

Chapter 17 Project Completion

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Exhibits

- [Exhibit 17-A: Cover Letter and Federal Report of Expenditures Checklist](#)
- [Exhibit 17-B: Final Inspection of Federal-Aid Project \(FHWA Form 1446C\)](#)
- [Exhibit 17-C: Final Inspection Form](#)
- [Exhibit 17-E: Sample Change Order Summary](#)
- [Exhibit 17-F: Final Report-Utilization of Disadvantaged Business Enterprise and First-Tier Subcontractors](#)
- [Exhibit 17-F1: Final Report-Utilization of Disadvantaged Business Enterprise for On-Call Contracts](#)
- [Exhibit 17-G: Materials Certificate](#)
- [Exhibit 17-H: Cover Letter and Final Report of Expenditures Checklist \(PE Only\)](#)
- [Exhibit 17-I: Cover Letter for the Report of Completion of Structures](#)
- [Exhibit 17-J: Report of Completion of Structures on Local Streets and Roads](#)
- [Exhibit 17-K: Sample Report of Completion of Right of Way Expenditures](#)
- [Exhibit 17-L: Sample Report of Expenditures for Force Account Projects](#)
- [Exhibit 17-M: Final Project Expenditure Report](#)
- [Exhibit 17-O: Disadvantaged Business Enterprises \(DBE\) Certification Status Change](#)

All LAPM Exhibits are located at:

<https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms>

Chapter 17 Project Completion

17.1 Introduction

This chapter covers the topic of project completion and is to be used mainly as a guide for administration of federal-aid contracts by Local Public Agencies (LPAs) under a Local Agency-State Agreement. The Resident Engineer (RE) should be familiar with the contents of this chapter, [LAPM Chapter 15: Advertise and Award Project](#), and [LAPM Chapter 16: Administer Construction Contracts](#) before administering such contracts.

When a locally sponsored project funded with federal-aid is within the State R/W and the State (Caltrans) is the administering agency, the Caltrans Construction Manual is used in lieu of these procedures.

17.2 Final Inspection Procedures for Federal-Aid Projects

LPAs must document fulfillment of environmental mitigation commitments for final inspection Report of Expenditures and ultimate accountability as follows:

- Categorical Exclusion (CE) – LPA must provide the DLAE with a list of environmental mitigation commitments when requesting CE determination.
- Environmental Assessment (EA) – LPA must summarize environmental mitigation commitments in the draft Environmental Assessment and provide an Environmental Commitments Record (ECR) to the DLAE in order to document fulfillment of environmental mitigation commitments.
- Environmental Impact Statement (EIS) – LPA must summarize environmental commitments in the draft Record of Decision (ROD). In addition, the LPA provides an Environmental Commitments Record (ECR) to the DLAE in order to document fulfillment of environmental mitigation commitments.

In addition, they must acknowledge any long-term commitment to maintenance of those mitigation measures.

Final Inspection by LPA

The LPA representative (or designee) must perform the final inspection using [Exhibit 17-C: Final Inspection Form](#). Exhibit 17-C is used by the LPA to complete the final inspection for the vast majority of projects. Note: [Exhibit 17-B: Final Inspection of Federal-Aid Project](#) is only utilized by Caltrans to complete the final inspection of NHS Projects subject to FHWA full oversight.

The LPA representative or staff performing final inspection or signing the Final Inspection Form must be one with authority for accepting the completed contract on behalf of the LPA and authorizing final payment to the contractor, as well as directing corrective action(s) to be undertaken by the contractor.

The inspection of work performed by contract must be made sufficiently in advance of contract acceptance to allow time for possible corrective action. Neither FHWA nor Caltrans inspection is required at this time. However, timely submittal of Exhibit 17-C may provide an opportunity for Caltrans inspection prior to acceptance of the contract.

Upon successful completion of all corrective actions undertaken by the contractor and completion of all additional work required for the authorized project, but prior to contract

acceptance, the LPA representative should complete Items 1-10 of the Final Inspection Form and forward it to the Caltrans DLAE.

Project Verification by DLAE

The DLAE (or designee) depending on the district organization and type of project, will review the job site and verify that the project was constructed in accordance with the scope and description of the project authorization document. Any safety, design, or construction deficiencies noted should be immediately brought to the attention of the LPA for correction or resolution. Upon satisfactory review by Caltrans staff, the DLAE must ensure that Items 1-10 have been completed by the LPA prior to completing Items 11-13 on the Final Inspection Form. The DLAE must retain the Final Inspection Form and send a copy to the LPA for the Report of Expenditures.

17.3 As-Built Plans

On locally administered contracts the RE must provide the DLAE a set of original record drawings of all structure work with As-Built corrections, or a clear, readable, black-line copy of the original tracings with As-Built corrections. The As-Built corrections must be made by the engineer responsible for structure work. Each sheet of the As-Built plans must be clearly identified with an As-Built stamp. All plan sheets, whether they contain changes or not, must have (at a minimum) the name of the RE, the Construction Contract Acceptance date, and the Contract Number. These must be forwarded by the DLAE to the Division of Structures with a copy of [Exhibit 17-J: Report of Completion of Structures on Local Streets and Roads](#). These must be returned to the LPA after microfilming, if requested. As-Built corrections for the roadwork portion of the plans should be recorded in accordance with LPA requirements.

