

CHAPTER 5 - LOCAL AGENCY PROGRAM AGREEMENT AND FEDERAL AUTHORIZATION REQUESTS

5.1 OVERVIEW

A Local Agency Program (LAP) Agreement ([Form No. 525-010-40](#)) is a contractual agreement between a LAP Certified Local Agency (LA) (see **Chapter 2** for additional information on LAP Certification) and the Florida Department of Transportation (Department) for Federal-Aid transportation projects. An agreement is prepared for each LAP project funded in the Adopted Five-Year Work Program and the MPOs Transportation Improvement Program (TIP) / State Transportation Improvement Program (STIP) approved by the Federal Highway Administration (FHWA) per [23 Code of Federal Regulations \(CFR\) 450.220\(a\)\(b\)](#).

The LAP Agreement is the preferred mechanism for Federal-Aid projects administered by LAs because the Department has established oversight policies and procedures in the LAP program that ensure the required federal provisions and related federal requirements are met throughout the duration of the project. Any local public agency delivering Federal-Aid highway construction projects, or a phase of work leading to construction, or activities specifically identified in the definition of “construction” in 23 CFR 101(a)(4) requires the execution of a LAP Agreement with the Department.

The agreement may cover all phases of work funded by the Department. The terms of the agreement between the Department and the LAP Certified Local Agency are determined by state and federal laws and regulations.

5.2 ALTERNATIVES TO THE LAP AGREEMENT

In limited circumstances, a LA may deliver a Federal-Aid highway project but would not be required to enter into a LAP Agreement with the Department and, therefore; would not be required to be “LAP Certified” per **LAP Manual Chapter 2**. In these instances, a Department Funded Grant Agreement may be executed in lieu of a LAP Agreement. Primary examples include agreements for emergency repairs, planning studies undertaken by a Metropolitan or Transportation Planning Organization (MPO/TPO), work by a public utility or railroad, Intelligent Transportation Systems (ITS) operations and maintenance activities performed by LA forces, or the cost of equipment purchased with Federal-Aid funds under specific conditions.

Equipment purchase is the most commonly occurring scenario that allows a District to move forward with the Department Funded Grant Agreement. Determining factors include project funding sources (federal, state, local) for the installation of the equipment, procurement methods for installation of the equipment, and the entity that performs the installation of equipment purchased with Federal-Aid funds. Six (6) scenarios for determining if project delivery occurs under a LAP Agreement or a Grant Agreement are identified in **Table 1: Federal-Aid Equipment Purchases and Eligible Project Delivery Methods**.

The District will advise a LA when a Department Funded Grant Agreement may be the appropriate contractual mechanism for a federally funded project.

Table 1: Federal Aid Equipment Purchases and Eligible Project Delivery Methods

Transaction Type	Forces (labor) to Install Equipment		Funding Source for Forces (labor)		LAP Certification Required	Agreement Type	Federal Requirements
	Local Agency Forces	Contractor	Federal-Aid Funds	Local Funds			
Department gives equipment to Local	X			X	No	Grant Agreement	<ul style="list-style-type: none"> • Cost effectiveness Finding required for Local Agency installation/force account work • Buy America, NEPA, Uniform Act apply • FDOT Form No. 525-010-42 (Final Inspection and Acceptable of Federal-Aid project) submitted by Local Agency • Department provides Final Project Acceptance by signing FDOT Form No. 525-010-42
Department gives equipment to Local		X		X	Yes	LAP Agreement	<ul style="list-style-type: none"> • All LAP program requirements • Full construction contract requirements including FHWA 1273 • Buy America, NEPA, Uniform Act apply • FDOT Form No. 525-010-42 submitted by Local Agency • Department provides Final Project Acceptance by signing FDOT Form No. 525-010-42
Department reimburses Local for equipment (replacement, no new design)	X			X	No	Grant Agreement	<ul style="list-style-type: none"> • Cost-effectiveness Finding required for Local Agency installation/force account work • Buy America, NEPA, Uniform Act apply • Department holds 5% retainage • FDOT Form No. 525-010-4 submitted by Local Agency • Department provides Final Project Acceptance by signing FDOT Form No. 525-010-42

