examples include planning, conceptual, or feasibility studies.

## **5. Environmental Requirements and other Agreements or Permits.**

- a. The Recipient shall take the appropriate actions and prepare the necessary documents to fulfill the FHWA requirements for project environmental studies including historical/cultural reviews and location approval. The Recipient shall complete any mitigation agreed upon in the FHWA approval document. These procedures are set forth in I.M. 3.105, Concept Statement Instructions; 3.110, Environmental Data Sheet Instructions; 3.112, FHWA Environmental Concurrence Process; and 3.114, Cultural Resource Regulations.
- b. If farmland is to be acquired, whether for use as project right-of-way or permanent easement, the Recipient shall follow the procedures in I.M. 3.120, Farmland Protection Policy Act Guidelines.
- c. The Recipient shall obtain project permits and approvals, when necessary, from the Iowa Department of Cultural Affairs (State Historical Society of Iowa; State Historic Preservation Officer), Iowa Department of Natural Resources, U.S. Coast Guard, U.S. Army Corps of Engineers, the Department, or other agencies as required. The Recipient shall follow the procedures in I.M. 3.130, 404 Permit Process; 3.140, Storm Water Permits; 3.150, Highway Improvements in the Vicinity of Airports or Heliports; and 3.160, Asbestos Inspection, Removal and Notification Requirements.
- d. In all contracts entered into by the Recipient, and all subcontracts, in connection with this project that exceed \$100,000, the Recipient shall comply with the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all their regulations and guidelines. In such contracts, the Recipient shall stipulate that any facility to be utilized in performance of or to benefit from this agreement is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities or is under consideration to be listed.

## **6. Right-of-Way, Railroads and Utilities.**

- a. The Recipient shall acquire the project right-of-way, whether by lease, easement, or fee title, and shall provide relocation assistance benefits and payments in accordance with the procedures set forth in I.M. 3.605, Right-of-Way Acquisition, and the Department's Office of Right of Way Local Public Agency Manual. The Recipient shall contact the Department for assistance, as necessary, to ensure compliance with the required procedures, even if no Federal funds are used for right-of-way activities. The Recipient shall obtain environmental concurrence before acquiring any needed right-of-way. With prior approval, hardship and protective buying is possible. If the Recipient requests Federal funding for right-of-way acquisition, the Recipient shall also obtain FHWA authorization before purchasing any needed right-of-way.
- b. If the project right-of-way is Federally funded and if the actual construction is not undertaken by the close of the twentieth fiscal year following the fiscal year in which the Federal funds were authorized, the Recipient shall repay the amount of Federal funds reimbursed for right-of-way costs to the Department.
- c. If a railroad crossing or railroad tracks are within or adjacent to the project limits, the Recipient shall obtain agreements, easements, or permits as needed from the railroad. The Recipient shall follow the procedures in I.M. 3.670, Work on Railroad Right-of-Way, and I.M. 3.680, Federal-aid Projects Involving Railroads.
- d. The Recipient shall comply with the Policy for Accommodating Utilities on City and County Federal-aid Highway Right of Way for projects on non-primary Federal-aid highways. For projects connecting to or involving some work inside the right-of-way for a primary highway, the Recipient shall follow the Iowa DOT Policy for Accommodating Utilities on Primary Road System. Certain utility relocation, alteration, adjustment, or removal costs to the Recipient for the project may be eligible for Federal funding

reimbursement. The Recipient should also use the procedures outlined in I.M. 3.640, Utility Accommodation and Coordination, as a guide to coordinating with utilities.

- e. If the Recipient desires Federal reimbursement for utility costs, it shall submit a request for FHWA authorization prior to beginning any utility relocation work, in accordance with the procedures outlined in I.M. 3.650, Federal-aid Participation in Utility Relocations.

## **7. Contract Procurement.**

The following provisions apply only to projects involving physical construction or improvements to transportation facilities:

- a. The project plans, specifications, and cost estimate (PS&E) shall be prepared and certified by a professional engineer or architect, as applicable, licensed in the State of Iowa.
- b. For projects let through the Department, the Recipient shall be responsible for the following:
  - i. Prepare and submit the PS&E and other contract documents to the Department for review and approval in accordance with I.M. 3.505, Check and Final Plans and I.M. 3.510, Check and Final Bridge or Culvert Plans, as applicable.
  - ii. The contract documents shall use the Department's Standard Specifications for Highway and Bridge Construction. Prior to their use in the PS&E, specifications developed by the Recipient for individual construction items shall be approved by the Department.
  - iii. Follow the procedures in I.M. 3.730, Iowa DOT Letting Process, to analyze the bids received, make a decision to either award a contract to the lowest responsive bidder or reject all bids, and if a contract is awarded, execute the contract documents and return to the Department.
- c. For projects that are let locally by the Recipient, the Recipient shall follow the procedures in I.M. 3.720, Local Letting Process, Federal-aid.
- d. The Recipient shall forward a completed Project Development Certification (Form 730002) to the Department in accordance with I.M. 3.750, Project Development Certification Instructions. The project shall not receive FHWA Authorization for construction or be advertised for bids until after the Department has reviewed and approved the Project Development Certification.
- e. If the Recipient is a city, the Recipient shall comply with the public hearing requirements of the Iowa Code Section 26.12.
- f. The Recipient shall not provide the contractor with notice to proceed until after receiving written notice the Department has concurred in the contract award.