17.4 Final Report of Expenditures (FROE)

The LPA is responsible for preparing and submitting to the DLAE the final report documents which collectively constitute the Final Report of Expenditures (FROE). This report provides key information required to initiate timely project closure and payment. The Report of Expenditures must be submitted within six months of project completion or completion of the last federally-reimbursable phase if no federal funds are utilized for Construction. If the submittal deadline occurs in the year funds will lapse, the FROE must be submitted to the DLAE by April 1 of that year. If timely submittals are not received, Caltrans may initiate actions discussed under [Section 17.5: Consequences for Non-Compliance](#).

The FROE must be signed by the public employee in responsible charge of the project.

Federal-Aid Projects

For federal-aid projects, the FROE includes, as a minimum, the following documents:

- [Exhibit 17-A: Cover Letter and Federal Report of Expenditures Checklist](#) - Identifies all mandatory documents to be included in the FROE. This checklist must be submitted by the LPA with the report of completion. Copies of all documents included in the report of expenditures must be maintained on file at the LPA for any future audits as specified in the Master Agreement and Program Supplement, and to serve as verification that contractor labor requirements were met.
- [Exhibit 17-C: Final Inspection Form](#) - This form when completed by both the LPA and the DLAE or Caltrans Oversight Engineer (OSE) (SHS projects) must be included as part of the FROE for all projects.

- Final Invoice – Final Invoice should conform to the format in [LAPM 5-A: Local Agency Invoice](#). Submit one original. The Final Invoice must agree with the Final Detail Estimate.
Note: Even if all funding has been disbursed a final zero dollar amount invoice must be submitted
- [Exhibit 15-M: Final Detail Estimate](#) – The format of the final detail estimate is the same as presented in [LAPM Chapter 15: Advertise and Award Project](#) (Section 15.6: Award Package) except that it must be labeled Final and show the total of previous progress payments plus the final invoice. If claims are still pending, the final detail estimate should not be prepared until the claims are resolved. The final detail estimate must agree with the final invoice. State costs (e.g., state material testing) should not be included in the final detail estimate prepared by LPA. Once claims are settled, the final invoice and a final detail estimate must be submitted to the DLAE as part of the FROE.
- [Exhibit 17-E: Sample Change Order Summary](#) – The Change Order Summary should conform to sample format. This is required regardless of whether or not change orders were made during the course of the contract. If there were none, please note none. Additionally, the following mandatory items of information must also be included on this form:
 1. Liquidated Damages – Indicate the liquidated damage days charged (calendar days) if any, the amount per day, and the total amount charged. Refer to [LAPM Chapter 16: Administer Construction Contracts](#) (Section 16.17: Contract Disputes and Claims). If there were no liquidated damages, please note none. Liquidated damages must also be shown on the Final Invoice and Final Detail Estimate.
 2. Contractors Claims – Refer to [LAPM Chapter 16: Administer Construction Contracts](#) (Section 16.17: Contract Disputes and Claims). If there were no contractor’s claims, please note none.
 3. Date of Acceptance
- [Exhibit 17-F: Final Report-Utilization of Disadvantaged Business Enterprises \(DBE\), First-Tier Subcontractors; Exhibit 17 F-1: Final Report-Utilization of Disadvantaged Business Enterprise \(DBE\) for On-Call Contracts](#) – These forms must be completed and signed, and they must be in conformance with the requirements in [LAPM Chapter 9: Civil Rights and Disadvantaged Business Enterprises](#). The completed forms must be submitted to the DLAE or OSE (SHS projects) with the final report of expenditures for construction contracts (or as specified in the provisions for consultant contracts).
- [Exhibit 17-O: Disadvantaged Business Enterprises \(DBE\) Certification Status Change](#) – This form must be completed, signed, and submitted to the DLAE or OSE (SHS projects) with the final report of expenditures for construction contracts (or as specified in the provisions for consultant contracts). If no change, state so.
- [Exhibit 17-G: Materials Certificate](#) – This certificate is to be included in the project files upon completion of the project. Exceptions to the certification should be documented in project records in summary form along with explanations and attached to the certificate, including change orders to accept nonconforming materials.

