

MASTER MEMORANDUM OF UNDERSTANDING

**CITY OF ROCKVILLE
and
MARYLAND DEPARTMENT OF TRANSPORTATION
MDOT SHA HIGHWAY ADMINISTRATION**

**FEDERAL-AID PROJECT
GUIDELINES AND WORKING AGREEMENT**

THIS MASTER MEMORANDUM OF UNDERSTANDING (“MOU”), executed in duplicate, made effective as of the **First (1st) day of FEBRUARY 2018**, by and between the Maryland Department of Transportation State Highway Administration, acting for and on behalf of, the State of Maryland, hereinafter referred to as “**MDOT SHA**”, and “**City of Rockville**”, Maryland, a body corporate and politic, hereinafter referred to as the “

WHEREAS, MDOT SHA is responsible for the oversight of and assistance to the LPA for projects financed with Federal funds in accordance with Title 23 U.S.C.; 23 CFR 635.105 which contains regulations (general and permanent rules published in the Federal Register) relating to highways including 2 CFR 200. Regulations based on Civil Rights requirements in Title 49, the Uniform Relocation Assistance and Real Property Policies, the Federal Highway Administration “**FHWA**”, and other Federal laws and regulations set forth procedures whereby services and facilities of LPA may be utilized on Federally-aided projects and requires that an agreement be executed between MDOT SHA and the LPA setting forth the conditions under which any project would be implemented; MDOT SHA determines if the LPA is able to satisfy the requirements of Title 23 U.S.C. 106(g)(4) and therefore be effective in managing Federally-aided projects; and

WHEREAS, the LPA desires to make improvements to roads, bridges, traffic signals, or other highway-related facilities, or to engage in a safety or highway related project, either on and/or off the Federal-aid system of highways; and

WHEREAS, the MDOT SHA has accepted the proposal of the LPA and agrees to assist in the administering and partnering with the LPA as outlined in this MOU and in the Supplemental Agreement (“**SA**”) as they are developed for any selected project(s); and

WHEREAS, the LPA proposes to utilize Federal funds for eligible project activities and agrees to participate in financing the project if the project costs exceed the amount of the Federal aid; and

WHEREAS, the LPA desires to cooperate with the MDOT SHA in carrying out

Projects, in accordance with the regulations, policies, and procedures of the FHWA, with the provisions of the MDOT SHA's, USDOT Order 5020.2 dated August 14, 2014 and Stewardship & Oversight Agreement between the MDOT/SHA/FHWA dated May 21, 2015, where applicable.

NOW, THEREFORE, be it understood the MDOT SHA and the LPA do hereby agree as follows:

I. Project Selection

- A. Projects shall be selected by the LPA in cooperation with the MDOT SHA (hereinafter **"Project"**). Grant Programs may require the LPA to apply for funding that is approved and awarded by a Review Committee. For each Project, the parties will jointly develop a SA, which shall include, when applicable, the following:
1. A Detailed scope and objective(s).
 2. Set milestone targets and schedule.
 3. Indicate compliance with the MDOT SHA's monitoring requirements to include monthly progress or status reports which shall be submitted to the designated Office(s) within the MDOT SHA on or about March 1st, June 1st, September 1st, and December 1st of each year until the Project has been closed out.
 4. Outline the Federal and LPA funding amounts and other pertinent financial information.
 5. Establish roles and responsibilities that are tailored to and recognize the LPA's experience and capabilities
 6. Insure timely delivery.
 7. Monthly billing and reimbursement arrangement.
 8. Set forth a timely Project Closeout Date for the LPA to complete all related project closeout activities and reviews.
 9. Set forth a timely Project Agreement End Date (Period of Performance 2 CFR Part 200.309)
 10. The Project Closeout Date and Project Agreement End Date will be determined using the established MDOT SHA project end date procedures.
 11. Outline records and retention requirements
 12. Identifies the LPA's fulltime employee to be in "responsible charge" of the project as defined on the MDOT SHA Development Guide for Local Public Agencies and other Sub-recipients of federal funds.
- B. The LPA Projects must be included in an approved State Transportation Improvement Program (STIP) and, when applicable, an approved Metropolitan Transportation Improvement Program (TIP).

