Colorado Department of Transportation

Office of Transportation Safety

Colorado Highway Safety Office - HSO
Policy and Procedures Manual

January 2014

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I. INTRODUCTION.

A. STATUTORY AUTHORITY. Under Colorado Revised Statues *(24-42-101 through 24-42-104)* the Office of Transportation Safety (OTS) is created within the Colorado Department of Transportation. Under Code of Federal Regulations; the Highway Safety Act of 1966 Title 23, Section 402, each state is required to have a highway safety program. The Colorado Highway Safety Program, including the Highway Safety Office (HSO), is managed within the Colorado Department of Transportation, Office of Transportation Safety. **The goal of the CDOT Office of Transportation Safety is to contribute to reducing the number of motor vehicle crashes, fatalities, injuries and the associated social and economic losses resulting from these crashes.**

1. <u>Safety Program Responsibilities.</u> The following powers, duties, functions and responsibilities are assigned to this program.

    a. Identify and analyze the nature and complexity of traffic safety problems statewide.
    b. In partnership with other state and local government agencies, along with not for profit organizations, and others; formulate both tactical and strategic plans to address these problems statewide.
    c. Perform the powers and duties of the office of the coordinator of highway safety in dealing with the federal government with respect to federal highway traffic safety programs and transportation safety legislation.
    d. Coordinate CDOT's traffic safety programs with the traffic safety activities of other state departments, institutions, agencies and political subdivisions.
    e. Advise and report to the governor and the general assembly on transportation safety plans, activities and effectiveness.

2. <u>State Safety Programs.</u> Also authorized by statute are two state highway safety programs:

    a. High Visibility Drunk Driving Law Enforcement (HVDDLE) (CRS 43-4-901)

    b. The Motorcycle Operator Safety Training Program (MOST) (CRS 43-5-501-5)

B. FUNDING. The Highway Safety Office receives funding from two principal sources:

1. <u>Federal.</u> The Highway Safety Act of 1966 (P.L.89-564) 23 CFR chapter 4 section 402(c) authorizes the funding of state safety programs by the federal government. Every five to six years a new transportation authorization bill establishes the highway safety priorities. Every year, Congress appropriates funds consistent with the authorization bill. As priorities change, new programs are created and some programs are discontinued. It is the responsibility of the OTS to monitor the federal funding priorities and tailor state response to these priorities.

2. <u>State.</u> The State of Colorado for MOST and HVDDLE. MOST receives funding from surcharges on motorcycle operator endorsements and registrations, HVDDLE receives funds through C.R.S. 42-2-132 (B)

C. ORGANIZATION STRUCTURE. The federal and state highway safety programs are currently assigned to the Office of Transportation Safety within the HSO of the Department of Transportation. All program management functions are the responsibility of the Highway Safety Office. The responsibility for fiscal management is assigned to the Staff Services Business Office and the Center for Accounting as well as the OTS.

1. <u>Program management responsibilities include:</u>

   a. Developing the goals, objectives and performance measures for the highway safety program.
   b. Developing the annual Problem Identification Document.
   c. Developing the annual Integrated Safety Plan (ISP) which specifies programs, projects and funding to help achieve the stated goals and objectives.
   d. Preparation of the Final Report which describes the state's progress in meeting its highway safety goals and objectives and performance measures as stated in the ISP.

2. <u>Fiscal Management responsibilities include:</u>

   Staff in the OTS will enter the data and provide first approval. The **Staff Branches Business office** will provide the second level of approval within SAP for the following:
   a. Assignment of coding for contracts, obligating funds into the SAP, claims and purchase order processing, tracking funding changes to the ISP, tracking match and local benefit expenditures and forwarding to the Center for Accounting for inclusion in the Grants Tracking System (GTS).
   b. **Center for Accounting**: obligating funds, tracking changes to the ISP monthly billing to the National Highway Traffic Safety Administration, and submission of the final voucher to close the fiscal year on December 31st through the GTS.
   c. **Safety Education and Enforcement Program**: program projects budgeting, revisions to the ISP, approval of claims, and Grant Detail Report reconciliation to the GTS funding levels. Also for the Federal Aid Agreement (Form 217).

II. OTS PERSONNEL POLICIES AND PROCEDURES.

A. Highway Safety Office (HSO) Work Hours. The office hours for the Highway Safety office shall be from 8:00 a.m. to 4:30 p.m. Monday through Friday. The office shall be staffed during these hours with sufficient personnel to assure adequate coverage of work requirements and adequate response to outside inquiries or requests for assistance. All employees must be on work status during the core office hours of 8:00 a.m. to 4:30 p.m. or their approved flextime schedule hours

a. All Safety Education and Enforcement Program employees shall work a minimum of forty hours per week including holidays and approved leave. This may be accomplished by either the standard eight hours a day, five-day week or by a flextime schedule approved in writing.

b. Each employee shall adhere to established work schedules which are to be provided to and approved by the Manager.

c. Two work breaks of a maximum of twenty minutes each are allowed per day and cannot be taken or applied towards any type of work time earned. For more information, refer to CDOT Procedural Directives in the 1200 series.

B. Compensatory Time. CDOT and The Fair Labor Standards Act require all hours worked be documented on your time sheet regardless of exempt or non-exempt employee status.

C. Snow Days. Up to two hours administrative leave may be granted as time en route to work when travel is difficult because of hazardous weather and road conditions. However, Unless designated by the Governor, snow day administrative leave will not be granted. If an employee cannot arrive at the work place, annual leave shall be charged.

D. Time Sheets. Each employee shall prepare a SAP time sheet on a daily basis, approved on a weekly basis, which will account for time on the job, annual leave, sick leave, holiday leave and any other type of leave taken.

All time accounted for on the time sheets shall be according to assigned program responsibility using the assigned SAP coding and function area coding as determined by the Business Office.   The SAP Function area shall be used to create the personal activity report (After the fact PAR) as required by CFR 225 Section 8 sub section h.

Each employee, along with the Safety Program Manager, shall ensure that time charged does not exceed the budgeted amount found in the ISP unless a revision to the ISP is submitted.

E. Travel.   Travel expenses for Highway Safety Office staff incurred as part of the traffic safety program management responsibilities are included in the ISP planned expenditures for Planning and Administration, Program Support or the appropriate task or project. Travel costs for persons outside of the Safety Education and Enforcement Program are included in project contracts and are specifically identified in the project application. In some cases travel for persons outside the HSO can be funded through the ISP tasks for program technology transfer or for in-house activities such as the Drug Recognition Expert program. Travel rules outlined in Chapter 5 of the State Fiscal Rules must be adhered to.

 Based on new oversight requirements everyone submitting expense reports for events also needs to submit an agenda for that event. This applies to both employees and subgrantees. This is to ensure the State is not double paying for meals that may be provided as part of a registration cost.

1. <u>In state travel</u>.   In state travel for Highway Safety Office staff must be pre-approved by the Safety Programs Manager.

2. <u>Out of state</u>. Out of state travel for Highway Safety Office staff must be pre-approved by the Manager of OTS and the Director of HSO and must be submitted in advance for inclusion in

the annual out of state travel budget. This approved list is developed in April for the following state fiscal year. Out of state travel for approved trips must be authorized through the Out of State Travel Request and Authorization prior to the trip being taken. This applies to Highway Safety Office and other CDOT staff only. Travel authorization for individuals from other agencies funded through contracts, in-house tasks or technology transfer must, in most instances, also be pre-approved by CDOT management using the Out of State Travel Request and Authorization.

a. <u>Lodging and per diem</u>.   Lodging and per diem allowances may be found in the State Fiscal Rules. These rules and limits apply to both CDOT staff travel and other travel being paid for by federal highway safety funds.   Before preparing a travel reimbursement form, the State Fiscal Rules should be consulted to determine cost reimbursement for the area.

b. <u>Travel expenses must be claimed on Travel Expense forms.</u> This applies to both CDOT employees (use form 215) and contractors (effective for non-CDOT employees/contractors 10/1/09 and later, use form 2-70). Receipts for all items requiring receipts must accompany the expense report.

c. <u>Purpose of Trip</u> . The purpose of or reason for the trip must accompany each expense report for out of state travel. This applies to both CDOT and non-CDOT staff. Non-CDOT staff must submit a trip report, either with the expense report or the required quarterly report.

d. <u>Airline tickets</u>. Airline tickets must be purchased from the state awarded contract travel agency and only after travel has been approved by the proper departmental authorities.

III. OFFICE PROCEDURES.

 A. Cash Deposits. On occasion, the safety program will receive cash or checks for manuals, publications, royalties, films etc. The person receiving the funds, generally a Project Manager, whether by cash, check, interagency voucher or other funding documents, must ensure that the funds, along with appropriate project coding, are delivered to the Staff Services Business Office immediately. Cash and checks are not to be placed in office staff mail boxes or in-baskets. Upon receipt of the money, the Business Office will deposit the funds with the Accounting Branch.

B. Forms Management. Every member of the Highway Safety Office staff uses one or more forms. Procedural Directive 52.1 applies to CDOT forms created by all divisions and offices of the CDOT. It addresses the creation of forms by any means including electronic or computer generated forms. CDOT forms are defined in the Procedural Directive as follows:

"Any document created by any means in which the principal result is a hard

copy document that contains both fixed information and spaces for the entry of variable information and is intended to be used on a continuing basis. This includes worksheets, transmittal slips, questionnaires, tags, tickets, labels, etc. Not considered forms are: stationary, envelopes and very limited-use forms, which are created for use in one office only."

Types of Forms. There are three types of forms used by the Safety Programs staff: federal agency forms, CDOT forms, and Safety Program forms. Both the CDOT forms and the Safety Program forms must meet the definition of a CDOT form and comply with Procedural Directive 52.1 standards and procedures. A copy of the standards can be obtained from the Forms Management Unit (FMU).

C. **Training:** On-going and updated training is the responsibility of every member of the HSO staff. NHTSA Program Management Courses (offered through TSI) are posted on the NHTSA web page and GHSA webinars are offered frequently. The HSO Director (or his delegate) will attend GHSA Executive Summary and the Region 8 NHTSA conferences each year. CDOT has mandatory and recommended training, which is also an important part of every HSO employee's development. Every staff member is required to maintain their individual training log (located on the Share Drive –Management of the OTS Unit in the training folder). This log should be updated after completion of each training course.
Based on job assignment, an individual training schedule will be created by the Program Manager. The Program Managers will audit the employee training logs during quarterly reviews to ensure all employees' development is current and all required trainings have been completed.
Annually the Program Managers will create a training calendar showing class availability. It is the responsibility of the employee to review the calendar, request participation in needed or desired classes and to complete all paperwork necessary to attend. (see complete procedure in the training folder on the OTS shared drive)

D. **Legislative Policies:** Improvements to highway safety have come from significant legislative initiatives. Improved laws regarding impaired driving, occupant protection, enforcement enhancements, improved highway engineering, and vehicle design have resulted directly or indirectly from legislative action. While Highway Safety Office staff is involved with, and support, many statutory changes to Colorado law; the principal responsibility under CDOT policy resides with the Office of Policy and Government Relations. HSO staff is prohibited from contacting legislators directly and cannot lobby legislation.
During the legislative sessions, the office will receive many inquiries and requests for information from the Joint Budget Committee, legislative staff, and legislators themselves. Every effort must be made to respond to these requests in a timely manner. Highway Safety Office staff may testify at legislative committee hearings only at the request of a legislator, the Policy Office, or the CDOT Executive Director. It is the responsibility of the Safety Programs Manager to monitor all legislation for impact on Colorado's highway safety program, including compliance with federal requirements.