## **8. Construction.**

- a. A full-time employee of the Recipient shall serve as the person in responsible charge of the construction project. For cities that do not have any full time employees, the mayor or city clerk will serve as the person in responsible charge, with assistance from the Department.
- b. Traffic control devices, signing, or pavement markings installed within the limits of this project shall conform to the "Manual on Uniform Traffic Control Devices for Streets and Highways" per 761 Iowa Administrative Code Chapter 130. The safety of the general public shall be assured through the use of proper protective measures and devices such as fences, barricades, signs, flood lighting, and warning lights as necessary.
- c. For projects let through the Department, the project shall be constructed under the Department's Standard Specifications for Highway and Bridge Construction and the Recipient shall comply with the procedures and responsibilities for materials testing according to the Department's Materials I.M.s. Available on-line at: <http://www.iowadot.gov/erl/current/IM/navigation/nav.htm>.
- d. For projects let locally, the Recipient shall provide materials testing and certifications as required by the approved specifications.

- e. If the Department provides any materials testing services to the Recipient, the Department will bill the Recipient for such testing services according to its normal policy as per Materials I.M. 103, Inspection Services Provided to Counties, Cities, and Other State Agencies.
- f. The Recipient shall follow the procedures in I.M. 3.805, Construction Inspection, and the Department's Construction Manual, as applicable, for conducting construction inspection activities.

## **9. Reimbursements.**

- a. After costs have been incurred, the Recipient shall submit to the Department periodic itemized claims for reimbursement for eligible project costs. Requests for reimbursement shall be made at least annually but not more than bi-weekly.
- b. To ensure proper accounting of costs, reimbursement requests for costs incurred prior to June 30 shall be submitted to the Department by August 1 if possible, but no later than August 15.
- c. Reimbursement claims shall include a certification that all eligible project costs, for which reimbursement is requested, have been reviewed by an official or governing board of the Recipient, are reasonable and proper, have been paid in full, and were completed in substantial compliance with the terms of this agreement.
- d. The Department will reimburse the Recipient for properly documented and certified claims for eligible project costs. The Department may withhold up to 5% of the Federal share of construction costs or 5% of the total Federal funds available for the project, whichever is less. Reimbursement will be made either by State warrant or by crediting other accounts from which payment was initially made. If, upon final audit or review, the Department determines the Recipient has been overpaid, the Recipient shall reimburse the overpaid amount to the Department. After the final audit or review is complete and after the Recipient has provided all required paperwork, the Department will release the Federal funds withheld.
- e. The total funds collected by the Recipient for this project shall not exceed the total project costs. The total funds collected shall include any Federal or State funds received, any special assessments made by the Recipient (exclusive of any associated interest or penalties) pursuant to Iowa Code Chapter 384 (cities) or Chapter 311 (counties), proceeds from the sale of excess right-of-way, and any other revenues generated by the project. The total project costs shall include all costs that can be directly attributed to the project. In the event that the total funds collected by the Recipient does exceed the total project costs, the Recipient shall either:
  - 1) in the case of special assessments, refund to the assessed property owners the excess special assessments collected (including interest and penalties associated with the amount of the excess), or
  - 2) refund to the Department all funds collected in excess of the total project costs (including interest and penalties associated with the amount of the excess) within 60 days of the receipt of any excess funds. In return, the Department will either credit reimbursement billings to the FHWA or credit the appropriate State fund account in the amount of refunds received from the Recipient.

## **10. Project Close-out.**

- a. Within 30 days of completion of construction and/or other activities authorized by this agreement, the Recipient shall provide the completed pre-audit checklist to the Department and request a final audit, in accordance with the procedures in I.M. 3.910, Final Review, Audit, and Close-out Procedures for Federal-aid Projects.
- b. For construction projects, the Recipient shall provide a certification by a professional engineer or architect, as applicable, licensed in the State of Iowa, indicating the construction was completed in substantial compliance with the project plans and specifications.
- c. Final reimbursement of Federal funds shall be made only after the Department accepts the project as complete.

- d. The Recipient shall maintain all books, documents, papers, accounting records, reports, and other evidence pertaining to costs incurred for the project. The Recipient shall also make these materials available at all reasonable times for inspection by the Department, FHWA, or any authorized representatives of the Federal Government. Copies of these materials shall be furnished by the Recipient if requested. Such documents shall be retained for at least 3 years from the date of FHWA approval of the final closure document. Upon receipt of FHWA approval of the final closure document, the Department will notify the Recipient of the record retention date.
- e. The Recipient shall maintain, or cause to be maintained, the completed improvement in a manner acceptable to the Department and the FHWA.