- C. The LPA's pursuant to 23 U.S.C. 106(g)(4) and the MDOT SHA shall be responsible for determining that sub-recipients of Federal funds have adequate project delivery systems for locally administered projects and sufficient accounting controls to properly manage such Federal-aid funds. The MDOT SHA is also responsible for ensuring compliance with reporting and other requirements applicable to grantees making sub-awards, such as monthly reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, PL 109-282 (as amended by PL 110-252).

II. Procurement of Consultant Services

- A. The LPA shall perform preliminary design (PD) and final design (FD) work under Preliminary Engineering (PE), prepare specification, estimates, contract plans, inspections and/or construction management either with their own forces or by utilizing the services of an approved A/E Consultant in accordance with 23 CFR Part 172.
- B. The LPA shall, prior to initiating procurement of a A/E consultant, request the MDOT SHA approval for procuring an A/E consultant, the contract type, the procurement and payment methods to be used based on the estimated cost, and the award of the A/E consultant contract from the MDOT SHA Office of Procurement through the MDOT SHA Office of Finance Federal Aid Programming Division. If the contract type is an open-end (IDIQ), the LPA shall also request approval of their 2nd Qualification Based Selection (QBS) in awarding of task orders is in compliance with 23 CFR 172.9 (a)(3).
- C. The LPA will use the Development Guide for LPAs and Other Sub-Recipients of Federal Funds for instructions on the procurement and payment methods, and contract types.
- D. The MDOT SHA may allow the following options for obtaining A/E Consultant Services. Each request will be subject to review, availability of services, LPA's ability to manage process as described in Section I.C.

The LPA Consultant Procurement Options:

- 1. The LPA request use of the MDOT SHA open-end contract (IDIQ).
- 2. The LPA procure a project specific contract via the QBS or small purchases method.
- 3. The LPA procure an IDIQ or project specific contract QBS (see section II.B).

III. Preliminary and Final Design

- A. Design Standards:
 - 1. The geometric design standards shall meet FHWA most currently

adopted edition of "A Policy on Geometric Design of Highways and Streets" by American Association of State Highway and Transportation Officials (AASHTO), or as modified with the concurrence of (i) the LPA, and the MDOT SHA for projects exempt from FHWA review, and (ii) the LPA, the MDOT SHA, and FHWA for projects not exempt from FHWA review.

2. Bridge design standards shall be consistent with the current edition of AASHTO Load Resistance Factor Design (LRFD) Bridge Design Specifications.
3. Non-highway projects must conform to the currently accepted standards for the type of work being done, such as architectural standards and/or International Building Code (IBC) (current version).
4. Bicycle and pedestrian facilities funded with Federal funding must conform to design standards in the MDOT's Bicycle Policy & Design Guidelines and Accessibility Guidelines for Pedestrian Facilities along State Highways (current version).
5. All projects must conform to FHWA design standards, specifications and guidelines. Projects within the MDOT SHA right-of-way must conform to the MDOT SHA approved standards where they are more stringent than FHWA requirements as outlined Chapter 9 of the Development Guide for LPA and other Sub-Recipients of Federal Funds. Projects within the Local right of way must meet Local and Federal requirements.
6. The installation of traffic control devices shall meet the warrants and/or guidelines prescribed in the current version of Maryland's Manual on Uniform Traffic Control Devices and Maryland Supplements.
7. The specific design and dimensions shall be determined from said standards using traffic volumes, terrain, and benefit/cost analysis as warranted. Design exceptions shall be cooperatively reviewed and approved by the MDOT SHA, the LPA, and FHWA, for Projects not exempt from FHWA review.
8. The LPA will comply with the Project Design Standards, Guidelines, Policies and Requirements as outlined in Chapter 9 of the Development Guide for Local Public Agencies and Other Sub-Recipients of Federal Funds.

B. Project Plan Development:

1. Preliminary and final design work may be performed by the LPA, the MDOT SHA, or a A / E consultant (23 CFR Part 172),

as agreed to by the LPA and the MDOT SHA (see Section II). PE (preliminary and final design) may be programmed for Federal participation, including surveys, environmental documents, hearings, and permits.

2. LPA will comply with the MDOT SHA approved Book of Standards for Highway & Incidental Structures to develop plans and specifications to the maximum extent practical; and the Standards Specifications for Construction and Materials of the MDOT SHA shall apply unless other MDOT SHA approved specifications are adopted.
3. The appropriate MDOT SHA Office, which may include but not be limited to, the MDOT SHA Office of Highway Development, Office of Traffic and Safety or Office of Structures. The appropriate office will provide technical assistance, guidance and review and approval of the LPA's design documents.

