

# CHAPTER 2

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## **2.00 Introduction**

Resource Management in the Maintenance Program requires effective coordination among the many participants in implementing Program policies. This chapter outlines and describes the individual resource management responsibilities within the Maintenance Program. It also attempts to provide an overview of the necessary steps an individual must follow to ensure effective management of resources.

### **2.01 Roles and Responsibilities**

This section provides general information regarding the responsibilities of key participants involved in the management of Maintenance Program resources. Specific details are noted throughout this chapter.

#### **(A) Chief, Division of Maintenance**

The Maintenance Division Chief has overall responsibility for the statewide Maintenance Program. Specific resource management responsibilities include:

- (1) Developing and/or updating the Maintenance Program Business Plan, Program Evaluation Criteria, and Budget Change Proposals.
- (2) Establishing Level of Service goals consistent with available resources.
- (3) Developing justification for and maintaining documentation of Program resource needs.
- (4) Determining Maintenance Program resource allocations among the districts.
- (5) Evaluating Program effectiveness and redirecting Program resources as necessary to optimize the maintenance and preservation of the highways.
- (6) Working with the Division of Budgets on budget policy.
- (7) Presenting and justifying Maintenance Program resource needs to the Business Transportation & Housing Agency, Department of Finance, and Legislative Analyst Office.
- (8) Establishing Program goals and objectives within authorized resources.

(B) Maintenance Division Office Chiefs

Each of the Maintenance Division Office Chiefs has overall responsibility for the Maintenance “Families” assigned to their office. Specific resource management responsibilities include:

- (1) Recommending maintenance goals, objectives and performance targets for which the Office Chief is responsible, that will allow the Maintenance Program to achieve the goals of the current Business Plan.
- (2) Make recommendations regarding the optimal allocation of resources between districts.
- (3) Review district work plans, spending plans, and Level of Service (LOS) contracts.
- (4) Provide ongoing consultation to the Division Chief and the districts.
- (5) Evaluate district and program wide performance relative to the Program Business Plan, goals, objectives, and provide recommendations for changes necessary to meet the agreed upon goals and objectives.

(C) Deputy District Director, Maintenance

The Deputy District Directors, Maintenance responsibilities for resource management include:

- (1) Review of the Maintenance Program Business Plan, LOS contract, and resource allocation, and updating the district plan to achieve the expected goals and objectives within the budgeted resources.
- (2) Allocate personal service dollars, PYs (person years), and OE (operating expenses) including contracting resources within the district/regions, and reviewing regional work plans to assure conformance with district and Program goals and objectives.
- (3) Review and approve region work plans.
- (4) Evaluate equipment availability for impact on district work plans.
- (5) Plan for efficient utilization of equipment.
- (6) Manage staffing levels within approved Maintenance staffing plans and goals.

- (7) Manage, monitor, and evaluate work plan progress, LOS results, resource utilization, and take corrective actions as necessary to attain goals and objectives.
- (8) Submit Quarterly Spending Plans to keep the Chief, Division of Maintenance appraised of progress and resource utilization, and communicate needs for changes in resources and/or changes in work outcome.
- (9) Schedule and coordinate district maintenance work to be done by contract.
- (10) Evaluate production, LOS, and expenditures compared to work plan and reallocating resources or requesting a change in resources to meet the work plan.
- (11) Provide information regarding district issues, and associated resource management impacts to the Maintenance Division Office Chiefs and Chief, Division of Maintenance.
- (12) Provide information regarding Program resource management issues to District Resource Management Office.
- (13) Provide district perspective to Chief, Division of Maintenance regarding various Program issues.

(D) Maintenance Division District Liaisons

Each Maintenance Program District Liaison has the following specific resource management responsibilities:

- (1) Recommend and define Levels of Service.
- (2) Recommend Maintenance Program targets for each district per approved budget.
- (3) Review district's annual work plans, business plans and spending plans.
- (4) Evaluate district's performance in meeting established Levels of Service for each Program.
- (5) Monitor district's spending plan, and recommend approval, rejection, or revision to the Deputy District Director, Maintenance, and propose corrective actions to the Office Chief and Chief, Division of Maintenance.
- (6) Conducting field reviews to evaluate Levels of Service, use of proper methods and materials, and conformance with Maintenance Program policies and procedures.

## 2.02 Budget Overview

### 2.02.1 Taxes, Fees and other Revenue Sources

The primary source of revenue used in Caltrans is the gasoline tax. This supplies the vast majority of State funds used in Maintenance, and Caltrans as a whole. In addition, Caltrans (and Maintenance) resources are provided from truck weight fees, and reimbursements from local agencies and the federal government for work performed for these agencies. Caltrans used to receive bridge tolls directly, but now receive them in the form of reimbursements from the Bay Area Toll Authority (BATA), a local agency established to manage toll revenues.