E. **Sports Marketing**. 2 CFR Part 225, Appendix B.14 Costs of entertainment, including amusement, diversion, and social activities and other costs directly associated with such costs (such as <u>tickets</u> to shows or sports events, meals, lodging, rentals, transportation and gratuities) are unallowable. The HSO will not allow communications, paid media, and public information expenditures that involve attendance at sporting and entertainment events that charge admission unless it can be verified that the contract price would remain the same without the tickets or other entertainment. It may be possible to eliminate the ticket/entertainment and substitute some other program benefit (additional advertising space as an example) or if a substitution is not available, the tickets or entertainment should be given away as incentive and a record of recipients must be kept.

F. **Petty Cash.** All requests for reimbursement from the petty cash fund must be directed to the Staff Services Business Office.

G. **Vehicle Management.** OTS has two vehicles assigned to the department. These vehicles can be checked out with the department Administrative Assistant. If other vehicles are needed they can be accessed via the CDOT Motor Pool.

IV. PLANNING. Planning each year's highway safety program is cyclical beginning with the preparation of the Identification of Highway Safety Problems in Colorado early in the calendar year and ending with the submission of the ISP to NHTSA on July 1st of each year. There are three major focuses of the highway safety program:
   The driver,
    The vehicle
    The roadway environment.
 Among the core strategies developed to improve traffic safety, education, enforcement and engineering are primary.
   The Highway Safety Office strategies address the human behavior aspect of traffic safety.
    The engineering strategies address the needs of the roadway environment.
 Partnerships with other state and local agencies, non profit organizations, the private sector and the public are critical to developing the ISP. Since 2001, the CDOT has developed a planning document which integrates all aspects of traffic safety including;
   Driver behavior
   Traffic engineering
   Railroad grade crossing safety
   Enhancements to the roadway to eliminate environmental hazards among other programs
  This innovative approach to planning has become a model for other states throughout the country.

● **Problem Identification.** Both as a result of federal requirements and sound policy, the highway safety program in Colorado are based on a thorough analysis of traffic safety problems statewide. This analysis includes:
   ● Location
   ● Type,

- Cause
- Severity of crashes
- Demographic characteristics of the driver or other involved person.

The residence of the driver is also critical to this analysis since the delivery of education and prevention programs needs to be targeted where the incidents occur. Enforcement and engineering projects depend on knowing the dynamics of the crash and where it happened. It is the responsibility of the Safety Programs Manager and all Project Managers to understand the contents of the problem analysis and use the results in developing their programs and projects. As part of the ISP, performance measures are developed to measure progress toward meeting established goals and objectives. Proposed grant applications must include the most current data available to identify a traffic safety problem, a workable solution linked to the identified problem, detailed action plans, and budgets that demonstrate and understanding of the various issues to be resolved and a reasonable approach to resolving the identified problem. Proposed projects must be closely related to the problem identification and contain specific goals and measurable results.

B. **Integrated Safety Plan.** The ISP is the foundation of the Highway Safety Program in Colorado and is developed to address federal requirements and to provide a strategic plan for funding programs which will result in improvements to safety in our state.

1. Goals, Objectives, and Performance Measures. The ISP contents include:

   a. Mission, Goals, and Objectives.
   b. A General Problem Statement and Problem Statements for each Program/Strategy.
   c. Performance Measures.
   d. Core strategies for the program as a whole.
   e. Key strategies for each individual program.
   f. A Statement of Accountability.

2. Program Areas. NHTSA and the Federal Highway Administration (FHWA) have determined that there are ten program areas (listed below) which are nationally recognized traffic safety problem areas. Projects within these program areas need to be approved by NHTSA only as part of the ISP. Adequately justified projects can be developed outside these program areas to address an identified problem; however, NHTSA must approve the project or task before it can be funded.

   a. Impaired Driving
   b. Occupant Protection
   c. Police Traffic Services
   d. Emergency Medical Services
   e. Traffic Records
   f. Motorcycle Safety
   g. Roadway Safety
   h. Pedestrian and Bicycle Safety
   i. Safe Communities

j.   Public Information and Education

3.   <u>Funding Sources.</u> Federal funding for the ISP must be authorized by Congress, apportioned for safety-related activities each year (depending on Congressional appropriations and obligation limitations), allocated to the states according to a formula based on highway mileage and population (this is the amount that may be spent during a federal fiscal year), and obligated, not to exceed the approved program amount, to the various activities identified in the ISP.

a.   Limitations. Any earmarked or special purpose funds must be used only in that particular program area and cannot be transferred to any other program area.

b.   Use of Estimates. When developing the ISP, new revenue estimates for each funding source are obtained from NHTSA. These, along with estimated prior year unexpended funds, are used to develop estimated total funding for the fiscal year. Planned expenditures of funds must appear in the ISP and are subject to revision depending on funding availability.

Grant Development Calendar

The HSO highway safety grant application process is comprised of three steps.

During the month of *March* grant application solicitation notices containing the issues to be addressed including identified problems and goals are published on the HSO web site by the HSO to public and private agencies who will best be able to help attain the HSO goals.

Potential sub grantees are asked to submit to the HSO a grant application form containing a problem statement, a description of proposed activities and a complete budget. It is emphasized that to be funded, projects must have a direct link to the HSO identified problems and goals.

The purposes for developing proposed grant applications are to:

- Produce a clearly defined problem statement
- Produce a clearly specified work statement
- Clearly define goals and performance measures
- Clearly define respective roles and responsibilities
- Achieve understanding among all parties
- Reach consensus
- Ensure accountability

The key elements of a proposed grant application are:

- Problem identification
- Agency Qualifications
- Objectives (applicable goals are normally listed in the ISP)

- Performance measures - goals
- Tasks and activities
- Milestones or action plan
- Training needs
- Evaluation plan
- Budget and Budget Narrative
- Reporting requirements
- Financial planning
- Certifications and assurances (general and special terms and conditions including the Buy America Act)

The HSO *Project Manager and Review Team* reviews each application to verify that it does address the identified problems and meets all of the application requirements, and, reviews the budget component of each of the proposals. When Personal Services are included as a part of the budget, the Project Manager will review the reasonableness or pay rates by comparing to the average Colorado Pay rates housed in the OTS shared drive BLS Colorado average Pay rates table. If necessary, the *Project Manager* works with the potential sub grantee to resolve any questions and develop a fully detailed and complete proposed grant application prior to the Grant Review Team referral. The Grant Review Team scores the proposals. The HSO *Project Manager* resolves any remaining questions. The final grant selection determination and approval is completed by the funding committee.

NOTE: The HSO will identify project proposals which require priority handling in order to ensure an October 1st start date, for example, a project which must begin grant work in the October to ensure full completion of the required activities. Most grants should have an October 1 start date.

Grant Development Calendar

Month	Activity
Mid February	Post Problem ID and RFP on HSO web site
March 31	Receive grant applications and contact applicants for clarification or missing information
April 11–May 7	Invite HSO Grant Advisory Review Team to review proposed grant applications Review Committees Complete and scores are Recorded Complete In-House Grant Applications
May 9th	Review of proposed grant applications by HSO Review Team and identify agreements for potential funding Complete grant negotiations and make final selection
May 17th	Notify successful applicants and finalize grant agreements Submit HSO in-house grants for Department approval Denials sent Reconsiderations due by May 29th
May 27–June 10	Submit ISP to Program Manager appealed projects due by the 10th
July 1	Submit HSPP to the National Highway Traffic Safety Administration (NHTSA) Regional Office
October 1	Implement grant agreements

	Obtain approval for grants and contracts from the appropriate Department officials
	Issue Notice to Proceed to selected sub grantees

4. <u>Application Process.</u> It is the responsibility of the Project Managers to review the problem analysis, solicit appropriate applications and make other contacts to generate problem solutions. Agencies with responsibility, either geographically or programmatically, for identified problems are encouraged to submit applications. Innovative ideas are encouraged in the application's proposed solutions and all interested agencies including non-profit and private sector are free to submit proposals for funding.

    Projects are selected based on the likelihood of the project impacting an identified problem and assisting the highway safety program in meeting its goals, objectives and performance measures. The feasibility of the planned activities, milestones and budgets is assessed along with past experience with the agency and whether or not it is a continuing project. Projects other than training programs are generally not funded for more than three years in accordance with the federally required "seed money" concept.

    a. Applications must be submitted on Transportation Safety Project Application - Form 1116.
    b. Unsolicited applications are referred to the Safety Program Manager for assignment to the responsible Project Manager.
    c. Applications are reviewed by the Project Managers and an unbiased review committee comprised of members with program specific background/knowledge. Recommendations for funding are made to the entire safety program staff at an annual Funding Meeting held in April/May of each year. Joint decisions concerning projects to be included in the ISP and funding levels are made at this meeting, approved by the Safety Program Managers and the OTS Manager. If desired, presentations for selected projects can be made to executive management at a subsequent meeting. Each Project Manager
    d. If an application is rejected, the Project Manager drafts a letter for the OTS Manager's signature notifying the applicant agency of the reasons for the denial.
    e. If an application is rejected, the applicant has the option to request reconsideration. Applicants must submit the request in writing and include the application number and the reason for the protest. Reconsideration decisions are determined by the Manager of the Office of Transportation Safety and will be final.
    f. Project Managers are encouraged to work together to ensure all recommended projects address all identified problems within that geographical area or within that agency's programmatic responsibility.

State Agency Grant Agreements

State Agency Grant Agreements are administered in the same manner as all applicants. Interagency (IT) documentation will be submitted with the claim reimbursement form to allow for COFRS debit & credit transactions to record cost and payments.

5. <u>Submittal and Approval Process.</u> Selected projects are included in the ISP, which is submitted to the NHTSA and FHWA for approval on July 1st of each year. The state must be notified of approval, with or without conditions, within 60 days by, September 1st. Depending on Congressional action, new projects may be funded beginning with the new fiscal year on October 1st.

6. <u>The Federal Aid Agreement (FAA), Form 217.</u> The FAA 217 is the financial budget document which defines funds to be used in each program area and sets federal spending authority. The FAA 217 is prepared by the Safety Programs Manager and is included within the ISP. No contracts involving federal funds can be executed until the ISP, including the FAA 217, has been approved by NHTSA.