Transaction Type	Forces (labor) to Install Equipment		Funding Source for Forces (labor)		LAP Certification Required	Agreement Type	Federal Requirements
	Local Agency Forces	Contractor	Federal-Aid Funds	Local Funds			
Department reimburses Local for equipment (upgrade of existing components/new design)	X		X		Yes	LAP Agreement	<ul style="list-style-type: none"> • Cost-effectiveness Finding required for Local Agency installation • All LAP Program requirements triggered by upgrade of existing component and/or new design required • Full construction contract requirements including FHWA 1273 • Buy America, NEPA, Uniform Act apply • FDOT Form No. 525-010-42 submitted by Local Agency • Department provides Final Project Acceptance by signing FDOT Form No. 525-010-42
Department reimburses Local for equipment and installation	X		X		Yes	LAP Agreement	<ul style="list-style-type: none"> • Cost-effectiveness finding required for Local Agency Installation • All LAP program requirements • Full construction contract requirements including FHWA 1273 • Buy America, NEPA, Uniform Act apply • FDOT Form No. 525-010-42 submitted by Local Agency • Department provides Final Project Acceptance by signing FDOT Form No. 525-010-42
Department reimburses Local for equipment and installation		X	X		Yes	LAP Agreement	<ul style="list-style-type: none"> • All LAP program requirements • Full construction contract requirements including FHWA 1273 • Buy America, NEPA, Uniform Act apply • FDOT Form No. 525-010-42 submitted by Local Agency • Department provides Final Project Acceptance by signing FDOT Form No. 525-010-42

5.3 HOW TO PREPARE AND EXECUTE THE AGREEMENT

Prior to the Department fiscal year in which the Federal-Aid project is funded, the District LAP Administrator will confirm the project appears in the approved TIP/STIP and the Adopted Work Program. A project that is added in the current state fiscal year will also need to be adopted in both the TIP/STIP and the Work Program. Projects added to the Adopted Work Program in the first quarter of the state fiscal year, July 1 to September 30, must be added to the 2nd year of the currently approved STIP during this three-month period. This is because the new STIP reflecting the Work Program adopted July 1 will not be approved by FHWA until October 1. This must be considered during the project scheduling process.

A LAP Agreement is prepared in advance of requesting Federal-Aid Authorization for a LAP project. The criteria listed below must be met for all projects that are partially or fully funded with Federal-Aid funds.

- A. The project phase(s) must be included in Department's Adopted Five Year Work Program.
- B. The project phase(s) must be listed in the Department's federally mandated STIP (with the exception of planning and emergency repair phases).
- C. If the project phase(s) is/are located in an area represented by an MPO, the project phase(s) must also be included in the MPO's TIP.
- D. State budget authority must be available for the Comptroller's Office to encumber the project funds prior to contract execution.
- E. LAP is a reimbursement program; therefore, a LA must fund LAP projects in their Capital Improvements Plan (CIP) or agency budget to include the Department programmed amount in the fiscal year the project appears in the Adopted Work Program. The LA must consider the project schedule and whether the agency's fiscal year differs from that of the Department. **State fiscal year is July 1 to June 30.** FHWA fiscal year is October 1 to September 30.
- F. A [Local Agency Program Construction Checklist Form No. 525-010-44](#) must be prepared and approved for construction projects before Federal authorization is requested.
- G. The District Federal-Aid Coordinator prepares and electronically submits a Federal Authorization Request in the Federal Authorization Management System to the Federal Aid Management Office in Tallahassee. The Federal Aid Management Office electronically transmits the request to FHWA for approval. The Federal award date must be included on the Agreement. A Federal-Aid Project Number (FAP No.) must be assigned to the project phase(s) included in each Federal Authorization Request.
- H. **The FHWA must approve the initial federal authorization and the Department must issue a Notice to Proceed (NTP) before any work can begin or any costs can be incurred on the project. Exceptions are:**

- i. 1) *Emergency repairs performed immediately after a declared disaster to keep roads and bridges open to traffic. See **Chapter 17** for further details on FHWA’s Emergency Relief Program.*
- ii. 2) *Professional services procurement may be initiated prior to Federal authorization, but authorization must be received prior to the contract execution between the LA and the consultant. See **Chapter 18** for further details on Professional Services Procurement.*

5.3.1 Project Scope, Schedule and Estimate

During this preparatory stage, the District LAP Administrator will request an updated project scope, schedule, and estimate to incorporate into the LAP Agreement ([23 CFR 630 Subpart A](#) and [2 CFR 200](#)). The Department tracks LA projects through the annual Consultant Acquisition Plan (CAP) and the (Construction) Letting Plan. The Plans are “locked” or final after July 1. It is essential the Districts and the Local Agencies schedule projects in the appropriate month, as both plans are monitored by Central Office, the Florida Transportation Commission (FTC) and the Governor’s Office.