### 2.02.2 Fund Sources

A “fund” is similar to a bank account that accumulates dollars from revenue sources like taxes and fees. Nearly all of the Maintenance Program’s resources come from one fund source, the State Highway Account (SHA). The SHA is where most of the gasoline taxes and other fees are collected before they are provided to Caltrans and other departments to perform work.

Other fund sources in the Maintenance Program are federal funds (almost exclusively for bridge inspections) and reimbursements, which represent payments from local agencies for work performed by the Maintenance Program for local agencies.

A department cannot use resources from any fund source unless the Legislature approves an appropriation for the use of the funds.

### 2.02.3 Appropriations

An appropriation is the authority from the Legislature to use State resources to complete authorized workload. The Maintenance Program receives two (2) appropriations. The primary appropriation is called the “Main Appropriation Item” and provides the resources for the vast majority of the Maintenance Program workload, with the exception of Stormwater activities. The second appropriation is specifically for Stormwater activities. Resources in the Main Appropriation Item cannot be used for Stormwater, and vice versa, without the approval of the Department of Finance and the Legislature.

### 2.02.4 Types of Resources

The Maintenance Program budget is organized into personal services dollars and person years (PY) to account for State forces labor expenditures, and operating expenses to account for the purchase of goods and services.

Personal services dollars represent the dollars expended for all categories of State forces labor. State forces labor categories include regular, temporary help, cash overtime (COT), and compensating time off (CTO). (Contract labor is accounted for as an operating expense).

A PY is the equivalent of 1,758 hours of productive work, and is used in calculations of workload when estimating personnel needs and costs. PY's are budgeted and expended for regular and temporary help categories. Although there are no formally budgeted PY's for cash overtime, the Department does track expenditures of cash overtime PYE (personnel year equivalent) to assist in managing cash overtime resources.

Because all positions are not filled at all times, a position is assumed to expend 95% of a PY on average to take account of turnover and the time required to fill a vacant position (this is called the "vacancy factor" or "salary savings").

Operating expenses (OE) consists of contracts, equipment, materials, and agreements with other agencies, utilities, facilities expenditures, travel, communications, and other expenditures for goods and services the Maintenance Program purchases. These expenditures are tracked in Categories and Object Codes which are associated with particular goods and services that are purchased.

#### 2.02.5 The Budget Process

The State of California budget cycle is measured in "fiscal years" which begin July 1 of each year, and end on June 30 of the following year. Caltrans begins planning for each fiscal year's budget one-and-a-half years before the beginning of the fiscal year. For example, for Fiscal Year 2005-2006, which began July 1, 2005, the budget process began in January 2004 with the development of the Department's strategic plan and goals.

The Budget Change Proposal (BCP) is the main document that the Maintenance Program and all other programs use to request increases to the Program budget. These BCP requests are usually for new inventory or new workload not previously funded. Shortly after the establishment of the Department's overall strategic direction and goals, the programs begin developing BCP's for resources to complete new workload.

Each BCP is reviewed internally by the Department. If the Department approves the BCP, it is sent to a variety of external control agencies before it is approved and made part of the Maintenance Program's budget. These external control agencies are: The Business, Transportation and Housing Agency (which ensures that the Department's proposal is consistent with the Administration's goals), the Department of Finance (the Administration's budgetary watchdog), the Legislative Analysts' Office (the Legislature's budgetary watchdog), and the Legislature itself. If a proposal receives the approval of all of these external agencies, it becomes part of the approved Budget Act, and the resources can be used by the Maintenance Program. This review process takes approximately one (1) year from initial approval by the Department to final approval by the Legislature.

2.02.6          Budget Terminology

Program: A program (such as the Maintenance Program) is a group of activities or projects designed to achieve a common purpose. For instance, the various activities (Family Problems) of the Maintenance Program, taken together, are performed to achieve the common purpose of maintaining of the highway system.

E-FIS Project ID is an accounting code used to represent a particular activity or project. Each activity is tied to a particular program so that when that E-FIS Project ID is used for an expenditure of labor or operating expense, that expenditure is charged against the program associated with the E-FIS Project ID.

Maintenance Programs and Families: Maintenance has historically grouped the Program’s activities into sub-programs designated as “HM” programs, which correspond to the formal budgetary program codes. These programs and codes are shown below:

Program	Description	Budgetary Code
HM1	Travelway	2080010
HM2	Roadside and Drainage	2080020
HM3	Bridges and Other Structures	2080030
HM4	Electrical and Traffic Guidance	2080040
HM5	Support and Training	2080050
HM6	Snow and Storm	2080060
HM7	Radio Communications	2080070

Each Maintenance sub-program is made up of groups of activities called “Families.” For example, the HM1 Program for travel way is made up of the “A” Family (flexible pavement) and the “B” Family (rigid pavement).