C. Environmental Reviews and Permitting:

1. The preparation, submittal and approval of all environmental permits, clearances and approvals is the responsibility of the local public agencies, except for National Environmental Policy Act (NEPA) clearances and approvals [e.g., Programmatic Categorical Exclusion (PCE), Categorical Exclusion (CE), Finding of No Significant Impact (FONSI), or a Record of Decision (ROD)] specifically required by FHWA to be obtained by the MDOT SHA. Environmental documents must be obtained prior to FHWA authorization of final design funds, right of way funds and construction funds. Permits and other environmental clearances must be obtained prior to submitting PS&E package for advertisement to MDOT SHA.
 - a) LPA must request a NEPA document from the MDOT SHA Environmental Liaison, PCE #1, before initiating any *Preliminary Design* (Preliminary Investigation) activities.
 - b) Generally, the threshold for entering final design is the approval of the NEPA document.
 - c) *Final Design* (Semi-Final, Final, and PS&E) means any design activities following preliminary design that expressly includes the preparation of final construction plans and detailed specifications for the performance of construction work.
 - d) FHWA can approve some final design activities during preliminary design if those activities do not materially affect

the objective consideration of alternatives or have adverse environmental impacts.

- e) The execution or modification of the project agreement to authorize final design for design-bid-build projects shall not occur until after the NEPA decision.
 - f) Under no circumstances may any construction related work, such as long lead item procurement or early work packages, proceed prior to a NEPA decision.
- 2. Portions of the environmental documents may be prepared by the LPA, consultant, or the MDOT SHA, as agreed by the project sponsor and the MDOT SHA. All LPA projects must receive environmental approval through the MDOT SHA's Environmental Planning Division (EPLD) as NEPA approval is not delegated to the LPAs.
 - 3. The MDOT SHA, through its Environmental Planning Section, shall coordinate with the LPA and may provide technical assistance in the preparation of environmental documents, where required. As staff resources are available, the MDOT SHA may also provide technical assistance for the preparation of environmental documents during the preliminary engineering phase of project development. The LPA must follow the Environmental Coordination and Documentation Process for Local Government projects.
 - 4. In conformance with the MDOT SHA and/or Federal established procedures, the LPA shall provide the opportunity for, and hold when required, public involvement or hearings for each Federal-aid project. The MDOT SHA shall, if requested and agreed to in the SA, assist in publicizing and conducting hearings.

D. Railroads

- 1. A railroad certification statement is a standard requirement that applies to all Federal-aid projects, even if railroads are not affected by the project. Sub-recipients are responsible for working with the MDOT SHA's Office of Traffic and Safety's Traffic Development and Support Division (OOTS TDSD) to obtain a railroad certification.
- 2. The Railroad certification statement should include that either no Railroad coordination is required or that all Railroad work has been completed prior to the project or that the necessary arrangements have been made for all Railroad work to be undertaken and completed as required for proper coordination with physical construction schedules.

3. The LPA shall contact the Railroad Liaison within the OOTS TDSD when a highway-rail crossing is located within the project or within 500 feet outside the project limits to determine if a highway-rail crossing safety improvement is needed as prescribed in Chapter 7 of the Development Guide for LPA and other Sub-Recipients of Federal Funds.
4. The LPA may only include costs allowable under Title 23 CFR Part 140 Subpart I, and Title 23 Part 646 Subpart B in the total project costs; all other costs associated with railroad work will be at the sole expense of the LPA, or others. The LPA may request the MDOT SHA, in writing and at project expense, provide railroad coordination and negotiations. However, the MDOT SHA is under no obligation to agree to perform said duties.

