



Local Assistance Day Statewide Quarterly Webinar

June 7, 2022

Questions, Answers & Links

Materials for this presentation are located on the Sacramento State College of Continuing Education's portal: <https://apps.cce.csus.edu/portal/fileShareView.cfm?forumID=6276>

Specific questions regarding the quarterly Local Assistance Day Statewide Webinar, please contact: Caltrans.DLA@dot.ca.gov

Topic: Office of State Programs, Office of Federal Programs

Cathy McKeon – Cathy.Mckeon@dot.ca.gov

1. Can you please provide the PPT (PowerPoint)?

Here is the materials portal:

<https://apps.cce.csus.edu/portal/fileShareView.cfm?forumID=6276>

2. HSIP? Acronym please.

HSIP stands for Highway Safety Improvement Program. List of acronyms from the Division of Local Assistance: <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/dla-acronyms052022.pdf>

3. Can you please explain the 5-year funding deadline for bridges in more detail?

IIJA is a 5-year act, and the Bridge Formula Program comes from the General Funds, so there is no guarantee that these funds will continue like the core programs, NHPP, HSIP, etc. Link of the notice that was issued a couple of months ago:

<https://www.fhwa.dot.gov/legsregs/directives/notices/n4510867.cfm>

4. Website link please?

Link to the Safe Streets & Roads – Grant Program:

<https://www.transportation.gov/grants/SS4A>

Topic: Office of Federal Programs

Robert Peterson – Robert.Peterson@dot.ca.gov

5. Can a summary of this information be provided, please?

PowerPoint was not used for this presentation. Presenter's contact information:

Robert Peterson, Office Chief
Federal Programs
Division of Local Assistance
robert.peterson@dot.ca.gov

6. Are there call for projects for earmarks?

If you have a project that you are interested in, please have the agencies reach out to their legislators to discuss. The legislators are the Sponsors for the projects. If you have any further questions regarding State Earmarks, feel free to reach out to me.

7. Do the Local Roadway Safety Plans developed for HSIP meet the definition of the "Comprehensive Safety Action Plan" for the new DOT Safe Streets and Road for All (SS4A)

Yes.

8. Why can't all these grant programs have one consistent set of requirements?

Very good question and this has always been a desire from many that grant programs have a consistent set of requirements. Fortunately, information is readily available for each grant to help each grant writer meet those requirements in the application.

9. Do the Local Roadway Safety Plans developed for HSIP meet the definition of the "Comprehensive Safety Action Plan" for the new DOT Safe Streets and Road for All (SS4A) program?

Since USDOT administers that program, I would direct that question to the ones managing that program within USDOT.

Topic: LTAP & CTAP Trainings

Caltrans provides subsidized trainings for local, tribal, and rural agencies.

Questions, contact: Caltrans.DLA@dot.ca.gov

- Local Technical Assistance Program (LTAP) Center - <https://californialtap.org/>
- Equipment Loan Program - <https://californialtap.org/index.cfm?pid=1092>
- CSULB Center for International Trade and Transportation - <https://www.cspace.csulb.edu/center-for-international-trade-and-transportation>
 - Contact: Scott.Jakovich@csulb.edu
- Cooperative Training Assistance Program (CTAP) – Sacramento State College of Continuing Education
 - Contract: Tracy.Coan@csus.edu
- UC Berkeley TechTransfer Trainings - <https://www.techtransfer.berkeley.edu/home>
 - Contact: TechTransfer@Berkeley.edu
- DLA Blog – <https://www.localassistanceblog.com/>
- DLA Email Announcements - <https://dot.ca.gov/programs/local-assistance/other-important-issues/subscribe-to-dla-email-list>
- Transportation Cooperative Committee (TCC) Survey 2022 - <https://www.surveymonkey.com/r/2022TCC>

**Topic: Local Public Agency (LPA) Indirect Cost Allocation Plan (ICAP)
Submission & Review**

Gerald Lee, Audit Manager - Gerald.Lee@dot.ca.gov

Caltrans Internal Audit Office, Caltrans Website: <https://dot.ca.gov/programs/audits>

Common Audit Deficiencies: <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/common-deficiencies-and-best-practices.pdf>

10. Please provide a list of links that are included in the chat. As I am having difficulty copying and pasting to a document.

All resource materials will be posted here: <https://californialtap.org/index.cfm?pid=1579>

11. Will this webinar be available to watch again or share with colleagues?

Yes, the recording will be posted here: <https://californialtap.org/index.cfm?pid=1579>

12. Can you clarify the difference between reviewing and auditing? At what point would it be considered and audit?

To conduct a review, the auditor is not required to have a complete knowledge of internal control system of the company and also know about the audit procedures.