**2.03          Allocations and Controls**

The Maintenance Program allocations are simplified to allow each district the most flexibility available to manage their resources. Specific operating expense allocations are made for travel, utilities, MAZEEP, Major Maintenance, MPYE contracts, and Fleet Equipment. These are controlled categories. All other allocations are included in the “Block Grant.” Districts have the authority to use Block Grant resources as necessary to achieve district goals and objectives. Districts need Chief, Division of Maintenance approval to change the amounts in the controlled operating expense categories.

The Maintenance Program allocates personal services dollars and PY’s for Regular, Temporary Help, and Cash Overtime categories. These allocations cannot be changed without approval of the Chief, Division of Maintenance.



Allocation adjustments are requested via Allocation Change Requests (ACR's). Districts requesting changes to their allocations need to submit an ACR approved by the Deputy District Director, Maintenance and the District Budget Officer. If the Chief, Division of Maintenance approves the ACR, it will be submitted to the Division of Budgets for formal entry into the Department's Allocation File.

#### 2.03.1 Monitoring and Spending Plans

Each month, the Deputy District Director, Maintenance will review the expenditures to date and compare these to the spending plan to date. Based on this, work schedules should be adjusted as conditions permit to accomplish the approved spending plan.

Quarterly Spending Plans will be completed by each district and submitted to the Chief, Division of Maintenance for review and approval. Spending plans may be required monthly during the last four months of the year to ensure best usage of Maintenance Program resources.

If, for any reason, allocated resources cannot be fully expended, the Chief, Division of Maintenance must be notified of any resources which will not be utilized for the purpose they were allocated so consideration can be given to redirecting the resources to the Program's advantage. If projections based on expenditures and planned workload indicate that any allocated resource level will be exceeded before the end of the fiscal year, immediate corrective action should be taken by the district to get back on target.

Districts shall not overrun their annual Maintenance Program allocation. Increased resource needs are to be reviewed by the Chief, Division of Maintenance. No action shall be taken that would result in an allocation overrun without the Chief, Division of Maintenance written approval. When appropriate, the Chief, Division of Maintenance will obtain approval for budget deviations from the Division of Budgets.

Program allocations are reviewed annually. Work load which cannot be accomplished at the agreed Level of Service (LOS) within current allocation levels should be brought to the attention of the Chief, Division of Maintenance for policy review and possible revision to the activity's (LOS).

Changes to the Maintenance Program's annual budget allocation must be reviewed and approved by the Division of Budgets, who will also determine if Legislative concurrence is required.

#### 2.03.2 Budget Allocation Adjustments

If a Budget Allocation Adjustment need is identified, the Deputy District Director, Maintenance should consult with the District Budget Officer. The District Budget Officer can recommend options, and offer guidance regarding current budget policies and procedures.

### 2.03.3 Requests for Specific E-FIS Project ID

Requests for specific work other than Major Maintenance or normal State forces workload are submitted on an E-FIS Project ID. These requests should clearly describe the work proposed, the location, and cost. The following data should also be included to ensure uniformity and facilitate review:

- (A) Post mile to post mile limits.
- (B) Description of work in sufficient detail to permit a clear understanding of what is intended.
- (C) Reference to any specific Budget Change Proposal.
- (D) Reference to applicable Standard Specifications or Maintenance Manual by section and paragraph. Describe special requirements in specification form.
- (E) Estimate of quantities and costs of the various items of work to be performed should, when possible, be set up in accordance with the pay unit basis indicated in the Standard Specifications.

When it is determined that no further expenditures will be made against the E-FIS Project ID, it should be closed by informing the District Project Control Officer.

### 2.03.4 Maintenance Stations

The District Director is authorized to approve HM funded repairs to Maintenance stations. Funds for needed repairs and upkeep at Maintenance stations are programmed in the same manner as other maintenance functions, and are to be included as a single lump sum in the annual budget.

New construction and improvements to existing stations are budgeted through the State Highway Operations & Performance Program (SHOPP), Maintenance Facilities, Land and Buildings Program (Code 201.352) for major projects, or through the annual Minor portion of the program for minor improvements.

#### **2.04 Limitations and Use of Funds**

Following are particular restrictions to the expenditure of allotted funds. These items will be subject to Maintenance Program review.