E. Utilities

1. A utility certification is a standard requirement that applies to all Federal-aid projects, even if utilities aren't affected by the project. Sub-recipients are responsible for working with the MDOT SHA's District Utility Liaison to obtain a utility certification.
2. The LPA shall follow the MDOT SHA established Utility Policy and Utility Procedures Manual when impacts occur to privately or publicly-owned utilities. MDOT SHA's Utility Policy, Utility Procedures Manual and applicable forms are available through the MDOT SHA's website at <https://www.roads.maryland.gov/Index.aspx?PageId=869> or the MDOT SHA's District LPA Liaison as included in Chapter 8 of the Development Guide for LPA and other Sub-Recipients of Federal Funds.
3. The Utility certification should include that either no Utility coordination required or that all Utility work has been completed prior to the project or that the necessary arrangements have been made for all Utility work to be undertaken and completed as required for proper coordination with physical construction schedules.
4. The LPA shall provide copies of all required utility documentation (Agreements, MOUs, Utility Permits, Utility Certification, Utility cost, Utility schedule, etc.) for each utility listed in the Utility Statement of the Invitation for Bids (IFB) to the MDOT SHA's District Utility Liaison. Only those utility relocations, which are eligible for reimbursement under State Law and Title 23 CFR 645 Subpart A and B, shall be included in the total project costs; all other utility relocations shall be at the sole expense of the LPA, or others. The LPA may send a written request to the MDOT SHA, at LPA expense, to arrange for utility relocations/adjustments lying within

the LPA jurisdiction. This request must be submitted no later than; (i) twenty-one (21) weeks prior to bid let date or (ii) the time needed to relocate utilities with physical construction schedules, whichever is longer. However, the MDOT SHA is under no obligation to agree to perform said duties.

5. The LPA shall not perform any utility work on the MDOT SHA highway right of way without first receiving written authorization from the MDOT SHA.

F. Rights-of-Way

1. The LPA must select the method of acquisition and reference the specific method in the SA. If any federal funding has been utilized during any portion of the project, federal acquisition requirements must be followed regardless if federal funding is used for right-of-way acquisition activities.

2. If the LPA performs right of way acquisition, the following method would apply:

The LPA shall provide all necessary rights-of-way, in compliance with the conditions governing acquisition of rights-of-way with Federal participation, as set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended in 1987, Public Law 91-646, 42 U.S.C. Sections 4601-4655 and the enforcement regulations at no expense to the MDOT and in accordance with the LPA's Right-of-Way Manual. The LPA shall, prior to acquiring any rights-of-way, prepare a LPA's Right-of-Way Manual approved by the MDOT SHA and the FHWA, or use the MDOT SHA's Manual.

3. If the LPA requests the MDOT SHA Office of Real Estate to perform some of the right-of-way services, the applicable part(s) of the following should be used:

If the LPA requests, and the MDOT SHA agrees, the MDOT SHA shall provide title, right-of-way plan preparation, right-of-way plat preparation, appraisal, appraisal review, relocation assistance, and negotiation services, at the expense of the LPA. The LPA is responsible for providing all the other services in connection with right-of-way acquisitions at their own expense.

4. If the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended in 1987, and the enforcement regulations to the Act or the Manual, are not complied with, neither the MDOT SHA nor the FHWA will participate in the cost of preliminary and final design engineering, construction, or any other costs of the Project(s).
5. The LPA will coordinate with the MDOT SHA Office of Real Estate for revision of all ROW documentation. The MDOT SHA Office of Real Estate

is responsible for issuing a right-of-way certification once all necessary documents are received. For information on the documents needed for submittal, refer to Chapter 6 of the Development Guide for LPAs and Other Sub-Recipients of Federal Funds.

G. Advertisement, Bid and Concurrence in Award

1. The LPA shall submit the Plans, Specifications and Estimate (PS&E) package to the MDOT SHA Office of Finance Federal Aid Programming Division for approval to advertise. Refer to Chapter 10 for process guidance and Appendix F for a PS&E checklist in the Development Guide for LPAs and Other Sub-Recipients of Federal Funds.
2. The LPA shall not advertise the project prior to obtaining written approval of Federal funds. The LPA must advertise the project for competitive bidding and shall award the contract to the lowest responsible and responsive bidder.
3. The LPA must advertise all projects using Maryland Department of General Services website: eMaryland Marketplace.
4. The LPA must conduct a public opening of the sealed bid proposals. The LPA will review and evaluate the bid documents to determine the lowest responsive and responsible bid that conforms to the requirements contained in the Invitation for Bids book and design plans. The LPA must submit a formal request for written concurrence of the bid analysis for the MDOT SHA Concurrence in Award (CIA) approval.
5. The MDOT SHA Office of Construction and the Federal Aid Office shall distribute the CIA letter to the LPA.
6. The LPA must contact the MDOT SHA District Assistant District Engineer of Construction (ADE-C) prior to Notice to Proceed.