7. <u>Revising the ISP.</u>   Changes to a project or activity requiring modifications to the ISP must be reviewed and approved by the NHTSA Regional Office. Requests for modification requiring specific approval must be routed promptly for review and action. Project Managers will route the proposed modification to the appropriate Program Manager who after review and approval forward it to the Regional Office for approval.

Tasks within the ISP must be revised under any of the following circumstances:

a. An increase in the total planned dollar amount of the project or activity. If the total dollar amount of the planned activity is to be increased or if additional funds are to be obligated to the task, the Program Manager verifies the availability of funds in SAP. ISP page, with any funding or programmatic changes, is sent to the NHTSA Regional Office for approval. Once approval is completed a revision number is assigned to the ISP entered into SAP and sent NHTSA for their records.
b. The addition of capital equipment purchases. Changes requiring NHTSA approval, such as equipment purchases, will be sent to NHTSA for approval prior to purchase.
c. Changes in the Objective Plan.
d. Additions or changes to Funds Obligated in SAP and the GTS.

Revisions to the ISP are the responsibility of the Program Managers. The Program Manager forwards the revised ISP page, in order, through the Business Office and the Center for Accounting for entry into the GTS. A copy of the approved revised page is forwarded to all concerned staff.

8. <u>Revision Controls.</u> The ISP revision is recorded within the ISP revision log located on the OTS shared drive <u>ISP Log</u>. At the beginning of each federal fiscal year, a new ISP electronic log will be developed. The log keeps a running balance of funding changes

over the year. The Project Manager places a copy of the revised ISP page in the project file. Revisions are sequentially numbered in the upper right hand corner with the revision date and, whether it is a partial, full, or modified funding.

9. Final Report and Closeout: The prior fiscal year is closed out, both fiscally and programmatically, on December 31st with the final voucher along with the submission of a final report to NHTSA and FHWA. The report will summarize the year's activities and progress in meeting goals, objectives, and performance measures

10. Schedule of Interim and Final Due Dates. Each year the Safety Programs Manager is responsible for developing a calendar of interim and final due dates for the entire highway safety program.

PROGRAM MANAGEMENT.   As with the application and project selection processes, the Project Managers have principal responsibility for program management. This includes:

- Ensuring that funds are booked or obligated in the GTS
- Ensuring that funds are booked or obligated in SAP
- Funds are tracked throughout the year
- Contracts or purchase orders are prepared and routed for signature in a timely manner
- In-house projects or tasks including Planning and Administration, the Roadway Program, the Public Information Program, technology transfer tasks and others meet the same management criteria as contracts with outside vendors
- All project reporting and financial management requirements are met
- Projects are monitored as required
- Capital equipment is accounted for properly
- Required audits are obtained
- Project files are maintained.

Federal Highway Safety Programs. After the FAA 217 has been approved by NHTSA, safety program staff may proceed with the contracts and agreements process. Contracts and agreements may be created and required signatures obtained prior to the approval of the FAA 217; however, the CDOT Controller will not approve the contract or agreement until the FAA 217 has been approved, signed and funds are booked into the GTS and SAP.
 The Grant Tacking System (GTS) is the NHTSA system which electronically tracks the planned expenditures contained in the ISP, the dollars obligated to a task or in-house activity, actual expenditures, revisions to the ISP funding, and state match and local benefit requirements. Local benefit is prescribed in 23 CFR 1250 and requires at least 40 percent of all federal funds apportioned to be expended by political subdivisions of Colorado.

1. Contracting. Contracts can be executed with state agencies, local governments, non-profit and for profit organizations. Contract formats and requirements vary with each type of agency. All must meet the following criteria:

a. The project must be an approved activity within the ISP or approved in a revision to the ISP, must address an identified problem, and must show the ability to assist CDOT and the traffic safety program in meeting stated goals and objectives.

b. The proposed project budget must be within the limits and cost categories of the approved ISP or an approved revision to the ISP.

c. The total federal funds for the activity must be included in the current, approved Federal Aid Agreement Form 217.

d. Federal grant funds to local benefit must equal at least 40% of the apportioned amount for the federal fiscal year for Program Area 402 and other designated program areas. Reference the NHTSA Highway Safety Grant Management Manual, Appendix A, Pages 21 to 23 for instructions pertaining to specific program areas.

e. Various state match requirements apply to each program area. For example, the 402 program requires 20% state match of total program costs; reference the Highway Safety Grant Management Manual, pages 21 to 23, for specifics in each area. Note with MAP-21 Fiscal Year 2014 funding, match on all programs is 20%

2. <u>Obligating Funds.</u> The contract process begins with the notification by NHTSA of the funding allocation. Depending on funding levels, the Safety Program Manager allocates the available money based on the criticality (high, moderate, and low) of the program or project. The Highway Safety Office Manager may also reserve or set aside funds in "artificial tasks" in the GTS when NHTSA requests the immediate obligation or allocation of funds. These allocated funds can then be obligated to approved tasks as the need arises. The Office of Transportation Safety Managers are responsible for determining the priority of project funding and working with the Safety Project Managers to determine which projects can be funded based on availability within each funding source. The Highway Safety Programs Manager notifies the Project Managers of the available funding so the contract process can be started. At the same time the Center for Accounting and the Business Office are notified so that funds can be "booked" or obligated into SAP and the GTS. The ISP is the source document for all funding levels. At this point the contracting process can begin.

3. <u>Contract and Purchase Order Preparation and Routing.</u> **Under no circumstances can costs be incurred for a project prior to the Controller's signature.** There are contract boilerplates and contract requirements depending on the agency being contracted. State agencies and local governments have similar requirements as do non-profit and for profit organizations. The following contract preparation and routing procedures outline the similarities and differences among the contracts and the processes.

a. Inter-Agency Agreements are contracts with other state agencies. Grant Agreements include contracts with for profit and not for profit entities and inter-governmental contracts written with local government entities such as police or health departments. As with all program management functions, the Project Managers have

principal responsibility for the contract preparation and routing process. Following are the key steps in the process for these two types of contracts:

1) To develop a Purchase Order (PO) for under $100,000 or a Contract for over $100,000, refer to Appendix B.

2) The Project Manager prepares the Contract Objective Plan to include a measurable performance or impact objective, the tasks to be accomplished and the milestones or timelines for accomplishing the tasks. In addition, the Objective Plan includes an administrative, performance and impact evaluation design to measure progress in achieving the objective and a detailed budget including federal dollars, match and local benefit. Agency match need not be in actual funding dollars (hard match) but can be personal time, volunteer time, equipment, operating expense (soft match), etc. Local benefit is measured by the state and local agencies involvement in the decision making of how the funding will be used. A letter from the state or local agency will be required to confirm this local benefit. This letter is required prior to the creation/approval of the Purchase Order.

3) The Project Manager develops the contract checklist to forward to Procurement. Included in the process the creation of the Purchase Requisition during which the appropriate type agency is selected (see OTS Share Drive for Purchase Order Procedures) Purchase Orders are issued by the Procurement Department. All contracts and purchase orders with states, local governments and non-profit organizations must conform to the A-133 audit requirements for entities receiving more than $500,000 from all federal funding sources. All contracts with the exception of interagency agreements must have a special provisions page.

b. Both non-profit and for-profit contracts are subject to the requirements for either sole source justification (CRS Section 24-1, 2, 3-202 and 205 and Procurement Rules 3-204.5, 3.205.01 and 23 CFR 3.205.04) or competitive bid through the Request for Proposal (RFP) or Invitation for Bid (IFB) Process. Projects which involve the selection of a contractor based on sole source procurement or special circumstances procurement in accordance with State Law and State Fiscal Rules must be submitted to the Purchasing Department for approval prior to releasing the contract for signatures. This includes projects executed with a purchase order. Should the Purchasing Department not approve the contractor selection, the project must be submitted for competitive bid or the RFP or IFB process.

c. Approved project activities which require a competitive bidding process to select the contractor must be submitted to the Purchasing Department for bid processing. The Request for Proposal (RFP) must include a detailed project description including an Objective Plan, evaluation and reporting requirements, information required to be included in the proposal such as cost estimates, mandatory contractor eligibility and requirements, references, contractor evaluation, selection criteria and bid review committee members along with any other pertinent information. See Colorado Procurement Rules for complete details.

d. In-house projects are tasks or activities contained in the ISP which will not be contracted to organizations outside of CDOT. These include Public Information and Education, and other specific tasks such as Technology Transfer and the Drug Recognition Expert Program.

1) All task activities performed by safety program staff are subject to programmatic and fiscal requirements. This includes the development of an Objective Plan, budgets and a project file. Copies of all fiscal documents must be maintained in the file.

2) Projects managed by organizations within CDOT but outside the safety program such as Public Information and Education and Traffic Engineering Programs, must have a written agreement which describes the Objective Plan, the budget, and any data to be collected. This is necessary to document the performance or impact of the program. The fiscal management of these activities is subject to the same constraints as other projects and periodic and final reporting is required. Project files must be maintained by the Safety Programs staff.

3) The Planning and Administration program includes general administrative charges and costs related to the administration of the entire highway safety program. Approved costs include salaries for overall administration, budgeting, fiscal management, and general office costs and supplies. These costs for specific programs must be charged to Program Management or Program Support. Other planning and administrative program costs may be charged here as well as long as the entire program benefits. There is a federally mandated 10 percent limitation on the P&A budget for any given fiscal year based on the 402 Obligation Limitations.