- (A) Projects for repair and painting of bridges and tunnels (Families “H” and “J”) that are estimated to exceed \$42,000 at any one location are to be submitted to the Assistant Division Chief, Office of Structures Maintenance, for review and approval.
- (B) Major Maintenance is defined as any planned surface treatment or base repair with an estimated cost exceeding two hundred ninety-one thousand dollars (\$291,000), or the amount adjusted by the Director of Finance pursuant to Public Contract Code section 10105, for a specific project. Major Maintenance may be done by state forces or by contract. The Deputy District Director for Maintenance is responsible for the review, documentation and approval of work performed by state forces. Person years and dollars for Major Maintenance are included in the district’s approved HM Program Budget.
- (C) Preliminary engineering and construction engineering will be charged to the appropriate Project E-FIS Project ID on Minor contracts that are financed from Maintenance funds.
- (D) Preliminary engineering and construction engineering on contracts over \$42,000 will be charged to a multiphase EFIS Project ID. Prior to starting the preliminary engineering, a Phase 1 E-FIS Project ID must be submitted by the District Project Control Officer in accordance with the Accounting Coding Manual.
- (E) When the contract is awarded, Phase 3 construction engineering and a Phase 4 contract E-FIS Project ID will be established by the Office of Engineer.
- (F) Reimbursed Work for Other Agencies. (See Section 2.05).
- (G) Accommodation work may be performed for individuals, firms, or political subdivisions of the State. When the project includes reimbursement to the Department, the agreement must require a deposit in advance of performance sufficient to cover the reimbursed costs including overhead assessments.

The existing signals and lighting billing procedures currently allow the Department to bill in areas and will be subject to the advance requirement.

Work for a city or county may be arranged by cash deposit, special agreement, or Purchase Order. Work for other State agencies is usually authorized by execution of Form 13A, Interagency Service Agreement.

These agreements constitute contracts entered into by the Department of Transportation and the other agencies and as such, must be rigidly adhered to as to amount, type, extent of work to be performed, time limits, etc. No deviation from the terms of an Interagency Agreement is permitted without the approval of the contracting agency and the Department of Finance.

- (H) Projects for restoration, major rehabilitation or improvement to existing Maintenance station facilities, including Cal/OSHA safety improvements to buildings, are not financed from Maintenance (HM) funds. They are included in HA-1 Lands, Buildings, and Facilities Improvements. Likewise, the maintenance and repair of State-owned employee housing is included in HM-5 (20.80.050 Program).

## **2.05 Work for Others (Programs and Agencies)**

Work for Others is defined as any work performed under specific requests and authorizations by other offices; e.g., Traffic, Construction, Right of Way, Equipment, and others within the Department of Transportation. In addition, Work for Others includes work for other agencies such as the Department of Parks and Recreation, and State Institutions.

Refer to Maintenance Manual Volume 2, “Y” Family, regarding charging practices for Maintenance for activities contained in this section. Districts must have the budgetary authority to perform work for others. Contact the District Budget Manager to confirm such authority exists before performing workload.

### **(A) State Park Roads**

It is Caltrans policy to require the Department of Parks and Recreation to finance all work on roads in State parks, which are under their jurisdiction. While such work is not financed from State Highway Funds, it may be performed by our forces under authority of an annual Interagency Service Agreement (Standard Form 13A) and a covering general ledger 926 E-FIS Project ID. The work to be performed must conform to that authorized in the Interagency Agreement, and is to be restricted to the locations specified therein. Work is not to be undertaken without written request from the local Park Superintendent. Such requests will not require advance approval by Headquarters Maintenance Program. Agreements should be written specifying that routine patrol and surveillance activities are to be performed by the Department of Parks and Recreation. Written requests from the Park Superintendent should then outline the desired work and specify the expenditure authorized for it.

Such authorized expenditures are not to be exceeded without prior approval by the local Park agency. Also, the overall expenditure must not exceed funds allotted under the 926 E-FIS Project ID. Every effort should be made to expedite billings to the Department of Parks and Recreation to permit them to reallocate unexpended balances to other needed work.

(B) Minor Improvement and Betterment Work

Minor improvement or betterment work, while frequently performed by Maintenance forces, is under the control of the Construction Program. This work, which is classified as one of the "Construction" or "Capital Outlay" Programs, consists of minor construction of immediate necessity, including but not limited to such items as:

- (1) Improve grade or widen roadbed, including shoulder.
- (2) Correct sub-drainage, stabilize base, and import select materials on sections with poor base.
- (3) Improve sight distances.
- (4) Super elevate curves.
- (5) Serrate pavement to increase skid resistance.
- (6) Grind portland concrete cement (PCC) pavement.
- (7) Apply oil treatment and prepare roadway or shoulders for this treatment.
- (8) Extend old or install additional or larger capacity culverts.
- (9) Benching or flattening cut slopes in connection with slide or slip-out correction.
- (10) Improve bridge decks.
- (11) Install guardrail or other safety devices.
- (12) Place riprap, slope paving, etc., for erosion control or bank protection.
- (13) Installation of horizontal drains.
- (14) Installation of signs.