IV. Construction & Construction Management

- A. All Project work shall be performed in accordance with plans, estimates, and specifications prepared in accordance with Section II and III, above, approved in advance, by the MDOT SHA, if exempt from FHWA oversight, or by the MDOT SHA and FHWA, if the MDOT SHA's exempt status is not applicable.

The LPA shall either perform project work with their own forces in compliance with 23 CFR 635 Subpart B; or advertise, receive bids, and award a contract or contracts for the performance of the work (all Contract Procedures shall comply with the provisions of 23 CFR 635 Subpart A). The LPA forces performing work on a Force Account basis or Agreed Unit Price shall be acceptable to, and approved in advance, by the MDOT SHA and FHWA.

- B. The MDOT SHA, the LPA or qualified consultant may perform construction management, if obtained in accordance with 23 CFR Part 172 as described in Section II.
- C. The LPA shall provide the MDOT SHA with a project and organizational chart including a person in “responsible charge” (RC) of the administration and construction inspection for the project. This person must be a full-time employee of the sub-recipient’s agency who is accountable for the project per FHWA Memorandum dated August 4, 2011, that is included in Appendix G of the Development Guide for LPAs and Other Sub-Recipients of Federal Funds.
 - 1. The LPA may hire a consultant to oversee the project; however, the RC must be available to respond to any issues on the project and be informed on the day-to-day activities.
 - 2. The LPA’s RC will be the primary contact for the MDOT SHA regarding contract administration issues. The RC is ultimately responsible to ensure the requirements described in this manual are followed and documented as a stipulated condition for receiving the Federal Aid associated with the project.
- D. The MDOT SHA ADE-C are responsible for construction oversight. The MDOT SHA ADE-C will establish the oversight expectations for each project located within their District. The ADE-C will assign various field managers who will be authorized as the MDOT SHA construction compliance reviewers. These individuals will serve as the MDOT SHA representatives to the subrecipients regarding compliance reviews, technical questions, guidance, and other information during the project.

V. Inspection

- A. The LPA’s project is subject to inspections by representatives of the MDOT SHA and of the FHWA. The LPA shall complete the inspection processes in accordance with the procedure as outlined in Chapter 11 of the MDOT SHA Development Guide for LPAs and Other Sub-Recipients of Federal Funds.
- B. The LPA and/or consultant employed by LPA must maintain good records, such as measured field quantities for payment; work activities on the Inspectors Daily Reports (IDRs); certifications of material quality; field diaries as a general project record; environmental permits and commitments; and other documentation to show observance with other Federal, State, and local requirements in the contract.
- C. The LPA must supply adequate construction inspection staff during all construction activities. The RC and/or designated on-site consultant assigned to inspect the project are required to have and maintain proper

experience, training, certifications and knowledge throughout the duration of the project to ensure all requirements are met.

1. The number and qualifications of the inspection forces shall be determined in accordance with standards generally applied on other comparable MDOT SHA contracts.
 2. The LPA may supply the inspection forces by assigning its own personnel, by utilizing the services of a consultant acceptable to the MDOT SHA under 23 CFR Part 172 as described in Section II, or by utilizing available MDOT SHA personnel. The MDOT SHA, at the request and expense of the LPA, shall provide its construction inspection forces, if available.
- D. The MDOT SHA District Construction Office, Office of Construction (OOC), OOC Safety Inspectors, OEO Compliance Officer, Office of Environmental Design and/or Highway Hydraulics Division will provide technical support and guidance for compliance documentation.
- E. The LPA will develop a punch list after the semi-final inspection and track completion of remaining items till closeout. The LPA will schedule a project final inspection meeting/walk through and invite all key project personnel (to include SHA District staff, Program Manager and FHWA Area Engineer). The MDOT SHA ADE-C staff must participate in the project final inspection meeting/walk through and the MDOT SHA must approve project acceptance according to the 2015 Stewardship and Oversight Agreement. The MDOT SHA District Construction staff is available for technical support or guidance.
- F. The LPA will send a letter to notify the contractor of the Final Acceptance and the MDOT SHA and FHWA should be carbon copied. A project closeout audit is required by the District Contract Finals personnel prior to processing of final reimbursement and contract closeout.

VI. Material Testing

- A. The LPA must have all materials sampled, tested and inspected to comply with the details published in the specifications at the time of the advertisement award request in accordance with the procedure as outlined in Chapter 11 of the MDOT SHA Development Guide for LPAs and Other Sub-Recipients of Federal Funds.
- B. The AASHTO certified testing laboratory of the LPA or of the MDOT SHA shall be incorporated in the work only after the materials have been approved and accepted by the MDOT SHA.

