



## *Local Programs Procedures*

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### **LPP 93-02** **Reimbursed Work for Others**

Reference: Procedures Manual for Special Funded Programs  
Local Programs Manual Volume I

Effective Date: July 1, 1993

Approved: \_\_\_\_\_  
Chief, Office of Local Programs

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This procedure modifies the guidelines for reimbursed services provided by Caltrans for projects funded by local agencies using their ISTEA funds, with TSM match, on the State highway system. This revision will be incorporated into the Local Programs Manual and the Procedures Manual for Special Funded Projects during the next updates.

#### EXISTING PROCEDURES

Section 8.32 of the Procedures Manual for Special Funded Projects states: "Reimbursed costs for personal services and general expenses provided by Caltrans include direct and overhead costs." Under current procedures, local agency projects funded from CMAQ funds, and some projects funded from RSTP funds, are eligible for State match using TSM funds. Eligible project costs include; in addition to capital outlay for right of way and construction, project development and right of way services, and construction contract administration.

When a local agency chooses to use these Federal and State funding sources on a State highway project and requests that Caltrans perform the engineering and/or right of way services on a reimbursement basis, current policy is to require the local agency to fully reimburse Caltrans for all costs incurred, including Caltrans' overhead costs.

Caltrans' overhead costs, however, are not eligible for federal reimbursement. Consequently, when Caltrans performs the work, the local agency is required to reimburse Caltrans for overhead costs using local agency funds. Since the project is on the State highway system, and is of benefit to the State, local agencies should not be required to pay these costs. To correct this situation, the reimbursement policy has been modified as explained below.

NEW PROCEDURES

Local agencies are not required to reimburse Caltrans for overhead costs (i.e., overhead costs are waived) when all of the following three conditions are met:

1. A local agency has agreed to use their Congestion Mitigation & Air Quality (CMAQ) and/or Surface Transportation Program (STP) funds to fund a project on the State highway system, and
2. A District has agreed to design, provide right of way services and/or administer the construction of the project for the local agency on a reimbursement basis, and
3. The local match for the project cost is funded from State Traffic System Management (TSM) funds.