Total statewide funds for this program, are voted each year by the California Transportation Commission (CTC) as a lump sum item. This sum is apportioned to the twelve Transportation Districts by the Maintenance Program, on the basis of estimated annual needs. Approval of funding for projects has been delegated to the District Director for projects under \$ 120,000.

Requests for small projects or minor construction allotments to be performed under Day Labor and final reports thereon should be submitted in the form prescribed by the Division of Construction. The Day Labor law requires that a final report on work in excess of \$25,000 shall be filed within 60 days with the County Clerk in the county where the public work was performed. If the engineer maintains an office in the county where the work was performed, the report shall be filed in that office.

(C) Work for the Office of Right of Way

Any maintenance of leased properties or "Excess" or "Future Freeway" properties (inside or outside the fenced right of way) performed by Maintenance forces will be by specific request and an E-FIS Project ID from the Division of Right of Way. All other maintenance and all monitoring of properties will be charged to normal Maintenance E-FIS Project ID's. For additional details regarding monitoring and maintenance of non-operating property, refer to Chapter 13, Roadside Maintenance.

Non-operating right of way is property owned by the Department that is not actively used for highway purposes and is typically; excess land that has not yet been disposed of, land acquired for future highway purposes, or land within the highway right of way which can be utilized for other purposes, such as the leasing of airspace.

The Maintenance Program is not normally responsible for the maintenance of non-operating right of way, except for airspace lease property which is vacant (not rented).

Maintenance will be responsible for the maintenance of airspace property when not rented, and such maintenance will consist of all activities necessary to keep appearances acceptable, and which protect the structure which creates the space.

(D) Final Reports on Contracts and Day Labor Work

Final reports on all maintenance work and Day Labor work financed under Minor Improvement Betterment or other Construction funds are to follow the form prescribed by the controlling office.

**2.06 Contracts**

2.06.1 Processing Contracts

(A) Roles and Responsibilities

Figure 2-3 illustrates the roles and responsibilities for each person involved in processing contracts, both major and minor, at either the district level, or from Headquarters.

Figure 2-3: Roles and Responsibilities

CONTRACT ACTIVITY	RESPONSIBLE PARTY
Determine project level and contract type	Deputy District Director, Maintenance
Initiate contract (minor); set E-FIS Project ID	Deputy District Director, Maintenance
Obtain approval for contract (minor)	(Delegated to district)
Initiate contract (major); notify Headquarters	Deputy District Director, Maintenance
Obtain E-FIS Project ID and master file in E-FIS and IMMS to allow charging	Maintenance Program, District Project Control,
Advertise, if competitive bid	Maintenance Program, Division of Engineering Service, Office Engineer
Award contract	Maintenance Program
Certify funds	(Delegated to district)

(B) Monitoring Contracts and Allocations

All Maintenance contracts and contract allocations are monitored for compliance with Maintenance policy by Maintenance Program staff. Each contract is reviewed for concurrence with Maintenance Program responsibility, correct charging practices (E-FIS Project ID's), and appropriate coding. Maintenance staff maintains a current status of all Maintenance contracts. They also coordinate the awarding of major contracts with Office Engineers (ESC).

### 2.06.2 Delegated Maintenance

The districts have Delegated Maintenance Agreements with cities and counties. Under these agreements, the Department pays cities and counties to do certain delegated tasks for the Department.

There is a pre-approved, standardized format used for Delegated Maintenance Agreements.

Explanations for significant deviations from the standard form must accompany the approved agreement.

### 2.06.3 Interagency Agreements

In cases where Caltrans policy requires services to be provided to other State institutions, Caltrans and the institution shall enter into an Interagency Agreement that provides funding back to Caltrans. Work is not to be performed without written request from the State institution to the Caltrans Contract Manager.

Agreements should be written to identify the responsive work required. When possible, work should be performed in coordination with normal routine activities. Responsive work shall be billed as stated in the agreement. The Interagency Agreement shall specify the expenditures authorized. These expenditures shall not be exceeded without prior approval by the State institution with which the agreement has been established. Every effort should be made to expedite billing to the State institution. Work for Others may be authorized by execution of Form 13A, Interagency Agreement, or by Service Contract Form 360 when contract is income generating.

Requests from the districts for additional supplemental or specific supplemental agreement capacity must be countersigned by the District Budget Officer as to availability of funds before being forwarded to the Maintenance Program. The Maintenance Program monitors and maintains the Delegated Maintenance Agreements with the State Controller's Office and Headquarters' Central Files. Although the District Director can approve specific Delegated Maintenance work, the district still must write a letter to the Maintenance Program that will be used to notify the State Controller's Office of the new agreement spending capacity.

### 2.06.4 California Conservation Corps

Caltrans has entered into an Interagency Agreement with the California Conservation Corps (CCC) to accomplish useful and needed public works projects in both urban and rural areas. Districts can enter into a separate agreement with the California Conservation Corp for additional work using district funds.