1. The LPA must contact the MDOT SHA's Office of Materials Technology (OMT) prior to executing the project to determine materials testing requirements and associated expenses.
 2. The MDOT SHA will provide general requirements and an associated cost estimate to the LPA for concurrence.
 3. The MDOT SHA shall accept all materials meeting SHA's Standard Specification for Construction and Materials. The LPAs must follow all current policies, procedures and directives of the MDOT SHA for material testing, clearance and acceptance and in accordance with State Quality Assurance (QA) Processes Manual (<http://roads.maryland.gov/Index.aspx?PageId=284>).
- C. The LPAs and the MDOT SHA must appoint RC persons for each project.
- D. The LPA's contractor must submit a Source of Supply (SOS) listing for all items used on the project, which identifies the manufacturer and supplier for each material for the MDOT SHA's OMT review and approval.
- E. The LPA shall submit regular material clearance reports to OMT. Refer to the Materials Clearance Report and Materials Approval Status Report in Appendix G and Chapter 11 of the Development Guide for Local Public Agencies and Other Sub-Recipients of Federal Funds. OMT will issue a Materials Clearance letter when all material issues are resolved.

VII. Changes and Additional Work

- A. The LPA must submit any contract changes to the MDOT SHA Program Manager or RC and the MDOT SHA ADE-C for review and approval. All changes to the project must be accepted and approved in advanced by the MDOT SHA (if Exempt from FHWA oversight) or be acceptable and approved in advance by the MDOT SHA and FHWA (if non-Exempt from FHWA oversight).
- B. The cost of any change or additional work that has not been approved by the MDOT SHA or by the MDOT SHA and FHWA shall be borne solely by the LPA.
- C. The LPA will submit a request in accordance with the procedure as outlined in the MDOT SHA Development Guide for LPAs and Other Sub-Recipients of Federal Funds. The MDOT SHA District Office of Construction and Office of Construction's Engineering Support Section will review and provide approval of the package for distribution to the LPA.

VIII. Maintenance of Traffic Operation

- A. The LPA shall install all necessary traffic control devices. All signs, signals, and markings shall conform to the Maryland's Manual on Uniform Traffic Control Devices for Streets and Highways. The LPA is responsible

for the operation and maintenance of all traffic control devices as detailed in Chapter 11 of the MDOT SHA Development Guide for LPAs and Other Sub-Recipients of Federal Funds.

- B. The LPA shall ensure the contractor has a designated Traffic Control Manager with current certifications, to be on site anytime the project requires disruption to the normal flow of traffic and perform Traffic Control Quality Assurance inspections as necessary. The LPA shall document daily Maintenance of Traffic set-ups on the IDRs.
- C. The MDOT SHA District Traffic Office is available for technical support and guidance.

IX Maintenance of Project Improvements

- A. Upon completion of the project, the LPA having jurisdiction will maintain and operate the project at its own cost and expense, and in a manner satisfactory to the MDOT SHA and the FHWA. Where unsatisfactory maintenance has been identified by the MDOT SHA or FHWA and brought to the attention of the LPA in writing, immediate corrective action shall be taken by the LPA at its sole expense.
- B. If the LPA fails to fulfill its responsibilities under this Section, it shall be disqualified from receiving Federal aid for future projects for which it will have maintenance responsibility. Federal funds may be withheld from future LPA projects until the infrastructure is properly functioning, or until deficiencies in regulations have been corrected, or until project improvements have been brought to a condition of maintenance to the satisfaction of the MDOT SHA and FHWA.

X. Fund Reimbursement - General

- A. The amount of funds available for the local bridge program will be determined annually by the MDOT SHA.
- B. The MDOT SHA federal funds may be used for all phases of a project, including but not limited to, PE (preliminary and final design), right of way, utility relocation, and construction. The funding use shall be consistent with the applicable program requirements, laws and policies of the MDOT SHA and FHWA. The LPA shall be subject to audits for expenditure of the MDOT SHA funds.
- C. The MDOT SHA and the LPA shall enter into a Supplemental Project Agreement ("SA") to funding reimbursement projects. SAs shall describe the projects and assign specific responsibilities in matters of project financing. The procedure for invoice submittal, review and processing varies based on the LPA; therefore, the details and timeframes of each are determined by the project schedule, unless otherwise amended by the parties.

