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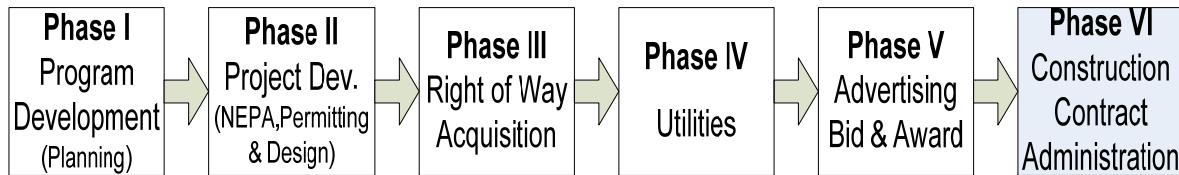
SECTION C

CERTIFIED AGENCY

Chapter 17

Project Closure

This chapter outlines requirements for closing the project accounts (at the certified local agency, ODOT and FHWA) and addresses project management reviews and project audits.



A. OVERVIEW

Project closure is most successful when the local agency has set up a quality control plan at the beginning of the project and maintained the records needed for final submittal concurrent with the progress of the project. After substantial completion of the construction work, it is important for the certified local agency to diligently pursue contract completion. After construction of an FHWA funded transportation project, specific procedures are carried out to terminate the project's finances and review project performance. These procedures are necessary in order to settle any outstanding contract obligations, and to ensure that funds were expended properly. The certified local agency will use its own processes as approved by ODOT, for final project acceptance, closeout and payment.

B. ROLES AND RESPONSIBILITIES

1. Project Closure Documents

a. Certified Local Agency

Certified local agencies are responsible for preparation of the following project closure documents:

- Completion letter;
- Materials certification;
- List of change orders;
- Final quantities; and

- Payrolls and labor compliance.

b. ODOT

ODOT is responsible for the following project closure documents or actions:

- Final payment to certified local agency;
- Final inspection report; and
- Notice to FHWA of project completion.

2. Early Termination of Contract

a. Certified Local Agency

The certified local agency shall follow its written procedures and criteria, as approved by ODOT, for termination of a contract. These procedures must contain language requiring ODOT's concurrence prior to any early termination of contact by the certified local agency.

b. ODOT

ODOT will review and provide a response to the certified local agency's request for termination of a contract.

3. Project Data Reporting to ODOT

a. Certified Local Agency

As noted in Section C, Chapter 16, Construction and Contract Administration, the certified local agency will complete a Certified Agency Quarterly Report form and submit it to the [Regional Local Agency Liaison](#).

b. ODOT

The [Regional Local Agency Liaison](#) will forward the Certified Agency Quarterly Report form to ODOT's Construction Contract Administration Office for recording of specific project information such as project starting and completion dates, project construction costs, and contractor information.

4. Final Project Acceptance, Project Closeout and Final Payment

a. Certified Local Agency

Final project acceptance, closeout and payment are the responsibility of the certified local agency using its own approved processes including the following activities.

1. *Final Inspection* – The certified local agency shall send a request for ODOT to participate in the final inspection and acceptance to the [Regional Local Agency Liaison](#) within 15 days of completion of all the on-site work including completion of all the punch list items. A copy of the physical completion letter that is sent to the contractor should accompany the request for ODOT to participate in the final inspection.
2. *Final Project Documentation* – A construction project is considered complete when the following items have been completed:
 - a. final estimate (approving authority file);
 - b. final invoice (approving authority file);
 - c. as constructed plans;
 - d. record of materials, acceptance and test results;
 - e. materials certification;
 - f. document compliance with “Buy America” [23 CFR 635.410](#);
 - g. affidavit of wages paid;
 - h. civil rights forms; and
 - i. final records (approving authority file).

NOTE: The local agency is responsible for retaining all certifications and reports for at least six years after final acceptance of the project.

Refer to Section C, Chapter 16, Construction Contract Administration, for additional details regarding these final reports.

Additional information is available in [OMB Circular A-133](#). This [Circular](#) sets forth standards for federal audits of state and local governments, related to the expenditure of federal funds.

3. *Quality Control and Quality Assurance* – It is important for the certified local agency and ODOT’s [Regional Local Agency Liaison](#) to communicate often throughout the life of the contract and especially during project closeout. Unless otherwise agreed upon in the certified local agency’s Master Certification Agreement, the following applies:
 - The certified local agency is responsible to perform the Quality Control aspects of construction contract administration and
 - ODOT shall perform the Quality Assurance and documentation review. The forms used to complete this work includes the:

- a. Local Agency Certification Cursory Review Worksheet which will be used as an informal communication tool to identify and discuss outstanding issues; and
 - b. Local Agency Certification Project Review Form which will be the official documenting record and will be used for regular intermediate, final reviews and performance measurement.
4. *As Constructed Plans* – As noted in the local agency master certification agreement, within one year following contract completion for construction, the certified local agency shall send ODOT a final copy of As Constructed plans if a roadway project is on or affects the state highway system and for all bridge projects both on and off the state highway system where ODOT has responsibility for inspection of such bridges.

b. ODOT:

1. *Reimbursement for Final Payment* – ODOT will reimburse the certified local agency for final payment, per the local agency’s master certification agreement with ODOT. After release of final payment, ODOT’s [Regional Local Agency Liaison](#) will oversee completion of the following:
 - a. close-out of the appropriate Expense Account;
 - b. preparation of a memo recommending that ODOT accepts the project; and
 - c. notification to FHWA that ODOT considers the project closed.
2. *General Materials Certification Procedures*
 - a. *Initial Review* – Only on test projects, ODOT’s Regional Assurance Specialist (RAS) will contact the certified local agency and set an appointment for the initial review. The RAS will perform an initial review and document findings on the Local Agency Certification Cursory Review Worksheet. Items requiring correction will be noted and rectified by the certified local agency.
 - b. *Second Review* – Only on test projects, ODOT’s RAS will schedule a return appointment and confirm that each item noted for correction on the initial Local Agency Certification Cursory Review Worksheet had been appropriately addressed by the certified local agency. The RAS will then complete the Local Agency Certification Project Review Form. Copies of all Local Agency Certification Project Review forms will be retained by the certified local agency, the RAS and the [Regional Local Agency Liaison](#).
 - c. *Subsequent Reviews* – These reviews will be carried out as needed to ensure that ongoing communication occurs and that all issues are identified and resolved. Subsequent reviews will use the same process as used in the Second Review.
 - d. *Timing of Reviews* – The timing of reviews should occur as follows:

1. For conditionally certified local agency projects (Quality/Quantity, Labor, Civil Rights, Pre-Construction Conference):
 - a. start-up of project;
 - b. mid point, or at least every two to three months; and
 - c. final review at project closure.

2. For fully certified local agency projects, (Quality/Quantity, Labor, Civil Rights):
 - a. start-up of project;
 - b. as requested by local agency or deemed necessary by ODOT based on risk analysis; and
 - c. final review at project closure.