2.06.5 Special Programs People

In addition to the annual agreement with the CCC, Caltrans also utilizes inmates and welfare recipients in highway Maintenance. The inmate/welfare recipient effort includes six kinds of workers. All of them volunteer for the assignment, and are screened by the appropriate agency before being allowed to work for Caltrans.

(A) Court Referrals

Commonly called "probationers", these are people sentenced by the court to do public service in lieu of serving time in jail. They usually work on weekends. They are expected to arrive at their assigned work place on their own and be ready for work.

(B) Work Furlough

These are people who have been sentenced to serve time in jail, but have been released from jail on their own recognizance. They live at home and check in with the Sheriff's Department by telephone or through attendance reports kept by Caltrans. They work on weekdays and on weekends. They are responsible for arriving at the work site on their own and being ready for work.

(C) Work Release

These are people who are serving time in jail. They volunteer for public service work, and are screened and instructed by the Sheriff's Department before being accepted for public service work. Caltrans typically transports these people from the jail to the work site, but the Sheriff's Department sometimes does this. They work primarily on weekdays.

(D) Inmate

These are people who are currently serving time in the State prison system. They are transported and supervised by a Correctional Officer. They work primarily on weekdays.

(E) Workfare

These are people who are receiving public assistance. They are required to do public service work to retain their benefits. They report to work on their own. They work primarily on weekdays.

(F) General Relief

These are people on county general relief. They are assigned to public service work in exchange for support. They are to report either to their work site, or to a predetermined assembly point for transport by Caltrans. These people generally work during the week.

2.06.6 Landscaping Maintenance by Private Parties

Cities or counties should first obtain concurrence from the District Maintenance Management, and the District Landscape Architect prior to placement of a mitigating condition requiring private developers, as a condition of development of land parcels adjacent to highway right of way, to install and maintain landscaping within highway right of way.

In these situations, the duration of the landscape maintenance is usually a period of one (1) to 20 years. In some cases, when the landscaping is approved adjacent to controlled access right of way, locked gates may be requested to provide direct access from the development. This is accomplished through the encroachment permit exception process.

Generally, such requests may be coordinated under an encroachment permit, as an encroachment, or under a Maintenance Agreement, through the Deputy District Director, Maintenance.

**2.07 Use of Day Labor**

"Day Labor" is defined by State law as the construction of a capital improvement project by the use of casual labor or by State forces. To be considered Day Labor, work must be a new improvement to the infrastructure, or full repair of existing infrastructure. Work for the normal upkeep and maintenance of the infrastructure is not considered Day Labor.

It is the State's policy to contract for the performance of construction type projects, and to do so in full conformance with the State Contract Act. The State Contract Act prohibits the use of Day Labor in excess of \$25,000 unless at least one (1) out of four (4) criteria is met. (See DD-26R, effective 5/1/99). Three out of the four criteria involve emergencies of various kinds. The fourth criteria gives authority to the Director to use Day Labor if it is in the "best interests" of the State after plans, specifications, and estimates have been approved.

To determine if the \$25,000 threshold has been exceeded, the cost for Day Labor work includes labor, equipment, materials, and engineering or architectural services.

2.07.1 Day Labor Procedures: Greater than \$25,000

To assure compliance with State law and Departmental policy (see above section), Day Labor projects exceeding \$25,000 require a Director's Order approved by the Deputy District Director, Maintenance.

To determine if the \$25,000 threshold is exceeded, the cost for Day Labor work includes labor, equipment, materials, and engineering or architectural services.

All Day Labor projects in excess of \$25,000 require an approved Director's Order. Prior to initiating the work, the District Director submits a Director's Order Request to Headquarters Division of Maintenance.

If the Director's Order is approved, then the work may proceed. Follow the accounting and record-keeping requirements in the next section.

2.07.2 Day Labor Procedures: Less Than \$25,000

- (A) Authority for approval of the Day Labor work method and the E-FIS Project ID for work estimated to cost less than \$25,000 have been delegated to the District Directors. The District Project Control Officer will validate the coding and forward the E-FIS Project ID to the Division of Accounting, Office of Financial Accounting Analysis.
- (B) After reprocessing by the Accounting Division, copies of E-FIS Project ID's with questionable Day Labor work methods will be forwarded to the Division of Maintenance for review and recommendation.
- (C) Overruns of original estimates, not exceeding a total project cost of \$25,000, may be approved verbally by the District Director providing that the scope of character of the work is unchanged. Subsequently, this must be confirmed by a revised E-FIS Project ID.

2.07.3 Day Labor Record Keeping and Review: Greater than \$15,000.

This section applies to all Day Labor costing more than \$15,000 for personnel, materials, equipment, and other expenses.