In addition, the Adopted Work Program must reflect all funding sources- local, state, and federal funds as applicable. The total project phase cost must be programmed, regardless of the amount of federal funds on the project phase.

5.3.2 Requesting the Federal-Aid Number

The District LAP Administrator is responsible for requesting a Federal-Aid Project Number (FAP No.) from the District Federal-Aid Coordinator for each new LAP Project. This is done **before** drafting the LAP Agreement. The District Federal-Aid Coordinator must assign a Federal-Aid Project Number to the related financial project(s) phase(s) in the Adopted Work Program before the initial Federal Authorization is requested. If needed, additional related phase(s) may be added later during the life of the project by modifying the Federal authorization (see **Sections 5.3** and **5.5**).

Federal-aid project numbers should not be assigned any earlier than one calendar year before the Department fiscal year in which the project will be authorized.

5.3.3 Agreement Content and Exhibits

The District LAP Administrator will draft the LAP Agreement incorporating the project related identifiers (e.g. state and federal project numbers, county number, recipient vendor number), federal award date and funding type, scope, schedule and estimate as applicable. All LAP Agreements shall include:

- [Form No. 525-010-40 LAP Agreement](#) (master boilerplate)- identifies the state (FPN) and federal project numbers (FAIN), the type of funds, the agency vendor identification and DUNs numbers, the total funding amount, the beginning and end dates of the agreement and the maintaining agency responsible for all improvements upon final acceptance of the project. In addition, the boilerplate contains all federal and state required contract language regarding payment, records retention and review, non-discrimination, Single Audit, etc. This language is standard to every LAP Agreement executed with the Department and **cannot** be altered.
- [Form No. 525-010-40A Exhibit A: Project Description and Responsibilities](#)- identifies the project limits, scope, schedule, and any special considerations applicable. Special considerations are inclusive of, but not limited to, alternative funding agreements and participating and non-participating costs, or identifying any project requirements set forth that deviate from the LAP Manual.
- [Form No. 525-010-40B Exhibit B: Schedule of Financial Assistance](#)- records the total funds allocated to the project from local, state, and federal sources, the project phases funded, and the state fiscal years in which the funds are available. A LAP Agreement may be executed for multiple project phases spanning multiple fiscal years, but a separate federal authorization request is required to initiate each phase of the project. The LA will receive a separate NTP for each authorization. Work performed prior to the NTP date will not be eligible for reimbursement. **Note: Exhibit B represents the total **estimated** cost of the project. The Department reserves the right to adjust federal funding at the time of the LA's contract award to the **actual** contract award amount. See **Section 5.4.3** for an expanded description of this procedure.*
- [Form No. 525-010-40E Exhibit C: Title VI Assurances](#) is required in all Federal-Aid contracts and subcontracts, and is a required exhibit for all projects.
- [Form No. 525-010-40D Exhibit D: Recipient Resolution](#)- a LA governing board(s) resolution, or other form of official authorization, must authorize its officers to execute the agreement with the Department.
- [Form No. 525-010-40E Exhibit E: Federal Financial Assistance \(Single Audit Act\)](#)- provides the audit requirements for Federal Awards by clearly identifying the federal resources awarded to the agency, and information to help them determine their applicability to the Single Audit and other Federal grants policies. This form is mandatory for all Federal-Aid transportation projects. Contact the Office of Comptroller, Statewide Grants Section, for questions and assistance with Exhibit E.

- [Form No. 525-010-40F Exhibit F: **Contract Payment Requirements-**](#) Florida Department of Financial Services, Reference Guide for State Expenditures Cost Reimbursement Contracts.

LAP Agreements may include the following exhibits if applicable:

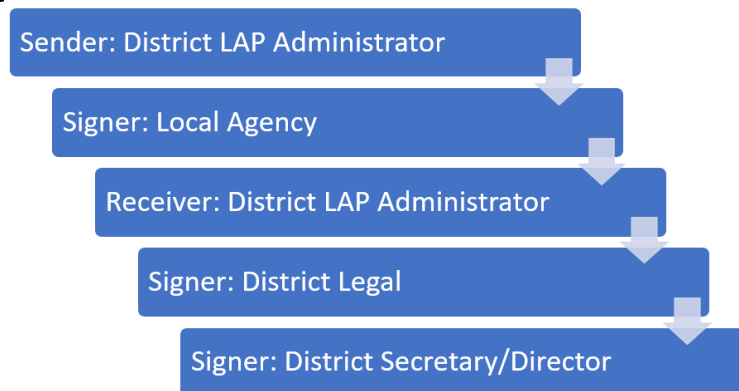
- [Form No. 525-010-40G Exhibit G: **FHWA Form 1273:**](#) is a required exhibit for all construction phase projects, and is also required in all LA Federal-Aid construction contracts, subcontracts, etc. Reference [FHWA 1273](#) for detailed applicability.
- [Form No. 525-010-40H Exhibit H: **Alternative Advance Payment Financial Provisions-**](#) applicable to projects when a LA is reimbursed without proof of payment to a contractor or consultant. Payments must be authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, F.S. or the Department's Comptroller under s. 334.044(29), F.S.
- [Form No. 525-010-40I Exhibit I: **State Funds Addendum**](#) applicable to projects partially funded with state grant program funds. Grant programs are identified individually in the exhibit.
- [Form No. 525-010-40J Exhibit J: **State Financial Assistance \(Florida Single Audit Act\)**](#) - required when Exhibit I is attached to an agreement. Provides the audit requirements for all state grant awards.
- [Form No. 525-010-40K Exhibit K: **Advance Project Reimbursement-**](#) applicable to projects where delivery is advanced in the Adopted Work Program from the actual year funding is available. The LA may not be eligible for reimbursement until the state fiscal year in which the funding for the project is programmed.
- [Form No. 525-010-40L Exhibit L: **Landscape Maintenance**](#) - applicable to non-SHS projects with landscaping in the scope. This is not required for sod adjacent to roadways, sidewalks, or trails.
- [Form No. 525-010-40M Exhibit M: **Roadway Lighting Maintenance-**](#) applicable to projects with lighting system installation in the scope.
- [Form No. 525-010-40N Exhibit N: **Traffic Signal Maintenance-**](#) applicable to projects with traffic signal and/or traffic signal components installation in the scope.
- [Form No. 525-010-40O Exhibit O: **Terms and Conditions of Construction in Department Right of Way-**](#) applicable to projects constructed in Department rights-of-way.

Additional customized exhibits, approved by the Department’s Office of General Counsel, may be manually entered and described in the LAP Agreement Sections 17.j. and 17.k.

5.3.4 Agreement Review and Execution

The District LAP administrator drafts the LAP Agreement in DocuSign™ and routes per District process for review, comment and approval by both internal staff and external LA staff. Use of the DocuSign™ technology furthers the Department’s paperless initiative. Agreements can be accessed from any mobile device or tablet platform, home or office computer once routed for review and electronic signature in DocuSign™. In addition, the system does not require LA staff receiving an agreement from the Department to subscribe or pay for use. DocuSign™ is accessed from the following link: www.docuSign.net. For more information on how to use DocuSign™, the Department’s Procurement Office has provided [an overview](#). A how-to video can be found on the Procurement Office’s [website](#).