13. In submitting an invoice for reimbursement as part of Form5, there is a section for indirect cost. Is this something else besides what Gerald Lee is talking about?

I am not sure what "Form5" is. The rate we are responsible for are overhead rates for agency staff.

14. The ICAP intake form on the CIAO (Caltrans Internal Audits Office) website is not available for download to public. It appears the link is connected to Caltrans internal website. Can Caltrans fix the link?

Thank you for the info. Link is now fixed: <https://dot.ca.gov/-/media/dot-media/programs/audits/documents/submission-review/submission-review-intake-form-a11y.pdf>

15. It appears County of Riverside did not receive call for project for PLPB. Is there a signup sheet to get future PLPB call for projects?

Yes, please contact the Office of Federal Programs with your request.
<https://dot.ca.gov/programs/local-assistance/fed-and-state-programs>

16. What about if you are approved for 10% De Minimis?

Starting July 1st, we will accept agencies who elect to have De Minimis rate for the specific fiscal year.

17. What if your cognizant agency isn't DOT? Ours is HHS.

We will review the intake form and determine the proper cognizant agency.

18. We already submitted our FY22-23 ICAP proposal to our cognizant agency (FTA), are we still required to submit CIAO Intake Form?

IOAI will continue to review through 6/30/22. CIAO will take over new application responsibility as of 7/1/22.

19. Is this an annual submission for review, or by grant?

2 CFR 200 requires an annual submission rate.

20. Can you please clarify IOAI vs CIAO submission forms? Are you now requiring that ICAP/ICRP submissions be innated through CIAO instead of IOAI?

Yes, starting July 1, 2022.

21. Will this new form need to be used for the FY 21-22 ICAP submissions prior to July 1?

The form will need to be used as of July 1, 2022.

22. What if I already submitted my ICAP using the old form

CIAO is responsible as of July 1, 2022. It is okay if you have already submitted using the old form.

23. What level of detail for back-up is required?

This will be provided through e-mail instructions.

24. I'm really new to all of this. Can you please describe an example of when this form needs to be submitted?

Once the form is completed, e-mail to icap-icrp@dot.ca.gov after July 1st. We will review and send an e-mail with instructions to upload supporting documents.

25. Does this process supersede figuring out who the cognizant agency is?

The intake document will help us decide who the cognizant agency.

Topic: LPA ICAP Submissions 2021-22 Stats, ICAP/ICRP Audits, Common Findings & Best Practices

Daniel Burke – Daniel.Burke@dot.ca.gov

26. What if DOT Caltrans is the Cognizant Agency?

We will review the intake form and determine the proper cognizant agency.

27. Do we need to submit to IOAI for A&E if less than \$1M?

No, but local is responsible to review and ensure fair and reasonable.

28. Is ICAP the same as ICR review by IOAI?

ICAP = Indirect Cost Allocation Plan; ICR = Indirect Cost Rate. It depends on what the indirect cost rate - If it's A&E (by project) = IOAI; If the rate is for agency staff rate = CIAO.

29. Can you post the pdf you shared of the common deficiencies? The link "common audit deficiencies" does not work in the handout when accessed via the web
Link to the PDF; <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/guide/common-deficiencies-and-best-practices.pdf>

30. Do we need to submit 10-C if state funds?

An exhibit 10-C is required for a state funded A&E consultant procurement. A 10-C is not required for a non-A&E consultant procurement.

31. If we are submitting for FY 19-20. Should not the carry forward will be for 18-19?

Please refer to meeting recording for details.

32. The example is a two-year calculation carry forward, but you are using the FY17-18 which makes it a four-year calculation? can you clarify?

Please refer to meeting recording for details.

33. To confirm, local agencies only need to submit ICAP indirect costs are desired for federal reimbursement? Thanks.

Please refer to meeting recording for details.

Topic: Financial Document Review Process for A&E Consultants

David Wong – David.Wong@dot.ca.gov

34. We currently have an indirect rate that is historically based. How can we convert to the forward estimated rate? This would help even out project reimbursements for our agency.

It appears your agency has used a final rate with your cognizant agency (Caltrans or other federal awarding). Please go to the Audits webpage when you're ready to submit and select fixed cost with carry-forward rate to switch ICAP methodologies:

<https://dot.ca.gov/-/media/dot-media/programs/audits/documents/submission-review/submission-review-calc-fixed-rate-a11y.pdf>

35. Would the calculated indirect rate be applicable to all funding sources, including local funds and would the locally funded direct costs be included in the ICAP?