State law (Government Code 4000 et seq.) requires that the "engineer ... in the office of his or her district" keep records of all Day Labor projects worth more than \$15,000.

- (A) To facilitate review and control, each district shall maintain a file for each fiscal year containing copies of E-FIS Project ID's for all Day Labor projects. The file will be kept up to date with each E-FIS Project ID being entered as it is approved.

- (B) The Chief, Office of Roadway Maintenance, is responsible for the field review of a minimum of 25 percent of all Day Labor projects exceeding \$25,000 each year. This review is done for the purpose of confirming proper work method, extent of work performed, reasonableness of work performed, funds expended, and general district conformance to Departmental policy.
- (C) Plans and specifications with an approved E-FIS Project ID, adequate to describe the work and serve as an estimate, must be on file in the district office prior to starting work on projects costing more than \$15,000.
- (D) Final completion reports (use of STD Form CEM 6301 is acceptable) are required within 60 days following completion of work for all Day Labor projects, except those occasioned by emergency, and those costing less than \$15,000. The reports must segregate the project cost by labor, equipment, materials, and engineering costs. State law (Government Code 4005) requires segregated final reports.

## **2.08 Storm Damage and Other Major Damage; Disasters**

Storm damage, or major damage due to other causes, can vary in scope from routine cleanup and patrol, to major disasters when Maintenance incurs millions of dollars in costs.

Storm Damage and other Major Damage consists of:

- (A) "Emergency Opening" work at the scene of a damaged facility due to natural disasters, storms, earthquakes, landslides, flooding, tsunami, terrorism or other sudden events. Often includes traffic control, debris removal, and temporary repairs sufficient to reopen the facility.
- (B) Permanent repairs to restore the facility to its pre-disaster condition.
- (C) Patrolling highways following storms, earthquakes, etc. to check for damage or unsafe conditions.

Storm damage and other damage is fully described in Chapter "S" of this manual. See Maintenance Manual Volume 2, Chapter "S" for storm damage and major damage charging practice instructions. The following sections summarize storm damage and other major damage as it applies to resource management in Maintenance.

### **2.08.1 Charging Practices and Cost Recovery**

Following established charging practices for storm damage and other major damage is critical to ensure the department maximizes potential State and federal damage assistance. State and

Federal reimbursements are dependent on conforming to federal audit and accounting standards. Failure to comply with reporting and cost standards can either cause loss of federal eligibility during an incident or repayment of reimbursement in a post-disaster audit.

#### 2.08.2 Basic Federal Cost Principles

Cost principles that underlie all federal damage assistance to public agencies derives from the Federal Office of Management and Budget's Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." Essentially these principles are:

- **Costs Must Be Allocable.** This means that costs must be recorded in a way that allows costs to be broken down by each project site or damage location. Assigning individual E-FIS Project ID's or IMMS Work Orders by each damage site is allocable. Assigning multiple damage sites into a "lump sum" E-FIS Project ID or Work Order is not allocable.
- **Be Adequately Documented.** Records of locations, the work performed, extent of damage, and photographs are stored or archived to demonstrate the eligible work was performed.
- **Be Necessary and Reasonable.** The work must be needed and necessary (in other words, repairs to undamaged facilities are not allowable). The costs must be reasonable (roughly in line with costs the open market would pay).

Therefore, when proceeding with storm damage or other major damage work, Maintenance does the following:

#### Damage Spot Locations with Total Costs \$1,000 or More

- Work by State Forces: Separate IMMS Work Orders are set up, site specific Project Numbers are assigned, and costs recorded.
- Work by Contractor: The district either establishes separate contracts and E-FIS Project ID's for each damage site OR, if there are multiple sites under one contract, use E-FIS Reporting Codes to keep costs segregated by damage location.

#### Continuous Damage Locations of \$15,000 per Mile or more

The requirement for separate Work Orders or E-FIS Project ID's does not apply to "continuous damage." Example: water runs longitudinally along a shoulder and causes step-off erosion at many intermittent locations over three miles. Since the scope of work is identical at each intermittent spot, and the repairs can be accomplished as one operation, this example can be considered "continuous damage" and may be handled under one Work Order or E-FIS Project ID. For work performed by Maintenance forces, the use of an IMMS Project Number is required for continuous damage sites.

### 2.08.3 Types of Damage Assistance

- A. **Federal Major Disaster:** If the President declares a major disaster, usually by county, reimbursement for damage costs for cleanup and repair are usually made available under the Federal Highway Administration's Emergency Relief (FHWA ER) Program, or the Federal Emergency Management Agency's (FEMA) Stafford Act. In the past, both Maintenance costs and capital construction contract costs have received millions of dollars of aid under these programs. If a major disaster is declared, adhering to the cost principles under 2.07.2 are critical.