Image 1: LAP Agreement Routing Order – Electronic Signatures

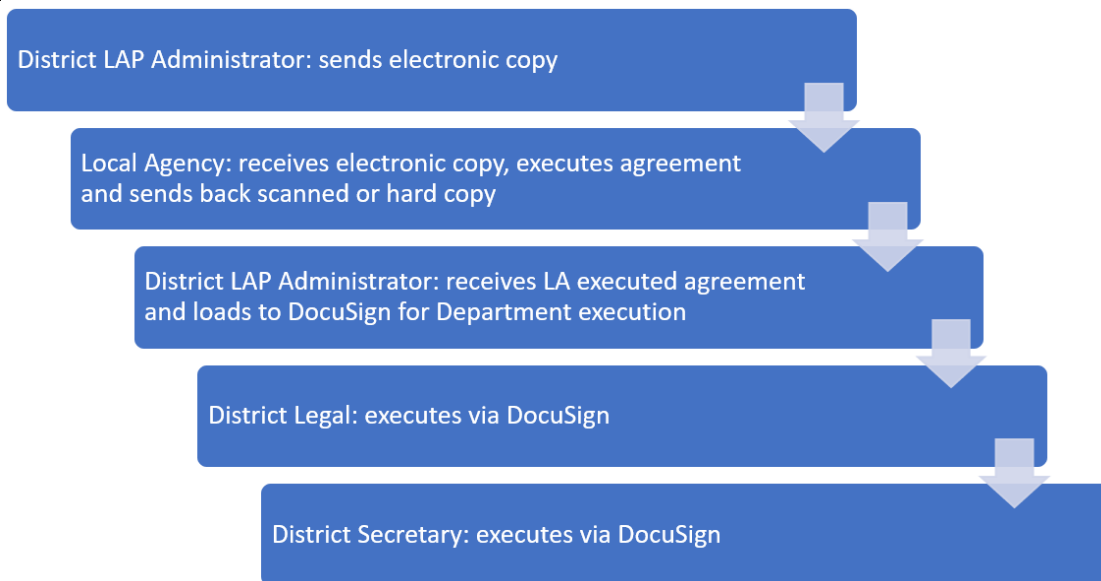


The DocuSign™ system allows the LA to respond to the District LAP Administrator with comments if changes are required. The LAP Agreement must be executed by a LA Official who is authorized to enter into contracts on behalf of the agency. Common officials are members of the governing body (e.g. commission, council), the mayor, County/City Manager, County/City Administrator. The routing may be set up so that the agreement is received by a designated point of contact in the agency and then that person may forward or assign the agreement for “review” or “review and approval” to any agency staff (i.e. Legal, Administrative, Project Management) prior to final execution. The LA is also able to assign staff for informational purposes who do not need to review or approve the document, but may need a copy.

LAs that require wet ink signatures for contract execution will receive an electronic copy of the agreement from the District LAP Administrator. The LA may print and execute the

agreement per their process. The District LAP Administrator will scan the partially executed agreement and load to DocuSign for execution by all Department signatories per the process outlined in this section.

Image 2: LAP Agreement Routing Order – Local Wet Ink Signatures



The Department will not provide hard or paper copies of any agreements routed through DocuSign™. Agreements signed in the system are considered “original signature” and the LA may print paper copies of the original electronic version as needed.

5.3.5 Local Agency Responsibilities

The LA shall review the content of the draft agreement carefully. Key elements of the agreement if incorrect may trigger delayed payments, supplemental agreements or loss of funds are:

- Vendor Identification Number- required for reimbursement by the State
- Data Universal Numbering System or “DUNS” number- required for reporting federal awards per the [Federal Funding Transparency and Accountability Act](#)
- Expiration or end date of the agreement for consistency with the anticipated project delivery schedule.
- Project scope must include all eligible major activities for reimbursement. Major activities not identified in the original scope will **not** be eligible for reimbursement under the agreement.
- Previously identified non-participating items or special funding agreements should be identified in Exhibit A.

- Project limits and description
- Local, state, and federal funding amounts are accurate of the total project cost for each phase of work.

5.3.6 Department Responsibilities

After receipt of the partially executed LAP Agreement from the LA and per the schedule identified in the agreement, the District LAP Administrator shall:

- Send the Federal authorization of funds request to the District Federal-Aid Coordinator with all required supporting material for FHWA review and approval. The District Federal-Aid Coordinator will provide the Federal Authorization approval to the District LAP Administrator. Additional information is provided in **Section 5.5**
- Encumber the funds through the State Comptroller's Office. The Comptroller's Office will provide an encumbrance approval to be forwarded with the agreement for final signature. *Note: Data entry of contract information in the [FDOT Florida Accountability Contract Tracking System \(FACTS\)](#) is required in order to obtain an approved encumbrance. A FACTS record is required for all encumbrance items, including future year and negative encumbrances.*
- Forward the LAP Agreement to the District Legal Office with the authorization and encumbrance approvals for final review and approval in DocuSign™.
- Forward the LAP Agreement to the District Secretary, District Transportation Development Director or their designee for final signature in DocuSign™.
- Execute the NTP.
- Forward an electronic copy of the agreement, resolution, and NTP to the District Financial Services Office.
- Forward an electronic copy of the agreement and the executed NTP to the LA.
- Upload the pdf image of the LAP Agreement and NTP to the [Florida Accountability Contract Tracking System \(FACTS\)](#) and to [LAPIT](#). Retain copies in electronic files as needed. All documents loaded to LAPIT are automatically retained in the Department's **Electronic Document Management System** for retention in the project records.

5.4 LOCAL AGENCY PROGRAM SUPPLEMENTAL AGREEMENT

The LAP Supplemental Agreement ([Form No. 525-010-32](#)) is the contractual mechanism for making any change to the original LAP Agreement. When the LA becomes aware a change is required, it should immediately contact the District LAP Administrator. The District LAP Administrator will prepare a Supplemental Agreement in accordance with the policies and procedures detailed in this section and route through DocuSign™ for signatures.