- D. Funding reimbursements shall be requested by the LPA on, at minimum, a quarterly basis and will be paid on a reimbursement basis up to the maximum amount specified in the approved SA.

XI. Funding Reimbursements - SHA Services for LPA Project

- A. If the LPA requests MDOT SHA services (design, material testing, inspection, etc.) a SA shall be entered to document requested services and agreed upon cost for the services. Payment method for all MDOT SHA expenses incurred will be determined in the SA.
- B. Reimbursement shall cover direct salary costs of personnel assigned to the Project, (which includes the appropriate payroll additives); all non-salary direct costs, including, but not limited to, payments to contractors or consulting engineers, travel, supplies, equipment utilization, plus the prevailing MDOT SHA and general overhead rate as applied to direct costs.
- C. If for any reason the LPA fails to pay any portion of said Project(s) costs, MDOT SHA is hereby authorized to deduct such costs from the LPA's share of applicable Federal Aid funds and/or MDOT SHA Highway User Revenue.

XII. Funding Reimbursements - Eligible Project Costs

- A. The LPA shall be reimbursed for all eligible Project costs to the extent of the amount stipulated in the approved SA. Reimbursement shall be made through the MDOT SHA on a monthly or quarterly basis.
- B. The LPA shall bill the MDOT SHA for federal aid project costs incurred in conformity with applicable federal and state laws. Expenditures by the LPA for maintenance, general administration, supervision, and other overhead shall not be eligible for federal participation unless a current indirect cost plan has been prepared in accordance with the regulations outlined in 2 CFR Part 200 - Uniform Admin Requirements, Cost Principles and Audit Requirements for Federal Awards, and retained for audit.
- C. Final reimbursement shall be made to the LPA upon the acceptance of the Project by the SHA after a satisfactory checklist of the LPA's records has been performed.
- D. The LPA shall maintain, in readily accessible files, all project records in support of all costs incurred and actual expenditures in accordance with local government accounting procedures prescribed by the Maryland State Auditor's Office, the U.S. Department of Transportation, and the MDOT SHA. The records shall be open to inspection by the State and Federal Government at all reasonable times and shall be retained and made available for such inspection for a period of not less than five years from the financial closure of the project to FHWA. Copies of said records shall be furnished to the State and/or Federal Government upon request.

- E. The LPA is not prevented from pooling their funds with other LPA or transportation jurisdictions in order to accomplish one or more transportation projects as long as they meet the federal, state and program policies.
- F. If the LPA makes a written request for the cancellation of a Federal-aid project, the LPA shall bear one hundred (100) percent of all costs as of the date of cancellation. If MDOT SHA was the sole cause of the cancellation, MDOT SHA shall bear one hundred (100) percent of all costs incurred. If it is determined the project was cancelled due to a third party or circumstances beyond the control of MDOT SHA or the LPA, then no further charges may be incurred to the project once work has been terminated. Repayment for completed work will not be required by the LPA.
- G. The requirements of MDOT SHA as required in the 2 CFR part 200.501 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, issue December 26, 2014, and the Federal Single Audit Act must be followed by those LPA receiving \$750,000 or more in Federal funds. The Single Audit Act of 1984, PL 98 502 as amended by PL 104 156, described in "Office of Management and Budget Circular A 133" requires LPA to obtain an audit that includes internal controls and compliance with Federal laws and regulations of all Federally funded programs in which the LPA participates. The cost of this audit can be partially prorated to the Federal program.
- H. If right of way acquisition, or actual construction of the improvement for which PE is undertaken is not started by the close of the tenth fiscal year, following the fiscal year in which preliminary design phase was authorized, the LPA will repay to the State the sum or sums of federal funds paid to the LPA under the terms of this agreement per the PE 10-year rule.
- I. The LPA stipulates, as a condition to payment of the Federal funds obligated, it accepts and comply with the provisions set forth in 23 CFR 630.112. These provisions incorporate by reference all other federal laws and regulations pertaining to the project or the activity for which the funds are obligated. Solely for the purposes of emphasis, such applicable provisions include, but are not limited to, the requirements of Appendix A to 2 CFR Part 170-Award terms for Reporting subaward and executive compensation information, and 2 CFR 200, including for those funds for which such amount will be sub awarded to a sub recipient, 2 CFR 200.331.3
- J. Any costs incurred after the Project Agreement End Date are NOT eligible for federal reimbursement. All eligible costs incurred prior to the Project Agreement End Date must be submitted for reimbursement within 90 days after the Project Agreement End Date or they become ineligible for federal reimbursement.