4. Contract /Project Management. The following activities describe the ongoing management of the highway safety program at the project level. These are the responsibility of the Project Managers and form the foundation for a successful highway safety program.

a. Pre-Work Conference. (See OTS Shared Drive – EDM for Pre-Work documents) Once a contract or purchase order has been signed and delivered, the Project Manager is responsible for scheduling a pre-work conference with the agency's staff. It is preferred that this occur before work begins, as often as possible. The purpose of the pre-work is to ensure new grantees and prior program participants and their project staff are familiar with and informed of the requirements of the highway safety program. During the pre-work conference, the Project Manager will review the contract and budgets as well as reporting and claims processes, A-133, SAM, Buy America Act, Local Benefit, Match and the expectations of the Federal Government as well as CDOT regarding the acceptance of Federal Funds. The Project Manager must complete a project activity report upon completion of the pre-work conference, get a grantee's signature of agreement, and file the report in the project file.

b. If the project is a continuation of previous activities, a brief review may be all that is necessary but the Budget must be reviewed completely and any changes to the original application reviewed and agreed upon.

c. Link to the Contract Management Manual and all applicable forms, which give greater detail on the topics for discussion in the pre-work conference, must be provided. The Contract Management Manual should be used as the reference document during the pre-work conference and throughout the contract term. Links to CFR 225 GHSA and NHTSA guidance should also be given.

d. For new projects or for projects which have had a change in staff, the following items must be reviewed:

    a. A general description of the State's overall highway safety program as administered by CDOT. This can include a review of the Problem Analysis, the ISP, the planning and application process, and federal and state goals and objectives.

    b. A discussion of the "seed money" concept which, in general, limits federal funding for a highway safety project to three years unless it is a training program.

    c. The project objective, goals are measurable and support the objective and the tasks support the goals. Time frames, budgets and reporting must also be reviewed and understood by both the contractor and safety program staff.

    d. A review of the contract revision and budget reallocation process must be included.

    e. The provisions for contract/purchase order termination, termination for cause, and non-performance should be reviewed. The responsibilities of the project contract director and project coordinator should be discussed.

    f. The project staff should be informed that all public information activities must be coordinated with CDOT's Office of Public Relations. This should be a contractual requirement as well.

    g. The project staff should be advised of the CDOT Project Manager's monitoring site visits and reporting requirements.

    h. The requirements for subcontracts should be reviewed. This includes the need to submit these contracts to CDOT for approval before they are executed.

    i. Travel policy should be reviewed.

j. Training guidelines should be reviewed.

k. Program income requirements should be reviewed.

l. Quarterly and final reporting requirements should be discussed. The Program Manager must supply the agency with appropriate reporting forms (Form 1097) and timeframes.

m. All financial accountability requirements including an understanding of Suspended and debarred restrictions must be reviewed. Include a detailed explanation of allowable costs, incurred liability for costs, proof of expenditure, receipt of goods and services, accounting for all expenditures – federal as well as agency match, reimbursement provisions, and retention of project records and source documents at the project level.

n. A review of completed claim forms for reimbursement must be included. The Project Manager must supply the claim form (Form 1069) to the project coordinator.

o. If necessary, capital equipment acquisition (Form 1130) and maintenance and disposal (Form 1129) must be reviewed and the proper forms supplied.

p. A-133 audit requirements must be reviewed as well as requirements for submitting audit findings.

q. Buy America Act must be reviewed including a discussion of waiver requirements for the purchase of products not produced in the United States (office supplies are excluded from this requirement).

5. <u>Project Reports.</u> All agencies are required to submit quarterly and final reports to CDOT for approval. Report contents will be specifically reviewed for completeness in addressing contract progress, task activities and evaluation measures. Only those agencies current on all approved quarterly or final reports will be eligible to receive reimbursement on claims for costs incurred.

a. Agencies shall submit project progress reports (Form 1097) to the OTS covering all the task activities including equipment purchases, expenditures, including the current incentive inventory, program activities and media coverage. This includes projects with CDOT organizations outside the highway safety program.

1) Quarterly reports are required even if no activity took place, in which case the report form shall indicate "no activity" with an explanation. Quarterly reports are due on the 20th day of the month following the end of each quarter: January 20th, April 20th, and July 20th. Quarterly reports shall be reviewed by the Project

Manager. Upon completion of the review, the Project Manager will file the report in the electronic project file (EDM).

2) When completing the quarterly report, Part I covers the identifying information from the contract and the time period covered. Part II, "Progress to Date" and "Expenditures to Date" (this section should include the incentive inventory), provides a quick check on the consistency of project accomplishments and project expenditures. For example, at the end of the second quarter, the "Progress to Date" box and the "Expenditures to Date" box should reflect 50 percent of the project as completed and 50 percent of the funds expended. This will vary depending on the nature of the project and the type of planned expenditures.

3) The Section under "Activity During this Quarter" should be a concise narrative of the contract progress for each task activity in the contract (Contract Objective Plan Form 1106). This should include progress to date for each task activity, discussion of schedules and milestones for each task activity, discussion of problems encountered and problem resolution, any needed changes to the Objective Plan or budget and technical assistance required from Safety Programs staff.

 b. The final report must be submitted to the OTS by November 15th, forty five days after contract completion. The final reports are used to compile the annual report of program and project activities, which must be submitted to the NHTSA and FHWA by December 31st of each year. Upon receipt, the final report is reviewed by the Project Manager and filed in the electronic project file in the Electronic Document Management system (EDM).

c. The report shall be suitable for reproduction and distribution to federal agencies, state agencies and local communities. All final reports shall contain the following:

- Summary providing a synopsis of the project purpose and results or outcomes.
- The success of the project in meeting the stated objective.
- A summary of evaluation data to measure effectiveness.
- Benefits and costs of the project.
- Problems encountered and the solutions.
- Copies of new or revised documents developed under the contract.
- Description of any substantial deviations from the planned budget line items in the contract.
- Plans for project continuation or replication in other communities.
- Noteworthy achievements in attaining project objective(s).
- Other pertinent information related to project activities.

6. **Project Claims**. All project contracts are negotiated on a cost reimbursement basis. Therefore, the agencies contracted will submit claims for reimbursement on a regular basis. Claims are usually submitted monthly but, upon pre-approval, some agencies may submit quarterly claims. The claim form used for federally funded programs is CDOT 1069. Upon receipt, claims are routed to the responsible Project Manager for

immediate processing. The 1069 form must be dated upon receipt to ensure timely processing by the OTS unit. Documented follow-up and information requests may delay processing but OTS will normally complete reimbursement with-in 45 days of receipt. Only claims for projects meeting the quarterly and final reporting requirements will be processed. Claims processing involves the following steps:

a) Claims are reviewed by the Project Manager who verifies that the claim has been signed by the contract director or authorized designee.

b) The Project Manager must review the claim for accuracy. If mathematical errors are found, the Project Manager will correct them and notify the project coordinator via phone or email and request revised claim forms. The Project Manager will audit all requested claims for reimbursements to ensure they include documentation verifying that the expense has been incurred: cancelled checks, lease copies for rent, General Ledger detail, credit card receipts, etc.. That incentives are within guidelines, meetings have rosters and agenda, and if meals are furnished the agenda verifies that the meeting was for training purposes and the training occurred during the meal period. The Project Manager will also verify that all products purchased meet the Made in America Act requirements. If other problems are detected, such as insufficient funds or lack of supporting documents, the Project Manager will contact the project coordinator to resolve the problem.

c) To verify accuracy, the Project Manager must check the claim form 1069 against SAP to verify funds are available and that claimed expenses are included in the approved project budget. All arithmetic must be checked and verified.

d) The Project Manager must verify that the agency match is being expended in proportion to federal dollars. If not, the contractor must be contacted to correct the problem.

e) The Project Manager must note the contract routing number(WBS) on the claim form. After review, the Project Manager will sign Form 1069 and forward it to the Program Control Analyst for signature. The claim is logged in and forwarded to the Business Office for payment processing. A copy of the signed claim and supporting documents are retained by the Project Manager.

f) Upon return of the signed claim and voucher from the Business Office, the Project Manager will file the documents in the project file as referenced in the File Contents Checklist.

g) If a reimbursement is received from a project for overpayment of a claim or any other reason, the Project Manager shall submit the check and proper coding to the Business Office. A copy of the check along with the reasons for the reimbursement will be placed in the project file.

7. **Capital Equipment**. The OTS staff is responsible for controlling and monitoring all equipment purchased with federal funds. State Fiscal Rules and Departmental Policy require all equipment with an acquisition cost of $5,000 or more and a useful life of more than one year be capitalized (See Chapter 1, Rule 1-10 of the State Fiscal Rules). NHTSA requires that all equipment purchased with federal funds with an acquisition cost of $5,000 or more and a useful life of more than one year receive prior written approval of the purchase. All equipment purchased with federal funds must be used for the originally authorized purpose for as long as needed for that purpose. If no longer needed, the equipment must be disposed of using the approved methods described below. A State will use, manage and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures (49 CFR 18.32).

Acquisition and Monitoring Process.

    a) Capital equipment purchased with federal funds must meet the Buy America Act requirements and must first be approved within the ISP.
    b) Purchase of any capital equipment for the office use must be approved by the OTS Manager.
    c) When equipment is purchased for OTS use, an equipment number is assigned on the purchase order. When the invoice is processed and the P.O. is closed, the number and equipment is added to OTS inventory.
    d) Equipment purchased with federal funds for projects must be included in the ISP or a revision to the ISP and receive prior NHTSA approval.
    e) The project coordinator must submit a Capital Equipment Accountability Form 1130 and a signed Capital Equipment Agreement with the Reimbursement Claim for the equipment purchase. The claim will not be approved or processed without both documents. Each item with a value of $5,000 or more is listed separately on the 1130 form. Items purchased separately but used together as a unit must be combined even when their singular values are less than $5,000.   A copy of the form 1130 and supporting documents must be forwarded to the OTS Program Controls Analyst as well as placed in the project file/EDM. Equipment with a value less than $5,000 is considered an operating expense item.
    f) The form must contain the signature of the Contract Director.

  2) Inspection of Capital Equipment.

    a) Capital equipment purchased with federal funds is NOT listed on the state asset inventory; therefore OTS must schedule and monitor the annual inventory process. (49 CFR 18.32).
    b) Capital equipment purchased with federal funds by other state and local agencies shall be certified annually and certified as physically inventoried by a CDOT representative at least once every two years (49 CFR 18.32).
    c) The Program Controls Analyst maintains an electronic file for the capital equipment inventory.

d) Annually, the Program Controls Analyst shall send a notification to the Project Manager to ensure each agency, which has equipment purchased with federal funds, is either visited by the Project Manager or contacted requesting that the agency certify that it has made a physical inspection of all equipment listed to that agency.

e) The letter shall also include language to which the agency shall certify that the equipment is being used for its originally intended purpose, that it is being safeguarded from loss, damage or theft and that it is being maintained in good condition.

f) Upon receipt of the signed certification, the Program Controls Analyst shall update the electronic inventory file to include the date the physical inspection was made. Certification letters shall be retained for three years.

3) Releasing Capital Equipment. When capital equipment will no longer being used for its intended purpose or it is unusable because of condition, the agency is required to report to CDOT. If the agency desires to dispose of the equipment, a Capital Equipment Disposition Form 1129 must be submitted to CDOT.

a) If the equipment is to be sold and its estimated value is more than $1,000, CDOT must retain a portion of the sale price equivalent to the original percentage of federal funds used to purchase the equipment. The agency is entitled to retain 10 percent of the sale price or $100, whichever is greater, for administrative costs of the sale. If the agency wishes to retain the equipment but use it for purposes other than the originally intended purpose, CDOT and the agency will agree on a mutually acceptable value based on the fair market value.

b) The funds received by CDOT from the sale will be reprogrammed into a similar task or program area from which the asset was originally purchased.

c) Completed Capital Equipment Disposition forms shall be given to the Program Controls Analyst for updating the electronic computer inventory. Release records will be retained by CDOT for three years.

8) **Program income** includes fees for services performed, use or rental of real or personal property acquired with grant funds, sale of commodities or items fabricated under the grant agreement, and from payments of principal and interest on loans made with grant funds (23CFR Part 1200). Income generated from highway safety funded projects must be utilized in the operation of the project to defray ongoing expenses during the project period. Agencies no longer receiving highway safety financial assistance but generating income from previously supported activities are encouraged to use the income to support continuation of the highway safety activity. Documentation shall be maintained by the Project Manager for any such income. Program income may be used to meet agency match requirements only upon written approval by the Project Manager. Such use shall not increase the commitment of federal funds.