Changes may arise due to a variety of reasons. Examples of valid changes include, but are not limited to:

- Funding amount (+/-)
- Project limits (+/-)
- Scope (+/-)
- Project phases

These conditions may affect FHWA's decision to reimburse specific pay items or work activities in the contract. The LA must provide detailed justification for all changes; some examples are change orders or bid tabulations. Requests for Supplemental Agreements must be submitted and approved prior to the expiration of the LAP Agreement. The Department does not require a resolution to be executed for Supplemental Agreements, but LA policy may vary.

5.4.1 Supplemental Agreements without Funding Changes

Supplemental Agreements that do not require an increase or decrease in the project funding follow the same steps identified in **Section 5.4** minus the encumbrance of funds. A request to modify the federal authorization is required if the type of work identified in the original authorization changes.

The LA must submit detailed justifications for scope changes, including project limits to the District LAP Administrator. Not all scope changes are eligible for federal reimbursement, even if there are sufficient funds on the LAP Agreement to pay for those changes. Participating and non-participating changes are identified in the [FDOT Construction Project Administration Manual \(CPAM\) Section 7.3.11](#) and [23 CFR 635.120](#).

5.4.2 Supplemental Agreements with Funding Changes

Changes to the project funding must be made in accordance with this manual and the [Work Program Instructions](#). Projects that exceed the agreement amount at the time that the contract is awarded must receive written approval from the Department if additional federal funds are provided. An additional Federal Authorization Request to modify the initial Federal Authorization for the added federal funds is required. The LA must explain and justify all changes and funds increases or decreases.

When a LA contract is awarded to a contractor or consultant for less than the Department funded amount, the Department is required to reduce the total federal authorization amount as detailed in **Section 5.4.3**.

5.4.3 Contract Award Adjustment Procedure

*This process is **not** applicable to agency contracts awarded at greater than the LAP*

Agreement amount or to projects funded by federal earmark.

In accordance with appropriations law (**31 USC 1501**) all federal obligations (authorizations) must be supported by documentary evidence, such as a contract. In addition, **23 CFR 630.106(a)(4)** and **Section 5i “Requisitions and Payments”** of the LAP Agreement provide additional authority for the Department to adjust the LAP Agreement amount via Supplemental Agreement if the agency contract is awarded for less than the LAP Agreement amount.

The Supplemental Agreement must be executed within ninety (90) days per **23 CFR 630.106 (a)(3-4)**. The 90-day time clock begins when the Department concurs with the agency’s recommendation to award. The first three steps are repeated for each contract award.

- 1) Agency submits bid tabulation for construction contracts and/or negotiated cost exhibit for professional services contracts with a recommendation of award to the Department. See Chapters 21 and 18 respectively for more information on LA contract award processes and requirements.
- 2) The Department concurs with award.
- 3) The Department determines if there is a difference between the authorized funding amount of the LAP Agreement and the LA’s contract award amount.

The difference between the LAP Agreement amount and the contract award amount will determine the district’s responsibility to adjust the federal funding authorized under the LAP Agreement via a Supplemental Agreement per **23 CFR 630.106**. Three options are available to the Districts as described below.

Option 1: A Supplemental Agreement is **not** required if the difference between the amount of authorized federal funds under the LAP Agreement and the LA contract award amount is less than 10% of the total LA contract award amount **and** less than \$250,000.

Option 1 Example:

LAP Agreement = \$1 million
Local Agency Contract Amount = \$950,000
10% Threshold amount = \$95,000
Difference = \$50,000
Supplemental Agreement is not required.

If Option 1 is applicable:

- a. The authorized funds on the LAP Agreement in excess of the LA contract award amount may be utilized for changes in work as approved by District staff.

- b. ***If an Agency authorizes or performs a change of work prior to receiving District LAP Administrator concurrence, the change will not be eligible for reimbursement. The agency will incur the entire cost of the changes per [Chapter 23](#) of the LAP Manual.***
- c. Premium costs as defined by the FHWA Florida Division Office are not eligible for reimbursement. Participating and non-participating costs shall be identified in writing and provided with the Districts concurrence for changes in work.
- d. Any remaining funds will be released once the contract is closed.

Option 2: A Supplemental Agreement is required if the difference between the amount of authorized federal funds under the LAP Agreement and the LA contract award amount is greater than or equal to \$250,000 (**23 CFR 630.106**).

Option 2 Example:

LAP Agreement = \$1 million
Local Agency Contract Amount = \$700,000
Difference = \$300,000
Supplemental Agreement is required.