- K. The procedure for invoice submittal, review and processing varies depending on the LPA and funding program; therefore, the details and timeframes of each are defined in the SA. Additional general information can be found in the Development Guide for LPAs and Other Sub-Recipients of Federal Funds.

XIII. Indemnity

The LPA shall save the MDOT SHA and the State of Maryland harmless from all liability adjudged in any law or equity suit for or on account of Project work undertaken by the LPA, and from all liability whatever, either directly or indirectly related to that work.

XIV. Nondiscrimination

All parties to this MOU shall comply with the requirements of APPENDIX A through APPENDIX E of SHA's Standard Title VI/Non-Discrimination Assurances DOT Order No. 1050.2A which generally set forth non-discriminatory regulations and other civil rights related regulations. APPENDIX A through APPENDIX E are attached hereto and incorporated herein as substantive parts of this document.

XV. General

- A. This MOU supersedes the previous Federal-Aid AGREEMENT between parties dated August 1, 1978.
- B. This MOU shall inure to and be binding upon the parties and their successors and assigns.
- C. This MOU does not and is not intended to create any rights or benefits for any third party. No third party shall have any legally enforceable rights or benefits under this MOU.
- D. Any amendment to the MOU must first be approved in writing by all the parties signing the MOU, subject to any additional approval required by Maryland law.
- E. This MOU shall be construed, interpreted, and enforced according to the laws of the State of Maryland and in Maryland courts.
- F. The parties hereby warrant and affirm that the persons executing this MOU are authorized and empowered to act on behalf of their respective party.
- G. The WHEREAS clauses are incorporated herein as a substantive part of this MOU.
- H. Contacts:
For the LPA:
Rob Dispirito
City Manager, City of Rockville
Montgomery County

111 Maryland Avenue
Rockville, MD 20850
240-314-8102
rdispirito@rockvillemd.gov

For MDOT SHA:

William J. Bertrand
Director, Office of Finance
MDOT SHA
707 N. Calvert Street, MS C-505
Baltimore, MD 21202
Phone: 410-545-5530
Email: bbertrand@sha.state.md.us

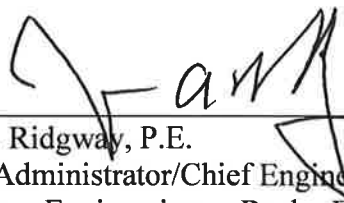
with a copy to:

Agreements Division
MDOT SHA
Office of Procurement and Contract Management
707 N. Calvert Street, MS C-405
Baltimore, MD 21202
Phone: 410-545-5547
Fax: 410-209-5025
Email: SHAAGreementsTeam@sha.state.md.us

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their respective duly authorized officers.

**MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION**


WITNESS

BY:  (SEAL)
Jason A. Ridgway, P.E.
Deputy Administrator/Chief Engineer for
Planning, Engineering, Real Estate, and
Environment

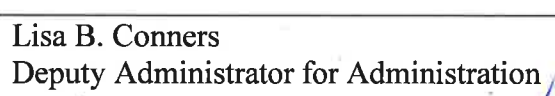

Date

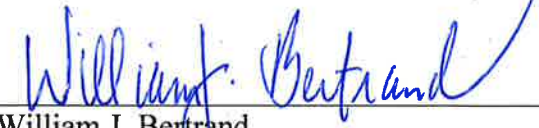
**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**


Assistant Attorney General

RECOMMENDED FOR APPROVAL

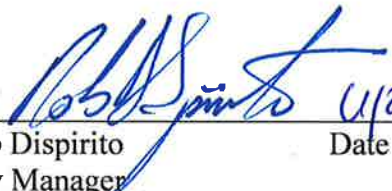

Tim Smith, P.E.
Deputy Administrator/Chief Engineer
for Operations


Lisa B. Conners
Deputy Administrator for Administration


William J. Bertrand
Director
Office of Finance

City of Rockville
MONTGOMERY COUNTY, MARYLAND

WITNESS

BY:  4/28/19 (SEAL)
Rob Dispirito Date
City Manager