9) **Project monitoring** frequency being one or more on-site monitoring visits during the contract period must be made by the Project Manager to ensure contract objectives are being met. Monitoring visits shall include budgetary and fiscal responsibility and documentation, equipment accountability, detail of the progress of the project, and time frames or milestones completed. (See OTS Shared Drive – EDM On-Site monitoring procedures and forms).   On-Site monitoring is prioritized based on the following Criteria: New Grantees, funded dollars greater than $75,000, problem grantees i.e. late or incorrect reporting, missing documentation, etc. and other grantees. Any grantee with an A-133 finding will require a monitoring visit. Every grantee will have a visit every year these can be on-site, desk, or phone monitoring. The selection of on-site visits will be made by the Program Managers based on the above criteria and documented at the beginning of each fiscal year at the same time funding is approved. The projects selected will be scheduled by the Project Manager.

   a) Inspection of capital equipment shall be performed during monitoring visits. This is in addition to the annual certification and semi-annual certification of inspection provided by the projects themselves. Before making visits, the Project Manager shall obtain a list of all equipment listed on the inventory for that agency from the Program Controls Analyst.

   b) The Grantee will be notified of the monitoring visit via the formal notification letter in which those items to be reviewed will be enumerated. The following subject areas shall be reviewed during the visits:
      1. Review of Agency Policy and Procedure Manuals including procurement policies
      2. Review of contracting agreements and procedures for selecting contracted services
      3. Review of Payroll and employee documentation and processes
      4. Are the schedules of goals and milestones being met?
      5. Are quarterly reports complete and submitted on a timely basis?
      6. What percent of activities have been completed, what percent of budgets have been expended, Is a proportionate amount of agency match being expended?
      7. Are safety program goals, objectives and performance measures being addressed?   Are special conditions required and being addressed?
      8. Are claims submitted appropriately (at least quarterly) and are the claims supported by proper documentation?
      9. Are funds being spent properly, appropriately and for approved activities?
      10. Are adequate records and supporting documentation kept for all costs and activities?
      11. Do fiscal documents agree with the amounts on claim forms?
      12. Is capital equipment accounted for and being used for the originally intended purpose? Have equipment accountability records been submitted?

c) The Financial Program On-Site Monitoring Report CDOT Form 778 must be used to document on-site visits. Telephone conversations which may affect the scope of the contract requirements must be noted in the project file. All other contacts with project personnel such as meetings must be documented on an Activity Report CDOT Form 995. Upon completion of forms the Project Manager files the reports in the project file.

10) **Project Audits**. All federally funded projects with states, local governments and non-profit agencies receiving $500,000 or more in cumulative federal funds shall be audited by an independent auditing firm. The requirements for audits are contained in the Contract Management Manual. The CDOT Audit Dept. and the OTS Program Control Analyst (PCA) shall ensure that an audit has been conducted and a copy of the audit report and the agency's response to any audit findings are submitted to CDOT within six months of the close of the grantee's fiscal year. The OTS Program Controls Analyst confirms results in CDOT's internal website. If problems are noted in the audit, the Program Controls Analyst is responsible for ensuring all necessary corrective actions have been taken by the agency, and will notify OTS staff/Project Manager of findings and internal monitoring/action required. A copy of the audit report is on the CDOT Audit Department A-133 web site and is saved as a favorite on each Project Manager's intranet. Each Project Manager is required to review the CDOT Audit site for compliance prior to submitting an application to the Program Manager for approval.
 A copy of each audit of, any findings, the agency's response and corrective actions shall be submitted to the OTS which will subsequently forward it to the NHTSA Rocky Mountain Region office. If necessary, OTS will also consult with the NHTSA on any negative audit findings and necessary corrective actions.

In the first quarter of each calendar year, CDOT's Audit Department sends a letter to each sub-grantee requesting an A-133 audit unless the agency certifies via letter that they have not received federal funds in excess of $500,000. All agencies which have not submitted required audit reports or a certification letter by June receive a reminder. Audits of state agencies are included in the Statewide Audit. Letters of request are not sent to any of these agencies. These include but are not limited to: Department of Revenue, Department of Public Safety, The Statewide Audit includes the CDOT results of the State of Colorado Audit can be found on the Harvester census page. OTS staff must review this audit each year to identify any potential issues related to CDOT.

Upon receipt of the audit and based on the responses to the following checklist questions, the CDOT Audit Dept. can conclude if the audit report sufficiently meets the requirements of OMB A-133. Results and findings are posted on CDOT's internal website and reviewed by the Program Controls Analyst for any necessary action as noted above. Additional guidance is available through the Federal Audit Clearinghouse (FAC) website at http://harvester.census.gov/fac/#.

a) Does the audit report state that it was prepared in accordance with the provisions of OMB Circular A-133?
b) Does the financial statements audit opinion indicate compliance with applicable laws and regulations and with generally accepted accounting principles?
c) Does the audit report include a statement that the internal controls were reviewed?
d) Does the report identify any significant internal accounting controls?
e) Do the comments on internal controls identify those controls which were evaluated and those which were not evaluated?
f) Are any weaknesses noted which have material effect on the federal programs?
g) Does the auditor's report on compliance contain: a statement of positive assurance with respect to those items tested for compliance, a statement of negative assurance with respect to those items not tested for compliance, a summary of all material instances of non-compliance, identification of total amount questioned?

h) Is the schedule of federal financial assistance satisfactory and does it include the correct amount of the grant?
i) Is the report on the schedule of federal assistance satisfactory?

11) Project File Maintenance. The Project Managers are responsible for all project file maintenance. A Safety Program File Contents Checklist has been developed for use by the Project Managers to ensure that the project files are complete. An Electronic Document Management (EDM) system exists for the electronic storage of file documentation. Documents pertaining to a single contract or purchase order must be filed in the same contract file or in the EDM as designated on the File Contents Checklist . Security and proper maintenance of the project files are vital. Project files shall not be removed from the OTS unless they are taken to a contractor's site during a scheduled monitoring visit. Files shall be kept current with filing done daily. All project files are to be kept in the designated rolling file cabinets. As noted on the folder check list -
B= both hard and electronic copies are kept
H= only hard copy kept in the folder
E= only Electronic copy is kept on Shared Drive EDM
File contents include:
a) Copies of the Grant Application, the Contract or Purchase Order and all related documents including revisions or modifications to the contract, copies of subcontracts, **Note**: electronic copies of the PO are kept in SAP only these are not copied to the EDM.
b) Personal Services certification form, if required. A Sole Source Justification, if applicable. Secretary Of State Certificate in good standing if applicable
c) Local Benefit Letters, Indirect Cost and Program Income documentation, if applicable.
d) Capital Equipment Accountability Forms, if applicable.

e) The original ISP page and any revisions.
f) Monitoring and Activity Reports.
g) Project Notes.
h) Auditor Reports.
i) Project Quarterly and Final Reports.
j) Claim for Cost Incurred and supporting documents.
k) Certificate of Liability, if applicable.
l) Correspondence.

B. Fatality Analysis Reporting System (FARS). FARS is a national computerized data collection system that contains detailed information from crash reports on all known motor vehicle crashes in which a fatality occurred. The FARS definition of a fatality is: a police reported crash involving a motor vehicle in transport on a traffic way in which at least one person dies within 30 days of the crash. FARS was designed and developed by the National Center for Statistics and Analysis (NCSA) of the National Highway Traffic Safety Administration to provide an overall measure of highway safety, to help identify traffic safety problems, to suggest traffic engineering solutions and alternatives and to help provide an objective basis to evaluate the effectiveness of motor vehicle safety standards and highway safety programs. FARS data are used to produce official federal and state fatality statistics and analyses to assist managers in developing effective traffic safety programs. The data are used extensively in developing Colorado's annual Problem Identification Document and are used to measure progress in meeting the department's and the highway safety program's goals and objectives. The information is critical to the Public Information Program in providing data to the public concerning existing and emerging traffic safety problems and trends. More detail on the FARS program can be found in the Colorado FARS Procedure Manual.

1. Program Administration. The program is administered under a Cooperative Agreement between CDOT and NHTSA. Each state has one or more FARS analysts who are responsible for collecting data from the Police Accident Report, State Patrol blotters, driver and vehicle records, statistics from the Department of Public Health and Environment and information from local law enforcement agencies and coroners' offices. Although federally funded, the FARS program operates on a calendar year basis. New funds become available on January 1st of each year. Unspent FARS funds carryover to the following fiscal year.

2. Primary Responsibility. The primary duty of the FARS Analyst is to code FARS cases. The FARS Analyst must exercise professional judgment in determining which codes apply to each individual situation. This requires analyzing each case and translating information into uniform FARS codes which are consistent with national standards. The FARS supervisor is responsible for the quality, timeliness, completeness and accuracy of the file.

C. High Visibility-Drunk Driving Law Enforcement (HVDDLE). In 2008 CRS 43-4-901 required:

The Department of Transportation, in implementing the strategic transportation project investment program, shall, as a priority, increase to twelve episodes annually the number of high-visibility drunk driving law enforcement episodes that the department oversees.

1. Funding. Funding for HVDDLE comes funds collected by the Colorado Department of Revenue in accordance with Colorado CRS 42-2-132.5 (1.5)(a)(II).
2. Process. Enforcement agencies are identified by an OTS problem identification process to receive applications for funding.

D. Motorcycle Operator Safety Training Program (MOST). The MOST Program was created by the Colorado Legislature in 1990 to provide motorcycle rider training. It is self-funded through a $4 surcharge on motorcycle registrations and a $2 surcharge on motorcycle endorsements. No more than 15 percent of the available MOST funds can be used for administrative expenses. The program offers tuition reimbursement, operating expenses and some equipment purchases to privately run training programs throughout the state. All training programs which meet criteria established by the Motorcycle Safety Foundation and CDOT are eligible to participate. As a result, competitive bidding is not necessary.

1. Funding. Funds are collected on a state fiscal year basis and appropriated by the Transportation Commission. Contracts are written on a calendar year basis to coincide with the training season from the spring through the fall. Funds must be rolled over at the end of the state fiscal year on June 30th to continue the spending authority for contracts. The Business Office supplies the MOST Program Manager with a statement within 30 days of the end of the fiscal year certifying the amount of the rollover and that the funds are available for use.

2. Process. Programmatic management processes for the MOST program are very similar to the federal program, although MOST does use different quarterly reports and claim forms. In addition, the MOST program uses a Quality Assurance Report to verify that training programs are adhering to training criteria and curricula established by the Motorcycle Safety Foundation and CDOT.

VI. FISCAL MANAGEMENT. The fiscal management responsibilities for the highway safety program, including federally funded projects, HVDDLE and MOST, are divided between the OTS, Staff Branches Business Office, and the Center for Accounting. The following outlines the responsibilities of each organization.