Yes, the rate is applicable to all Caltrans funding sources so long as the State and federal programs allow them. If the project is locally funded only, that is up to your local agency to use the accepted ICAP rate. When your agency submits an invoice, you must apply the indirect cost rate across all funding sources including local costs (i.e. match).

<https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/lapm/ch05.pdf>

36. We received the email from IOAI: Effective April 15, 2022, the Independent Office of Audits and Investigations (IOAI) will no longer perform reviews of local public agency (LPA) contracts under \$1 Million. The current contract threshold of \$150,000 included in the Local Assistance Procedures Manual (LAPM), Chapter 10, 10.1.3 A&E Consultant Audit and Review Process, has been raised to \$1 Million. This email will serve as official notification that IOAI will not review the indirect

cost rates for these contracts. The LPAs are responsible for determining when contracts under \$1 Million should be executed. They no longer need an acceptance email from IOAI prior to contract execution. All other provisions in the LAPM still remain in effect.

The LAPM has not been updated yet, but IOAI has increased the threshold for review by the office.

37. Can you explain what the agencies need to do?

It is the local's responsibility to ensure they are receiving a fair and reasonable indirect cost rate and price as IOAI is no longer reviewing if contract under \$1 million.

38. Do we need to submit to IOAI for A&E if project is less than \$1M?

No, if contract is under \$1 million it does not need to be submitted to IOAI, but it is the local's responsibility to ensure a fair and reasonable price.

39. What documentation should local agencies get from consultants to verify the ICR's provided are correct?

Request the ICR schedule and need to ensure costs trace to general ledger and that costs included in the ICR schedule accounts are allowable costs. Then need to verify calculations paying close attention to carryforward.

Topic: Chapter 10: Exhibit 10C, High-Risk Items

Bing Luu – Bing.Luu@dot.ca.gov

40. If a contract is submitted for review in August of 2021 - would the 10-A, 10-K CPA audited rates need to be the 20/21 fiscal year rate?

Please refer to meeting recording for details.

41. Should ICRs be submitted by consultant and approved by LPA for contracts under the review threshold? Are there other acceptable cost proposal submittals without ICRs?

If under the threshold they do not need to be submitted to IOAI.

42. Can you expand on the PPP Loan Forgiveness and how that is treated? Is it treated as income?

We have seen it treated as income by some consultants. However, it doesn't matter how it's recorded by consultants in their financial records if the loan is forgiven. When the loan is forgiven, the indirect cost rate is subject to adjustment.

43. With regards to the IOAI review for <\$1 million, was this effective as of this FY 21-22 year? My project received proposals in April 2021.

This became effective about a month ago.

44. On a contract that was originally locally funded (and procured accordingly), and after contract execution is now receiving state funds, what does an LPA need to do to bring the contract into compliance with state requirements?

Procurement should have been procured in accordance to state laws as qualification-

based selection government codes applies to both state and local agencies regardless of funding type. Refer to LAPM Chapter 10 for more guidance. Complete and submit exhibit 10-A and 10-C.

45. This was asked (in chat - sorry about that) and answered but just so it gets captured in the presentation for future: "If we use an estimate than we potential over/under bill on projects. How would we true-up the actuals on projects that closes if our basis is span over 2 years?"

Good question and thanks for providing me the opportunity to respond as it may be easier to digest in a written format. The example for fixed with carryforward rate I provided was a submittal for the 2019-20 fiscal year and included the difference of the actual 2017-18 costs less the proposed/accepted 2017-18 costs. In the 2020-21 fiscal year ICAP submission, the agency would need to include the difference of the actual 2018-19 less the proposed/accepted 2018-19 costs. Each year (2017-18 and 2018-19), the agency will "true-up" and adjust the calculated rates annually with each ICAP submission. Alternatively, an agency may select a final rate after all direct and indirect costs are known, but that cannot occur until after the fiscal year ends. With the final rate, the agency will need to bill for the prior years' indirect costs. While it is lower risk without carry-forward, a 1+ year delay for reimbursement of indirect costs may be critical to your agency depending on its financial standing.

46. Since LPAs are required to audit the prime and sub consultant under \$1M, would your office have a checklist of what you do during the ICR rate review and audit so LPA can duplicate to ensure best outcome?