If Option 2 is applicable:

- a. A Supplemental Agreement will be executed to adjust the authorized federal funds under the LAP Agreement to match the LA contract award amount.
- b. The Supplemental Agreement should be executed within 90 days from the date the agency's recommendation to award the contract is concurred with by the District. If the agency cannot receive governing body approval within 90 days, justification and an execution schedule must be submitted to the District LAP Administrator.
- c. All change orders added to the agency contract will require review and approval by the Department (per standard construction administration and oversight procedure, [Chapter 23](#)).
- d. If changes are approved, eligible, and federal funds are available, the District LAP Administrator will prepare an additional Supplemental Agreement for agency execution.
- e. Modification of the initial FHWA authorization will be required for any additional federal funds added to the LAP Agreement.

Option 3: A Supplemental Agreement is required if the difference between the amount of authorized federal funds under the LAP Agreement and the LA contract award amount is greater than 10% of the total LA contract award amount and less than \$250,000.

Option 3 Example: LAP Agreement = \$1 million
 Local Agency Contract Amount = \$800,000
 10% Threshold amount = \$80,000
 Difference = \$200,000
 Supplemental Agreement is required.

If Option 3 is applicable:

- a. A Supplemental Agreement will be executed to adjust the LAP Agreement amount.
- b. The District may adjust the federal authorization to match the LA contract award amount or adjust the original authorization to an amount not to exceed the contract award amount plus a maximum of 10% of the LA's contract award amount.
- c. A variety of factors may influence how the District proceeds with adjusting the federal authorization; including, but not limited to- district budget, project scope, and/or funding agreements between the district and the agency.
- d. The Supplemental Agreement should be executed within 90 days from the date the district concurs with the agency's recommendation to award the contract. If the agency cannot receive governing body approval within 90 days, justification and an execution schedule must be submitted to the district LAP staff.
- e. The authorized funds on the LAP Agreement in excess of the LA contract award amount may be utilized for changes in work as approved by District staff.
- f. ***If an Agency authorizes or performs a change of work prior to receiving District LAP Administrator concurrence, the change will not be eligible for reimbursement. The agency will incur the entire cost of the changes per [Chapter 23](#) of the LAP Manual.***
- g. Premium costs as defined by the FHWA Florida Division Office are not eligible for reimbursement. Participating and non-participating costs shall be identified in writing and provided with the Districts concurrence for changes in work.
- h. Any remaining funds will be released once the contract is closed.
- i. If the LA requests additional funds from the District due to changes in work, district LAP staff will prepare an additional Supplemental Agreement for agency execution if the changes are eligible for federal participation and federal funds are available at the time of request.
- j. Modification of the initial FHWA authorization will be required for any additional federal funds added to a LAP Agreement.

5.5 FEDERAL AUTHORIZATION REQUESTS

District LAP Administrators are responsible for notifying District Federal-Aid Coordinators of federal authorizations required for LAP projects. This responsibility includes ensuring all the required prerequisite criteria are met and supporting materials are available before asking the District Federal-Aid Coordinator to prepare the request. Requests should be submitted to the Federal-Aid Management Office at least 30 days prior to the date the approval is needed. Authorization requests submitted in June and September may take up to 60 days to process due to end of fiscal year financial balancing performed by the Department and/or FHWA.

The Federal Aid Coordinators in each district, turnpike, and central offices where statewide programs are managed prepare Federal Authorization Requests (FARs) in the Department's Federal Authorization Management System (FAMS) and electronically submit them to the Federal-Aid Management Office in Tallahassee.

The FHWA must approve the federal authorization prior to advertisement of construction contracts. For consultant phases of work (i.e. design or CEI), the FHWA must approve the federal authorization prior to contract execution.

The District Federal-Aid Coordinators notify appropriate staff when federal project authorizations are approved. The federal award date must be included on the LAP Agreement boilerplate, per **2 CFR 200**.

Please refer to the **Federal Aid** portion of the [Work Program Instructions](#) for complete instructions on the specific steps and time frames necessary to obtain initial federal authorizations for all types of transportation projects. Additional information may also be found in [FDOT Procedure No. 350-050-005 Federal Project Authorizations](#).

5.5.1 Modifying the Federal Authorization

Modification of the federal authorization is required when a project's funding amount and/or type of work changes or when additional work program phases are added to the project.

The Department must prepare Federal Authorization Requests to modify the federal authorization to account for these changes in the total cost of the federal project (and for any adjustments between participating and non-participating costs). The requests must include justification for initiating changes to the project.