- [Exhibit 17-H: Cover Letter and Final Report of Expenditures Checklist \(PE only\)](#) – This form must be submitted (in place of [Exhibit 17-A](#)) by the LPA to the DLAE for projects authorized for Preliminary Engineering (PE) only and not required to advance to right of way acquisition or construction award.
- [Exhibit 17-I: Sample Cover Letter for the Report of Completion of Structures and Report of Completion of Structures on Local Streets and Roads](#) and [Exhibit 17-J: Report of Completion of Structures on Local Streets and Roads](#) – This report is to be forwarded by the DLAE to Caltrans Division of Engineering Services, Office of Structures Maintenance and Investigations Local Assistance Branch, for projects which include a bridge or other major structure. This information is necessary to incorporate all bridges into the statewide inventory and maintenance management system. (Include two (2) copies in the Report of Expenditures).
- [Exhibit 17-K: Report of Completion of Right of Way Expenditures](#) – Projects with Right of Way expenditures require additional information in the Report of Expenditures. When the project is complete, a summary of the progress payment requests is submitted on a Report of Completion of Right of Way Expenditures, (Exhibit 17-K). This claim should be submitted when final right of way costs are known in order to expedite audit of the claim and reimbursement. The report must also include the following:
 1. A parcel list.
 2. Final maps (those that come with Right of Way Certification if not previously sent).
 3. A breakdown of Right of Way costs (with participating costs shown separately). The total participating costs should equal the Participating Costs to Date as shown on the Final Progress Requests (Forms FM 1592A).
 4. Final Invoice for Right of Way – The invoice must be prepared on an agency letterhead; each phase must include:
 - a. All agency and project identification shown on the form including the Local Agency-State agreement number.
 - b. Dates and amounts of funding authorized for Incidental and Capital Outlay.
 - c. Period of expenditures (dates) for Incidental and Capital Outlay.
 - d. Cost breakdown for Incidental and Capital Outlay as follows:
 - Total Cost to Date
 - Rental Income
 - Nonparticipating Cost to Date
 - Subtotal – Participating Costs
 - Participating Cost Previously Claimed
 - Subtotal – Change in Participating Posts
 - Reimbursement Ratio
 - Amount of this Claim
 - Invoice Total
- Force Account Projects – Projects with Force Account work also require a Report of Expenditures. These projects are usually emergency relief type and include emergency

repair work. Other federal-aid projects may incorporate all, or a part of the project to be built using the force account method. A completed example of a Report of Expenditures for a project including Force Account Work is included in [Exhibit 17-L: Sample Report of Expenditures for Force Account Projects](#). For more information on force account procedures, see [LAPM Chapter 12: Plans, Specifications & Estimate](#) (Section 12.4: Method of Construction).

The DLAE must perform a review of these documents for correct format and obvious errors and/or omissions. Upon verification that the FROE is complete, the DLAE must forward it to Caltrans Local Programs Accounting (CLPA) for processing.

State-Funded Projects

For state-funded projects the LPA must complete [Exhibit 17-M: Final Project Expenditure Report](#). The report with the final invoice attached will be submitted to the DLAE.

Note: These programs were intended under the blueprint legislation as state-only funded projects. However due to varying circumstances of the state budget each year, and the variations of the State Highway Account, Caltrans at times may require projects in these programs to utilize federal-aid funds. When this occurs, the FROE must be completed as described under federal-aid projects above.

The DLAE will verify project completion as described for state-authorized federal-aid projects, sign the report and forward to HQ Division of Local Assistance.

17.5 Consequences for Non-Compliance

Sanctions may be imposed by Caltrans on LPAs that are found in noncompliance with the reporting requirements listed above in [Section 17.4: Final Report of Expenditures](#).

If there is a discrepancy between the Final Invoice and Final Detail Estimate, the LPA is notified by phone that a discrepancy exists, and their payment will be delayed until it is resolved. If the problem cannot be resolved within (180) days, CLPA must bill the LPA for all expenditures made on this project. If the LPA does not pay the accounts receivable bill within thirty (30) days, CLPA must initiate action with the State Controller to offset funds due the LPA.

If the LPA has previously included in their billing, items not reimbursable by the FHWA or over-billed progress payments that exceed the Final Estimates, the LPA must be billed for the overpayment. The LPA must pay the State's accounts receivable bill within thirty days or CLPA must initiate action with the State Controller to offset funds due the LPA. The same policy must apply to those recommendations from Process Review Reports on applicable findings or the improper utilization of Disadvantaged Business Enterprises.

17.6 References

23 CFR 635 Subpart D

<http://www.fhwa.dot.gov/legsregs/directives/fapg/cfr0635d.htm>

23 CFR 637 Subpart B

<http://www.fhwa.dot.gov/legsregs/directives/fapg/cfr0637b.htm>

23 CFR 640.113

<https://www.gpo.gov/fdsys/pkg/CFR-1999-title23-vol1/pdf/CFR-1999-title23-vol1-sec640-109.pdf>

49 CFR 26

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl

Caltrans Construction Manual

<https://dot.ca.gov/programs/construction/construction-manual>

FHWA Construction Administration Group

<http://www.fhwa.dot.gov/programadmin/contracts/index.htm>

FHWA Construction and Maintenance

<http://www.fhwa.dot.gov/construction/>

United States Code, Title 23 Chapter 1, Section 121: Payment for States Construction

<https://www.govinfo.gov/content/pkg/CFR-2012-title23-vol1/pdf/CFR-2012-title23-vol1.pdf>