IOAI does use standard review procedures that may be used by LPAs. All the steps may not be applicable by the LPAs. LPAs should also refer to the AASHTO Uniform Audit and Accounting Guide (2016 Edition) when reviewing consultants' indirect cost rate.

47. The project manager/engineer in the LPA is not experienced with the reasonable indirect cost rate and price. Should it be done by the finance staff of LPA?

As an audit manager I would highly recommend that it be performed by financial staff just because they should have a better understanding of an ICR schedule.

48. On the SHR 3 grace period: Is this the same for a one-person business like a land surveyor?

Yes if it is an A&E business.

49. To follow-up on my question on added state funds, it sounds like the only compliance required via LAPM is 10-A (presumably incl. 10-K) and 10-C?

Yes.

50. Is it possible to view acceptance letters for consultants?

We don't share the actual letters because they contain the firms' approved indirect rates which are proprietary information.

Topic: Final Invoice & Final Report of Expenditures

Jim Day – James.Day@dot.ca.gov

51. Is there any "Best Practices" guidance for determining whether A&E consultant cost & rates are fair and reasonable?

Recommend using the AASHTO Uniform Audit & Accounting Guide (2016 Edition).

52. What do I need to do to increase my annual on call consultant's costs allowed? I originally submitted \$150K but want to increase that reported amount.

An on-call contract amount can be amended as long as it does not exceed the maximum amount provided in the agency's solicitation. Disclosing the max contract amount in the solicitation is a requirement.

53. How detail that Independent Cost Estimate should be?

The elements of contract costs should be established such as indirect cost rates, direct salary or wage rates, fixed fee and other direct cost rates. Resources on the website <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>

54. Is the process the same for non-A&E contracts?

Non-A&E consultant procurement requirements are different from A&E. For non-A&E, you can refer to LAPM Chapter 10.3. The exhibit 10-C is required for A&E procurement.

55. If a local agency has no engineer on staff and works with a contract engineer, how should we complete an independent cost estimate?

Please refer to our website for additional resources and training on completing and independent cost estimate. <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>

56. That makes sense but if the project closes in the interim then we would not have the final year to true-up. Is there any concerns of being in compliance if it turns out we overbilled? I'm guessing our estimate should try and be less to avoid this risk?

That depends. If your agency was audited and was determined to have a lower audited rate than what was accepted due to ineligible costs in direct and indirect pools, then yes Caltrans will seek reimbursement. If your agency's direct and indirect cost pools are validated, then any overbilling would be corrected in the carryforward process. Per the federal regulations, 2 CFR 200 Article VII, each agency must support their estimates. Therefore, it should be as estimated and with supportive methodology to the best of the agency's ability.

57. I don't see the webpage the presenters is referring to on A&E 10c?

Link: <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>

58. That makes sense but if the project closes in the interim then we would not have the final year to true-up. Is there any concerns of being in compliance if it

Please refer to meeting recording for details.

59. What ICE form that Caltrans recommends using?

Link: <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>

60. Need more details on the Management Support Role definition (what consulting work triggers the advance approval of FHWA?).

Please refer to Chapter 10.1.9 for clarification on retaining a Consultant in a Management Support role. There is additional guidance on our website.

61. Can IOAI review consultant ICR rates outside of the 10C process? That way consultant can have a reviewed rate before trying to enter into a State/Federal funded contract.

Due to workload, IOAI only reviews ICR rates that come to us through the FDR process.

62. Will there be a checklist for consultant contract amendments after award? A tool to determine what forms need to be completed and if costs are eligible for reimbursement.

For a A&E consultant contract amendment, you can complete the Exhibit 10-C.

63. Is electronic submission of FROE and invoice acceptable?

Yes, electronic copy of the FROE is acceptable.

64. Is this project completion for just construction or other project phases?

Final construction of the project, including all phases leading up to construction.

65. Most of these are PDFs, for example you need to include the 15-M as well, but there isn't a place for "change order costs" in the form. Is it frowned upon to change the PDFs to Word format and add that section to the form? Or should we not manipulate the forms at all? If we shouldn't, where should we add additional information?

Please do not attempt to change Caltrans' official forms. Contact your District's Local Assistance Area Engineer for direction on how to submit supplemental supporting information regarding change order costs.

66. What are force accounts?

Force account is the use of a grantee's own labor force to carry out a capital project. Force account work may consist of design, construction, refurbishment, inspection, and construction management activities, if eligible for reimbursement under the grant.

67. Did you say that the as built product must be provided for the final or close out?

Please refer to meeting recording for details.