The Federal Aid Coordinators input these modifications to the Department's Federal Authorization Management System (FAMS) and electronically submit them to the Federal

Aid Management Office in Tallahassee for review and later electronic transmittal to FHWA for approval.

5.6 TIME EXTENSIONS

LAP Agreements have defined beginning and end dates. The beginning date is the date of final contract execution by the Department and the end date is determined by the project scope and schedule. A LA is only eligible for reimbursement of project costs from the date the NTP is issued by the Department to the date the agreement expires. Any work performed after the expiration of a LAP Agreement will **not** be eligible for reimbursement.

If the LA cannot complete the project prior to the expiration date of the LAP Agreement, the LA must submit a request for time extension prior to the expiration of the agreement. A request for time extension shall include a detailed justification for the delay. Upon receipt of the request for a time extension, the District LAP Administrator shall review the justification and may request additional information as needed to process the Time Extension approval.

Time extensions are granted at the discretion of the Department and only require FHWA approval on Projects of Division Interest (PODIs) or Projects of Corporate Interest (POCIs). Time Extension requests are approved by the District LAP Administrator and the District Transportation Development Director, and the District Financial Services Office needs to be notified to update the contract status. When the project end date reported in the FAMS must be extended due to a time extension request, FHWA must review and approve the modification in the FAMS.

Time extensions may be granted via a formal Supplemental Agreement Form No. 525-010-32 or a two-party letter where both the LA and the Department sign and date the letter. If the District utilizes a letter to extend the LAP Agreement, the letter must reference the original Agreement and both/all parties to the original Agreement must sign the letter.

5.7 TERMINATION OF AGREEMENT

Per **Section 3 of the LAP Agreement**, the expiration of the agreement shall be the termination of the project.

A LAP Agreement may be terminated prior to the expiration date at the request of the LA or the Department per the LAP Agreement terms and conditions. LAP Agreements terminated by the Department may occur for various reasons, including, but not limited to:

- Per **Section 8.v. of the LAP Agreement**, termination may occur if there is

noncompliance after an audit.

- Per **Section 9 of the LAP Agreement** termination may occur if Project continuation would not produce beneficial results commensurate with the further expenditure of funds.
- Per **Section 9 of the LAP Agreement** termination will occur if the Recipient fails to comply with the Public Records provisions of Chapter 119, Florida Statutes.

Additional termination language is found in **Sections 6, 8, 9 of the LAP Agreement**. The District LAP Administrator prepares a notice of termination and submits to the LA in writing.

5.8 RESOURCES

[Form No. 525-010-40 Local Agency Program Agreement](#)

[Form No. 375-040-84: Local Agency Program Federal-aid Terms for Professional Services Contracts](#)

[Form No. 525-010-40A Exhibit A: Project Description and Responsibilities](#)

[Form No. 525-010-40B Exhibit B: Schedule of Financial Assistance](#)

[Form No. 525-010-40C Exhibit C: Title VI Assurances](#)

[Form No. 525-010-40D Exhibit D: Recipient Resolution](#)

[Form No. 525-010-40E Exhibit E: Federal Financial Assistance \(Single Audit Act\)](#)

[Form No. 525-010-40F Exhibit F: Contract Payment Requirements](#)

[Form No. 525-010-40G Exhibit G: FHWA Form 1273](#)

[Form No. 525-010-40H Exhibit H: Alternative Advance Payment Financial Provisions](#)

[Form No. 525-010-40I Exhibit I: State Funds Addendum](#)

[Form No. 525-010-40J Exhibit J: State Financial Assistance \(Florida Single Audit Act\)](#)

[Form No. 525-010-40K Exhibit K: Advance Project Reimbursement](#)

[Form No. 525-010-40L Exhibit L: Landscape Maintenance](#)

[Form No. 525-010-40M Exhibit M: Roadway Lighting Maintenance](#)

[Form No. 525-010-40N Exhibit N: Traffic Signal Maintenance](#)

[Form No. 525-010-40O Exhibit O: terms and Conditions of Construction in Department Right of Way](#)

[Form No. 525-010-32 Local Agency Program Supplemental Agreement](#)

[Procedure No. 375-030-035 Florida Accountability Contract Tracking System \(FACTS\)](#)

[Procedure No. 350-050-005 Federal Project Authorizations](#)

[Local Agency Program Information Tool \(LAPIT\)](#)

[Federal Funding Transparency and Accountability Act](#)

[FDOT Construction Project Administration Manual \(CPAM\) Section 7.3.11](#)

[FDOT Work Program Instructions](#)