A. Office of Transportation Safety.

1. OTS Safety Programs Budgeting Process. The highway safety program operates under three fiscal year periods: the federal fiscal year (FFY) from October 1st through September 30th; the state fiscal year (SFY) from July 1st through June 30th; and the

calendar year (CY) from January 1st through December 31st. Federally funded programs operate on the FFY. Funds for the High Visibility Enforcement Campaign and MOST are appropriated on a SFY basis, and FARS operates on a calendar year basis.

a. CDOT's Office of Financial Management and Budget is responsible for developing the CDOT annual budget and submitting the budget to the Governor's office for review and approval. The budget includes both legislatively appropriated items and "non-appropriated" items (those areas appropriated by the Transportation Commission). The Transportation Commission appropriates the budget for CDOT's construction, maintenance and operations activities. The operations budget includes the federal highway safety programs and MOST.

b. Documents used by OFMB to develop the highway safety program budgets include prior years funding, the current ISP estimates of revenues, and personnel salary and benefits. Some items are included separately in an Executive Budget known as "POTS" and are allocated to divisions and programs within the Department. Examples include Group Health and Life and Workers' Compensation.

2. <u>Budgeting Federal Funds/The Federal Aid Agreement.</u> Authorization for spending for the federal highway safety program is set forth in the Transportation Efficiency Act for the Twenty-first Century. The amount of money allocated to each program is determined by the U.S. Congress. The money allocated to each state and territory for the highway safety program is based on statutory formulas and is allocated by NHTSA by population and miles of road. Funding is appropriated by congress for either the base transportation safety program or earmarked for special categories. Earmarked funds such as the 410 alcohol incentive program and the 157 innovative seat belt programs can only be expended on projects within the specific program area. There are different application, reporting and certification requirements for earmarked programs.

a. The FAA Form 217 is the financial contract between the state and the NHTSA and FHWA. Spending limits are set by Congress and by the federal agencies. There are currently ten program areas that have been identified by the USDOT as having the greatest potential to reduce the number of motor vehicle crashes and their severity and associated economic loss. These include 1 - Alcohol and Other Drug Countermeasures, 2 - Occupant Protection, 3 - Police Traffic Services, 4 - Traffic Records, 5 - Emergency Medical Services, 6 - Motorcycle Safety, 7 - Bicycle and Pedestrian Safety, 8 - Safe Communities, 9 - Public Information, and 10 - Education. The FAA is the document which identifies specific projects and funding for each of these program areas.

b. The FAA is included in the annual ISP as Form 217. This document lists the amounts of the approved program as found in the ISP and the amounts obligated to each program areas as of October 1st, the start of the FFY. These amounts include current year obligated dollars as well as reprogrammed dollars unexpended from the prior fiscal year. On October 1st, the planned expenditures as found in the FAA Form 217 are entered into NHTSA's GTS to begin the process of tracking expenditures throughout the year.

c. As funds are obligated to specific tasks, this information is entered and tracked within the GTS by the grant accountant.

d. Revision orders to the FAA may occur throughout the year as necessary. These revisions take the form of changes to the ISP and the GTS. These revisions can result from the addition of projects, changes in the scope and funding of a project, additions or changes to funding levels and obligating additional funds including carryover funds from the previous year. Revisions to the GTS require updated ISP pages. Any increase in approved program amount and percentage to local benefit must be updated in the GTS and approved.

e. Closing the FAA is required under the Common Rule (49 CFR, 18.50) and must be effective on December 31st for the prior fiscal year. Close out activities are handled by the Center for Accounting based on information provided by the Safety Programs Manager and the Business Office. When the FAA is closed out, a final billing is submitted along with a final revision showing a zero unliquidated amount. Unexpended funds are carried over and reprogrammed into the next fiscal year.

f. Special considerations and guidelines:

1) When transferring funds within or between program areas, federal approval is required when either a singular or cumulative amount for the current fiscal year reaches ten percent or $10,000, whichever is greater in program areas with budgets over $100,000, and ten percent for program areas with budgets of less than $100,000.

2) The amount is cumulative regardless of increase or decrease in a program area. Federal approval is also required when there is a change in the Objective Plan of a project which requires additional funding and when the purchase of capital equipment is involved.

3) Planning and administration expenditures must not exceed 10 percent of the annual obligation limitation for 402 funds.

3. <u>Project Claims Processing.</u> All highway safety program contracts, including the federal and state programs, are negotiated on a cost reimbursement basis. Therefore, the contracting agencies will submit claims for reimbursement on a monthly basis.

Review Process

The HSO Project Manager (PM) reviews claims submitted by sub grantees for reimbursement of grant related expenses. After review and verification, the HSO Program Control Manager (PCA) conducts a financial review of the claim and, upon finding it accurate and appropriate, proceeds to submit the claim to the Department's accounting system for payment. The Business Office performs certain required accounting actions in the State accounting system (SAP) and returns original documentation to the HSO. The Grant Accountant pulls required detail from the SAP system to verify sub grantee payments and creates the HSO Federal reimbursement voucher submission. A similar procedure is used for the payment of State agency grant agreements. The following tables, HSO Sub Grantee Claim Review and GTS Process and HSO State Agency Claim Reimbursement Process, explain the steps involved in the review and processing of sub grantee and State agency claims. The tables are followed by additional information regarding these responsibilities.

Note: It is imperative that the HSO assign a high priority to processing claims in order for reimbursement payments to be made in a timely manner.

Note: Claims will not be approved for payment unless a Progress Report has been received from the sub grantee for the corresponding time period. Final claims will not be approved for payment without the receipt of the Progress Report for the final period of the grant and the Final Report (See Chapter IV. Grant Selection and Execution, Section F. Reporting Requirements).

HSO Sub Grantee Claim Review and GTS* Process

Responsible Party	Action
Project Manager	- Opens mail and date stamps claim and Progress Report . Resolves any issues, signs and dates
Project Control Manager	- Reviews claim for grant compliance - Approves claim
Program Assistant	Records claim records and documents in submission log and sends to Business Office for Processing
Business Office	Business Office Enters into State accounting system (SAP) and check is issued. Original voucher filed in HSO.
Grant Accountant	During the third week of each month the Grant Accountant runs an audit trail (copy of Manually Billed Projects for all HSO projects) and saves and electronic copies (HQ accounting shared drive) for the time period to reconcile the State ledger codes for the State projects from the SAP System to the Federal grant number.

	• Accounting Tech checks for critical errors and works with the HSO Program Manager to resolve them. The data is then entered into an HSO billing spreadsheet to identify the billable Federal projects. • If Accounting Tech finds a new WBS code on a project billing, the HSP Program Manager's master spreadsheet is consulted and the appropriate number inserted into the billing spreadsheet. If a new code is not found, the HSO Program Manager is consulted. • Accounting also checks for older expenditures which have not yet been billed to HSO. If resolved, they are included in the current bill. Electronic copies of all documentation are sent to the HSO PCA. • After reconciliation of the HSO billing spreadsheet, Accounting Tech accesses the GTS and inputs financial billing data by Federal grant number. • A GTS transaction report is sent by Accounting to the HSO for review and approval. If unable to bill an item, exceptions are noted. • Accounting also enters State/local match into final GTS request. • When the billing is approved, a draw clearing spreadsheet is finalized. • After the funds are received, Accounting clears the funds directly to the project-specific receivables previously created by Accounting.
Grant Accountant	• Reviews Accounting GTS report and verifies entries • Reviews any GTS "error" messages and resolves • Posts and authorizes the voucher using electronic signature authority • Enters federally required benefit to locals (40 percent) See Chapter II, Section J. Benefit to Locals

Administration and Support section/HSO	**Note**:
	• At the beginning of each fiscal year:
	    1) The Administration and Support section posts the grant dollar amounts for the HSO to the State Accounting System including match amounts and Project Development Authority codes. This is approved by the Business Office for final posting into SAP and detail is forwarded to Accounting Tech
	    2) The Accounting Tech enters the Federal obligation information into GTS from the Cost Summary (HCS) for the current fiscal year.

* See Section B. Federal Grant Tracking System for additional information on GTS.

State Agency Claim Reimbursement Process

Sub	Generates required reimbursement form on line and sends to HSO

grantee	
Project Manager	• Prints hard copy of form, date stamps and codes document • Reviews/resolves any issues with form on file and sub grantee's Monthly Report
Project Manager	• Checks for agreement with form on file • Resolves any issues, signs "ok to pay" and dates, sends to Accounting Tech
Program Control Analyst	• Verifies claim, available funds and approves • Sends to Program Assistant for logging and submission to Business Office
Business Office	• Issues electronic transfer payment via SAP – enters into ledger system • Original form filed in HSO

ii. Entry of State/Local Matching Share

In addition to actual costs to be reimbursed to the State, federally required match funds must be calculated annually by the HSO and entered into the GTS. This calculation determines the total funds, Federal and State match, which have been spent for all the National Highway Traffic Safety Administration (NHTSA) funding sources.

The HSO Program Managers shall establish a reliable process which ensures that Federal program match information entered into GTS for all traffic safety grants is based on the actual program match amounts calculated by the HSO and reflected on sub grantee vouchers submitted to the HSO for reimbursement. The HSO shall ensure the actual program match amounts reported by sub grantees and reflected in the GTS are fully supported and documented in the individual project files. If in fact such program match amounts are insufficient to meet overall program match requirements, then the HSO shall arrange for additional sources of legitimate program match to eliminate the shortfall.

The HSO shall ensure that sub grantees clearly understand the program matching requirements of the funding source for their project and that the amount of match required may be substantially higher than the amount of Federal funds they receive for expenditure.

The entry of required State/local match information into GTS should be completed at the beginning of the Federal fiscal year and then rechecked at fiscal year closeout. See Section C. Matching Funds.

iii. Reporting of Benefit to Locals

Local benefit expenditures must be reported in GTS by March 31 each year AND reconciled at closeout to ensure full compliance when preparing the final voucher. The 40% minimum need not be met by March 31, but whatever local benefit simply be reported by that date. If the percentage appears to be significantly low on March 31, the HSO should do further research to determine the cause - slow vouchering by locals or insufficient number or dollar amount of local sub grants. See 23 CFR Part 1200.23 (a) (3). Local benefit source documentation must be readily available on site including evidence of an active local voice in the initiation, development

and implementation of the programs when sub grants are directed to State agencies and local benefit is claimed. See 23 CFR Part 1250.3 (c) and Part 1250.4.

iv. Submission of Federal Reimbursement Voucher

The *Account Technician* shall submit a Federal reimbursement voucher to NHTSA at least quarterly and no later than the 15 working days after the end of each quarter. Where a State receives funds by electronic transfer at an annualized rate of one million dollars or more, vouchers shall be submitted on a monthly basis no later than 15 working days after the end of each month.

There is no requirement that the monthly voucher requirement pertain to only "new" funding; only that vouchering must be conducted monthly.