68. Please show the slide again with the construction retention schedule (three years following final payment)

Link to all presentation materials for today's training:
<https://apps.cce.csus.edu/portal/?forumID=6276>

69. We often put Force Account cost as non-participating on CCO, but it would be safe to assume that the cost is participating cost if Caltrans signed on the CCO form with a check mark on participating, correct?

For federal funded contracts you should have submitted a Public Interest Finding (LAPM EXH. 12-F) to justify force account work by your agency staff. The DLAE will review and approve, if possible. There is more information about this in LAPM Chapter 12.

70. Does the Resident Engineer need to be a registered licensed professional for a project Off of the State Highway System (SHS), but On Federal Aid System (e.g. project on local major collector)?

This is from Chapter 15 of the LAPM, a Resident Engineer is a qualified engineer who is empowered to administer the construction contract. Pursuant to California professional engineering licensing requirements, the resident engineer may be unlicensed provided their work is performed under the review of a licensed engineer.

71. Can we close out the state funds but not the federal funds on a project?

This is not done. You probably considered the reversion date-when state/federal funds may revert. A cooperative work agreement can extend the life of the funds by two years. Please contact your DLAE for further information-good question.

72. If project includes plant establishment work that span for 3 years after project construction, can we close out the project and establish another FPN for plant establishment work?

Yes, please contact your [District Local Assistance Area Engineer](#) regarding the process, requirements, and sequencing for creating separate mitigation projects and closing out.

73. Can you close out the federal or state funds on a project even if the contract isn't being closed out? (i.e., the contract moving forward will no longer use such federal or state funds.)

No, you can't because the state withholds retention and will not release until final close-out. I made an example of changes to the project were state or federal.

Topic: Best Practices Peer-Exchange - Regional Project Delivery Coordination

Jose Luis Caceres – Jcaceres@sacog.org

74. How do you handle close out when the contracts go into claims dispute?

You can't actually close-out, because the claims may have an effect on the final invoice. If timeliness is an issue (as it is for STIP/ATP state funds) you can get a time extension for completion. Contact the [DLAE](#) in your area when this happens as soon as it happens.

75. For Caltrans A&O for consultant A&E audit, what is the schedule for when updated ICR rates we need to request for submission for contract execution (I know it has to do with 6 months after the fiscal year - sometimes we need to request updated rates and want a quick reference)

For financial document packages received between January 1, 2022, to June 30, 2022, the 2020 FYEICR could be submitted if the FYE 2021 ICR is not available. For financial

document packages received between July 1, 2022, to December 31, 2022, the 2021 ICR must be submitted.

76. What are final closeout procedures for Planning projects funded by State Grants? We got State grant to develop our Local Roadway Safety Plan. Curious to know what documentation is needed.

The LRSP is a state funded grant by the HSIP program. Go to the HSIP website for close-out instructions (they are specific). examples are the final invoice, the LRSP and the resolution from the city council or county board of supervisors that adopts the LRSP. But please check the HSIP web page for delivery/close-out requirements.

77. Uploaded PowerPoint "7. Project Completion PP (Day)" is a PDF. Links are not live. Is it possible to get the actual PowerPoint slide with the links?

The links have been placed in 3. Resources in the materials portal.

<https://apps.cce.csus.edu/portal/?forumID=6276>

78. Do most cities/counties/other project sponsors just have a few people (1-2 staff) or everyone/all project managers trying to get a handle on the LAPM, CTC, and other processes needed to make sure to not miss deadlines and lose funds?

Stay in touch with your [DLAE](#) and the MPO/RTPA.

79. Does anyone have a good process on preparing an Independent Cost Estimate Report? Cost Analysis?

The A&E resource webpage contains a worksheet preparation tool that agencies can use. As well, a sample cost analysis and short training videos on ICE and cost analysis are available in the resource webpage: [Consultant Selection and Procurement | Caltrans](#). Additional information on what ICE and cost analysis entail are found in LAPM Chapter 10.

80. Is it possible to send RTPAs list of attendees from their regions?

A list will be posted with meeting files.

Appendix: Links

Division of Local Assistance - <https://dot.ca.gov/programs/local-assistance>

CalSTA Infrastructure Investment and Jobs Act (IIJA) Implementation:

<https://calsta.ca.gov/subject-areas/infrastructure-investment-act>

US Department of Transportation – Grants: <https://www.transportation.gov/grants>

Consultant Selection and Procurement: <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>

A&E Resource Webpage: <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>

Local Assistance Contacts for Local Agencies: <https://dot.ca.gov/programs/local-assistance/other-important-issues/local-assistance-contacts>