In the event of a federal disaster, districts can expect to receive instructions for special cost coding to be used. Generally, these instructions include IMMS Project Numbers and/or E-FIS Reporting Code.

For Maintenance costs eligible for ER reimbursement, the process used is:

1. Maintenance responds to damage locations, all reported under IMMS Work Orders. Disaster-related Work Orders use a designated Project Number.
2. The District Maintenance Engineer identifies eligible sites and prepares Damage Assessment Forms (DAFs). Each IMMS Work Order is correlated with the matching DAF. Cost Reports for each Work Order are printed out and attached to the DAF as back up for the claimed costs.
3. DAFs are signed by FHWA. Copies are submitted to the Headquarters Major Damage Engineer in Maintenance, and to the Federal Resources Area Engineer in Headquarters Budgets.
4. Federal Resources creates Federal Project Numbers in the FHWA Federal Aid System (FADS). The Major Damage Engineer submits IMMS data, a list of DAFs, and Federal Project Numbers to Accounting.
5. Accounting creates "dummy" federalized E-FIS Project ID's. Eligible Maintenance costs from the DAF's are transferred from the Maintenance E-FIS Project ID to the dummy EFIS Project ID, where it is submitted electronically to FADS for reimbursement.
6. Maintenance Resource Management works with Budgets to prepare a request for a budget change to obtain increased budget capacity to receive the federal aid.
7. For some (but not all) disasters, use of Form 42 paving projects is approved. These projects perform certain pavement repairs in disaster areas that would otherwise be ineligible for FHWA assistance. Typically, the ER reimbursement to Maintenance is used to fund Form 42 projects.

- B. **Gubernatorial Disaster:** In some disasters, the Governor may declare an emergency, but the President does not. The FHWA Administrator may activate the ER program administratively at his or her discretion. FEMA Stafford Act will not be available. In any case, the cost principles under 2.07.2 still apply.
- C. **Major Damage, No Disaster:** If the event causes more than \$750,000, and there is no disaster declared, the Department normally seeks to federalize the project using "regular" federal matching funds. In this case, only a capital construction contract and the capital support can be federalized. Maintenance costs cannot be federalized (as of 2003).

## 2.09 Damage Repairs and Cost Records`

Records should be maintained by the district to distinguish disaster and storm damage repairs from accident and vandalism damage work.

### 2.09.1 Damage to State Projects

Repair of damage to State projects (except State owned employee housing) will be charged to the appropriate Maintenance Family/Problem and method using damage report numbers as a Special Designation when the cost does not exceed \$25,000.

Repair work costing more than \$25,000 will be reported by a specific E-FIS Project ID.

Requests for E-FIS Project ID's to repair such damages will include all pertinent information such as the damage claim number, the damaging party (if known), location, and extent of damages.

During progress of specific work, a record of costs shall be kept in the manner and form prescribed under current accounting instructions. Completion reports on maintenance work will not be required when financed wholly from Maintenance funds. Completion reports will be required when all or any part of the cost is to be recovered, either from responsible party or parties on a damage repair or an agency participating in the cost of the repairs or replacements.

## **2.10 Materials and Supplies**

### **2.10.1 Acquiring Materials and Supplies**

It is the policy of Caltrans to maintain inventory control and accountability of all material until such items are put into use. All materials and supplies, except those that must be obtained by Sub-Purchase Order, for immediate use, should be accounted through district office in accordance with current accounting instructions. Materials and supplies are withdrawn from the Warehouse inventory using a Local Request.

They should also be shown on an Integrated Maintenance Management System (IMMS) Work Order under the correct Activity. Material should be charged out in IMMS the same day the material is used.

### **2.10.2 Criteria for Ordering Supplies**

Every Division and district has established criteria for determining who may order supplies, equipment, furniture and other commodities, and who may approve requests within the Division or district.

Goods may be ordered by the following methods listed in priority use order:

- (A) LR-EDP's (Local Request-Electronic Data Processing) for supplies from a Caltrans warehouse.
- (B) Supply Orders for supplies from Department of General Services (DGS) Stores.
- (C) Purchase Requests.
- (D) Purchases using an assigned Caltrans Credit Card (CALCARD).

Refer to the "Acquisition of Materiel Manual" for information and instructions for the use of each of the four methods of purchase.

### **2.10.3 Product Endorsement Prohibition**

No employee shall endorse commercial products by stating that such items have been adopted by the State, or that certain articles are superior to others, without the approval from the Maintenance Program. The Division of Procurement and Contracts has been delegated the task of investigating all merchandise to be purchased, and will represent the Department of Transportation in relations with vendors. All matters pertaining to specifications and procurement of materials will be referred to the Division of Procurement and Contracts.