The HSO shall work with the various Department divisions responsible for the State and Federal accounting and reimbursement process to ensure that Federal reimbursement vouchers are complete, accurate and in full compliance with the requirements contained in 23 CFR 1200.23 (a) and (b).

> a. The claim forms used are CDOT 1069 for federally funded projects and HVDDLE, and CDOT 942 and CDOT 943 for MOST projects.

4. Financial Tracking/SAP

> a. Reconciliation Process: Upon receipt of each claim, the Project Manager verifies costs charged to projects/tasks in SAP against the contractor's completed claim form. If an error is detected, the Project Manager notifies the Business Office of the error and the correction which needs to be made. Common errors include data entry, lost claims, and incorrect charges. Upon notification of the error and the correction, the Business Office will do a journal entry to correct the error.

5. Revisions to the ISP/Updating Obligations. The ISP may be revised for several reasons including a change in funding, changes in the Objective Plan, increase in obligation amounts, purchase of additional capital equipment, and changes in local benefit. Revisions must be approved by NHTSA. When revisions are made both the Business Office and the Accounting Department must be notified so that both SAP and the GTS can be updated.

B. Staff Services Business Office

1. Contract Coding and Funds Certification. It is the responsibility of the Business Office to ensure proper coding for contracts and to verify that funds are available for the activity. This is accomplished through a Purchase Requisition created by the Project Manager and approved by a supervisor.

2. <u>Obligating Funds into SAP.</u> SAP is the primary accounting system used by CDOT. Funds are obligated into SAP by the Business Office from the ISP in order to establish spending authority for state and federal highway safety projects.

3. <u>Cost Codes.</u> Funds obligated into the SAP system are done under a series of cost codes entered into the SAP table. Each project or task, including in-house projects, is assigned a unique cost code. These numbers must be added to the system before funds can be obligated. Funds obligated are the amounts to be expended at the time of obligation and may not be the full planned amount. For example, at the time the contract is executed, the full amount of funding may not yet be available and the contract is written with partial funding for the project. Once the program/task codes have been entered into SAP, funds may be obligated under the following codes assigned to each project/task:

   a. Grant Number identifies the funding category, the origin of the funding, and in which year the funds obligated (for example: 10 NHTSA 402 PL).
   b. Program Task is the task number according to the ISP, MOST and FARS (for example 10-07-71-01 represents the funding year (10) the ISP program area (07) and the task number (71-01)).
   c. Organization Code is the code which identifies a program/task as belonging to the highway safety program (9848).
   d. WBS code is created and assigned by the Business Office and is usually associated with an ISP task number or in the case of HVDDLE and MOST, the project number.
   e. Function number 8001 has been assigned to all safety grants. Appropriation Code identifies the task or subtask as an area of funding.
   f. Areas of funding can be from state and federal funds and may be broken down into line items such as travel, capital equipment, operating expense, indirect costs and personal services.

4. <u>ISP Changes.</u> Tasks may be increased or decreased with NHTSA's approval and upon receipt of revised ISP pages by the Business Office and the Accounting Department.

5. <u>Agency Match.</u> Agency Match and Local Benefit expenditures are not tracked in SAP and require the maintenance of a separate Excel spread sheet as a part of the Claim Reimbursement form –year to date detail.

C. **The Accounting Department.** The Accounting Department has the responsibility for verifying fund availability for contracts/Controller's signature, processing vouchers for payment, and maintaining the GTS. The Grants Accountant is also responsible for billing the NHTSA and closing out the federal fiscal year on December 31st. For purposes of this Policy and Procedures Manual only, the maintenance of the GTS and the federal billing process will be discussed in-depth.

1. <u>Maintaining the GTS</u>**.** The Accounting Department is responsible for all updates to the GTS including changes to obligation amounts, expenditures of federal dollars and

agency match along with allocations for local benefit. SAP is the source for expenditure of federal funds. The Excel spreadsheet provided by the Business Office is the source of information for agency match and local benefit.

2. <u>Billing and Closeout Procedures.</u> Billing for the 402, 405, 408, 410, 411, 2010, 1906 and 157 Innovative Programs is done manually. Each month the SAP generates the report. The report identifies by grant the expenditures to date by WBS. The Accounting Branch Grants Accountant maintains a worksheet used to determine billing month expenditures. The billing is prepared by the Grants Accountant by entering the costs in the Voucher transaction of the GTS financial reporting program. Before any vouchers are processed, the ISP, Obligation Limitation and Obligation Cost Summary transactions must be completed (refer to the GTS User Manual for more information).

3. <u>Matching Funds.</u> In addition to actual costs to be reimbursed to the state, matching funds must be obtained from the Office of Transportation Safety and entered into the GTS. This calculates the total funds, federal and state matching, which have been spent for NHTSA funding sources (Sections: 402, 410, 408 and 157 Innovative programs). In addition, the amount spent for local benefit must also be obtained from the OTS. Matching funds include:

    a. Planning and Administration is to be matched at 50/50 by state dollars.
    b. 20% of total program costs require match for sections 402, 408, and 1906. Section 410 and 405 require 25% match of total program costs at 1-2 years; 50% at 3-4 years; and 75% match at 5-6 years. NOTE: MAP-21 match is 20% on all programs

4. <u>Voucher Processing.</u> Vouchers processed by the GTS for federal billing are reviewed and approved by NHTSA. The Grants Accountant then authorizes the voucher by using electronic signature authority.

5. <u>FARS Billing.</u> Billing for the FARS program is done monthly. The Grants Accountant must determine costs from the Grant Detail Report to generate a billing for the FARS program. Costs must be "lumped" together into appropriate cost categories. A worksheet breakdown on a computer spreadsheet or ledger paper should be used to show costs for these categories.

6. <u>FARS Voucher Processing.</u> The FARS voucher is typed on Standard Form 1034 in lieu of being computer generated. These vouchers are approved by accounting. Four copies with the Grant Accountant's signature are prepared and distributed:

    a. Three original and two copies are submitted to NHTSA. One copy is forwarded to the Business Office and one copy to Cash Receipts.

    b. One original and documentation are retained by the Grants Accountant.

7. <u>Federal Fiscal Year Procedures</u>. At the end of the federal fiscal year, all final claims and invoices must be received by the Safety Education and Enforcement Programs and Public Information Office staff by November 15th to enable all expenditures to be entered

into SAP and a final billing generated by December 31st. The preparation of the final voucher is the responsibility of the Grants Accountant.

8. Maintenance of Effort The Highway Safety Office maintains documentation to ensure that the State's aggregate expenditures from State sources for Occupant Protection, Impaired Driving and Speed Enforcement programs will be maintained at or above the average level of such expenditures in fiscal years 2010 and 2011.
(23 U.S.C. 405(a)(1)(H)).

This is accomplished by compiling State funding amounts from various State agencies, including the Colorado Department of Transportation, the Colorado State Patrol, the Colorado Department of Health and Environment and State funded Regional Emergency Trauma Advisory Councils (RETACS). Funds that are provided by the State to promote highway safety initiatives are tracked annually to ensure aggregate expenditures are maintained.

APPENDIX A

Form #	Description	Comments	Available Electronically	Web address for form or contact for form
130	Capital Equipment Accountability Record	Replaced by Form 1130	n/a	See Form 1130
145	Cash Transmittal Form		yes	http://www.dot.state.co.us/FormsMgmt/
215	CDOT Employee Expense Form		yes	http://www.dot.state.co.us/FormsMgmt/
217	Lists amounts approved for each program area & amounts obligated as of October 1	Form # for Func Authoriz	n/a	
778	Financial Program On-Site Monitoring Report		yes	http://www.dot.state.co.us/FormsMgmt/
861	Petty Cash Fund Expenditure		yes	http://www.dot.state.co.us/FormsMgmt/
942	Claim forms for MOST projects		yes	http://www.dot.state.co.us/FormsMgmt/
943	Claim forms for MOST projects		yes	http://www.dot.state.co.us/FormsMgmt/
944	MOST Quarterly Report		yes	http://www.dot.state.co.us/FormsMgmt/
954	Journal Entry (Grants)	Same xls sheet as 955	yes	http://www.dot.state.co.us/FormsMgmt/
955	Voucher Requests (Grants)	Same xls sheet as 954	yes	http://www.dot.state.co.us/FormsMgmt/
995	Activity Report for Safety Project		yes	http://www.dot.state.co.us/FormsMgmt/
1068	Claim forms for federally funded projects		yes	http://www.dot.state.co.us/FormsMgmt/
1071	LEAF Capitol Equipment Record		yes	http://www.dot.state.co.us/FormsMgmt/
1072	LEAF Capitol Release		yes	http://www.dot.state.co.us/FormsMgmt/
1097	Quarterly Report		yes	http://www.dot.state.co.us/FormsMgmt/
1106	Contract Objective Plan		yes	http://www.dot.state.co.us/FormsMgmt/
1107	Contract Evaulation Data		yes	http://www.dot.state.co.us/FormsMgmt/
1108	Contract Financial Budget		yes	http://www.dot.state.co.us/FormsMgmt/
1116	Transporatation Safety Project Application		yes	http://www.dot.state.co.us/FormsMgmt/
1129	Capital Equipment Disposition		yes	http://www.dot.state.co.us/FormsMgmt/
1130	Capital Equipment Accountability Record		yes	http://www.dot.state.co.us/FormsMgmt/
1173	MOST Inventory Report		yes	http://www.dot.state.co.us/FormsMgmt/
1174	MOST Quality Assurance Report		yes	http://www.dot.state.co.us/FormsMgmt/
2-70	Non- CDOT Employee Expense Form	Could not locate on web	no	
AC7605	Out of State Travel Request & Authorization	Could not locate on web	no	Attached to the back of Procedural Directive 90.2
DHS020	Captial Equipment Release Form	Replaced by # 1129	n/a	See Form 1129
no #	Procurement Check List	Could not locate on web		Contact Business Office for word document
no #	Personal Services Certification For Contract Modifications	Could not locate on web		Contact Business Office for pdf document
no #	Sole Source Jusitification		yes	http://internal/purchasing/Purchasing/solesrce.pdf
no #	Certification for Personal Service Agreements	Could not locate on web		Contact Business Office for pdf document
W-9	Request for Taxpayer Identification Number and Certification		yes	http://www.irs.gov/pub/irs-fill/fw9.pdf

APPENDIX B

Purchase Order procedures for contracts under $100,000

SAP	Hard Copy Documentation
Step One:	**Step One**:
o Verify **grants** are funded in ZG01, verify **projects** are funded in ZF70	**Project Manager** confirms contractor is in "good standing" on the SOS website. P/O cannot be executed if contractor is not in good standing. Put copy of SOS summary/good standing in EDM prior to issuing P/O.
o Project Manager creates the Purchase Requisition (PR) in SAP	**Project Manager** emails the contract Objective Plan, Evaluation, Budget and any other conditions to the vendor for review and final comments. Any issues the vendor has with these documents should be resolved.
o Unclick "Source Determination" at top of screen	
o PR can be created prior to 10/1	**Use Contract Objective template with Standard Language for reporting and claims submission (see standard language at the end of the document)**
Important in creating PR See share drive PO/PR procedures	
o Put notes in the TEXT Tab – Task #/Contractor/Amount/Hard Copy Documents to Follow, etc. Explain if only partially funded. Include certification and assurances verbiage	**Project Manager** emails Purchasing a scanned copy of a signed and completed Personal Services Certification, with justification (Non-Profit or For Profit contracts only). This should be done a minimum of two weeks prior to the desired start date.
o CFDA #	
o If a personal Services Certification form was sent to Purchasing prior to the PR creation, make a note regarding this and the date sent.	**Step Two:** The Objective Plan, Evaluation, Budget and any other Conditions are attached to the SAP PR. No hard copies needed (other than for the file).
Insert this into TEXT tab – **This Purchase Order is effective 10/1/yy, no expenditures against this project will be paid prior to the effective date (USE ONLY IF PRIOR TO 10/1/yy).**	o **When Program Manager releases the PR, they review all attached documents in SAP for compliance.**
Under A column: o **Z** – Project - Non Participating if grant funds (federal funds) or LEAF/MOST o **P** – Project Participating if project or Flex funds	o Plan, Evaluation, Budget and any other Conditions - **If the project is partially funded then the Objective Plan must indicate what objectives are being completed by the partial funds. The Objective Plan can list the full year's activities but you must indicate what objectives are being completed by the partial funds.**

- o Short text: Enter Task # and Contractor

- o Use the Services Tab to enter $ amount. The Services Tab is used when specific pricing is tied to a unit of measure such as legal services at $150 for 100 hours. The Limits Tab is used in most circumstances.

- o Use correct WBS element (Grants/Projects) or Cost Center for HVDDLE/MOST

- o Use correct G/L account number in Account assignment (ends in 0 if Non Participating, ends in 1 if Participating). Use 4511000010 for all NHTSA funded projects.

- o Use correct function code:
    - Grants - Not Relevant
    - HVDDLE - 1100
    - MOST - 1350

- o Vendor numbers: Primary Vendor Numbers versus Partner Vendor Numbers. Use XK03 to find vendor, submit W-9 for new address.

- o Attach all documents to PR: Objective Plan, Evaluation and Budget.

- o **If the project is partially funded, the Objective Plan must indicate the period covered.**

Step Two: When PR is completed note the PR #
- o Send e-mail with PR# to Glenn or Carol requesting release of the PR, cc: Scott Young and Emiliano Barela.

- o Glenn or Carol will send an email to the Business office to release, cc:

Step Three: Once the PO is issued:

- o Purchasing will mail a copy of the Purchase Order to the vendor. Language in the PO will inform the Contractor that the PO is the Notice to Proceed. The Contract Management Manual, Claim Form and Quarterly Report will be posted on the website and the PO will direct the Contractor to refer to the website and manual.

- o A copy of the PO will also be delivered to the Business Office, who will provide a copy to the Project Manager.

- o The Project Manager creates a standard file for the PO.

Adding funds to an existing PO

Step One: The revised Objective Plan, Evaluation, Budget and any other Conditions are reviewed by the Program Manager and attached to the SAP PR. No hard copies needed (other than for the file).

Step Two:

- o Purchasing will return a copy of the revised PO and mail a copy of the revised PO to the contractor.

- o Place copy of revised PO in file.

Procurement. This will alert the Purchasing Agent to look for documentation to support the creation of the PO. o For PR's under $5,000 note the releases in the TEXT Tab. **Adding funds to an existing PO** o Create a new PR – reference the PO# that you are adding funds to in the Header notes. o Provide an explanation of why funds are being added. o Attach a revised Objective Plan, Evaluation and Budget to the PR o The release steps identified above are also applicable for PO modifications.	

Standard Language for all Objective Plans:

Contract Quarterly Reports are required on all contracts even if there was no activity during a quarter. They are to be completed and signed by the Contract Director for each quarter ending December 31, March 31 and June 30.

One copy of the completed report shall be forwarded to the Office of Transportation Safety no later than the 20th day of the month following the end of each quarter: January 20, April 20 and July 20.

The quarterly progress reports should include:
- A description of the activities undertaken during the quarter
- A description of any problems encountered in the process
- A description of overall progress towards achieving objectives
- Budget details

The Project Final Report shall be submitted to the Office of Transportation Safety within 45 days of contract completion, which is no later than November 15. This report shall be suitable for reproduction and distribution to federal agencies, other states and to local communities as needed.

All claims for reimbursement shall be made on a monthly basis. Costs incurred in one month shall be billed within 45 days after the end of that month. Claims for costs incurred which are over 45 days old may not be paid by the Office of Transportation Safety.

Mileage is reimbursed at .45 per mile. If use of four-wheel-drive is necessary due to road, terrain or adverse weather conditions than mileage is reimbursed at .48 per mile. Approval from the project manager is required before requesting the .48 mileage reimbursement rate. Mileage rates are subject to change and notification will be made if rates adjusted.

EXCEPTION: Claims for the month of June must be submitted no later than July 15 to facilitate the State Fiscal Year end process.

Claim forms and the Contract Management Manual are available on the CDOT website:
http://www.dot.state.co.us/Safety

Procedures for contracts over $100,000

SAP	Hard Copy Documentation
Step One: o Verify **grants** are funded in ZG01, verify projects are funded in ZF70 o Project Manager creates the Purchase Requisition (PR) in SAP o Unclick "Source Determination" at top of screen o PR can be created prior to October 1st **Important** in creating PR o Put notes in the TEXT Tab – Task #/ Contractor/Amount/Hard Copy Documents to Follow, etc. Explain if only partially funded. o If a Personal Services Certification form was sent to Purchasing prior to the PR creation, make a note of this and the date sent. Insert the following into the TEXT TAB: **This Purchase Order is effective 10/1/yy, no expenditures against this project will be paid prior to the effective date (USE ONLY IF PRIOR TO 10/1/yy).** o Under A column: ▪ **Z** – Project - Non Participating if grant funds or MOST	**Step One**: **Project Manager** checks the SOS website to determine if contractor is in good standing (must be in good standing to execute contract). Put copy of SOS summary and good standing in EDM prior to issuing to vendor for signature. **Project Manager** emails the Contract, Objective Plan, Evaluation and Budget to the Program Controls Analyst and the Program Manager prior to sending to the vendor. After this review, the Project Manager forwards the documentation above to the vendor for review and signature. Any issues the vendor has with these documents should be resolved. **Project Manager** requests four original **signed** copies of the contract from the vendor to be delivered back to the **Project Manager.** **Use Contract Objective template with Standard Language for reporting and claims submission (see standard language at the end of the document)** **Step Two:** Once signed contract is received from vendor **and the PR has been released,** the **Project Manager** assembles the contract package for final signatures. The contract package should include the following documents in the following order:

- **P** – Project Participating if project or Flex funds

o Short text: Enter Task # and Contractor

o Use either the Services Tab or the Limits Tab to enter $ amount. The Services Tab is used when specific pricing is tied to a unit of measure such as legal services at $150 for 100 hours. The Limits Tab is used in most circumstances.

o Use correct WBS element (Grants/Projects) or Cost Center for /MOST

o Use correct G/L account number in Account assignment (ends in 0 if Non Participating, ends in 1 if Participating)

o Use correct function code:
   - Grants - Not Relevant
   - HVDDLE/MOST - 1350

o Vendor numbers: Primary Vendor Numbers versus Partner Vendor Numbers. Use XK03 to find vendor, submit W-9 for new address.

Step Two: When PR is completed note the PR #

o Send e-mail with PR# to Glenn or Carol requesting release of the PR, cc: Business Office and Procurement

o Glenn or Carol will send email for Business office to release, cc: PCA. This will alert the Purchasing Agent to look for documentation to support the creation of the PO.

1. CMS Routing Sheet

2. Contract Routing transmittal form

3. Approval Memo

4. **Four** original copies of the completed and signed contract that include: the Objective Plan, Evaluation, and Budget. - **If the project is partially funded then the Objective Plan must indicate the period covered.**

5. OSC Contract Completeness checklist and risk assessment if applicable

This package is routed to the following people or organizations in order:
   - Supervisor
   - Branch Manager
   - Program Controls Analyst
   - Chief Engineer
   - Attorney General's Office (if applicable, assign task in CMS)
   - Representative of State Controller at CDOT Accounting Office (assign task in CMS for Controller Review & Approval)

Step Three: Completed Contract Returned & Final Distribution

o Once the contract has been signed by all parties, the Controller's Office returns three originals to the OTS. One goes in the OTS' project file, one to Janet in the business office, and one to the vendor. A copy of the contract is attached to the PO in SAP.

o The Project Manager will email the contractor a Notice to Proceed indicating a hard copy signed original contract is in the mail.

Adding funds to an existing contract

Step One: Project Manager Assembles the

Adding funds to an existing Contract	**Option Letter Package:**
o Create a new PR – reference the PO# that you are adding funds to in the Header notes	o The contract routing Transmittal Sheet
o Provide an explanation of why funds are being added	o Memo requesting approval of the additional funds; note the PR# and the existing PO# in the memo
o Attach a revised Objective Plan, Evaluation and Budget to the PR if applicable	o 3 copies of the Option Letter
o The release steps identified above are also applicable for PO modifications	o CMS Routing Sheet (this is separate from the original CMS entry but linked to it – choose modification for contract type, route 2 copies)
	o Memo requesting approval of the additional funds and include justification for the increase; note the PR# and the existing PO# is the memo
	o Attach Objective Plan; indicate what Objectives will be completed with the additional funds.
	o Budget page showing additional funds being added only
	This package is routed to the following people for review and approval in the following order:
	▪ Supervisor ▪ Program Controls Analyst (processes in SAP) ▪ Branch Manager ▪ Supervisor will initial and date the transmittal sheet then Branch Manager will initial and date the transmittal sheet. ▪ Chief Engineer (Pam Hutton) ▪ Representative of the State Controller at CDOT in Accounting (assign task in CMS for Controller Review and Approval)
	Step Two: Upon receipt of the Purchase Order package with appropriate initials the Project Manager:

	o The Project Manager sends a copy of the signed Option Letter to the contractor and keeps a copy in the file; one copy goes to Janet in the Business Office (a copy is attached to the PO in SAP).

Standard Language for all Objective Plans:

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One copy of the completed report shall be forwarded to the Office of Transportation Safety no later then the 20th day of the month following the end of each quarter: January 20, April 20 and July 20.

The quarterly progress reports should include:
- A description of the activities undertaken during the quarter
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Mileage is reimbursed at .45 per mile. If use of four-wheel-drive is necessary due to road, terrain or adverse weather conditions than mileage is reimbursed at .48 per mile. Approval from the project manager is required before requesting the .48 mileage reimbursement rate. Mileage rates are subject to change and notification will be made if rates adjusted.

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