

## **FEDERAL HIGHWAY ADMINISTRATION**

Strategic Oversight Agreement for  
Gerald Desmond Bridge Replacement  
BRLSN-5108(073)/07-932104L  
February 21, 2008

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On September 4, 2007, a new Federal Highway Administration (FHWA) and California Department of Transportation (Caltrans) Stewardship and Oversight (Stewardship/Oversight) Agreement was signed. Under the new Stewardship/Oversight Agreement, the FHWA and Caltrans will utilize a risk-based approach to project –level management that no longer uses the \$1,000,000 threshold to determine FHWA stewardship and oversight. This risk-based approach to project oversight will be conducted in two steps: 1) selecting the projects that traditionally pose a risk to the health of the Federal-aid Highway Program (High Profile projects) and 2) within the High Profile projects, further delegating approval authorities in activities that pose a low risk to the individual projects.

A Major Project is defined as having a total project cost of greater than \$500 million. Under the Stewardship/Oversight Agreement, all Major Projects are considered “High Profile” Projects. Each “High Profile” project will have a Project Responsibility List developed to define which approval actions are to be handled by FHWA or Caltrans/Local Agency. Other areas of Federal involvement and/or approval actions for this project are summarized in this agreement: Attending meetings, design reviews, conducting project inspections, etc.

### FHWA Project Personnel and Resources for Oversight:

Scott McHenry has been assigned for oversight of this project and has authority of the Project Oversight Manager (POM). The POM will be responsible for all project actions and approvals, specified in the chart below, with the guidance of the FHWA Division Office management and the assistance of other FHWA personnel. Division Office specialists will be available for project reviews and technical assistance in order to provide expeditious reviews and approvals of project actions. Oversight will be conducted through project inspections, review of project data and various other means. The U.S.D.O.T. Office of Inspector General may also perform audits of project costs and other financial data as required.

### Reporting Requirements:

The FHWA POM will be responsible for providing periodic updates of the costs and schedules of the project to FHWA Headquarters and the United States Department of Transportation (US DOT) – Office of the Secretary. Briefings will also be provided to assist various agencies with tracking information. The Project Management team will provide the POM with quarterly updates at a minimum (using all available information) with respect to project cost and scheduling to assist with this task. Along with the quarterly updates, the FHWA POM will attend regular meetings to discuss the project's progress including any unforeseen circumstances.

### PROJECT DESCRIPTION

This project consists of replacement of the aging Gerald Desmond Drive. The project location is in the Back Channel area of the Port of Long Beach, centered along Ocean Blvd. From the intersection of the Terminal Island Freeway (SR-47) at the western end to its terminus at the westerly end of the bridge over the Los Angeles River. The total project cost is estimated to be \$721,400,000 subject to escalation from a base November 2005 dollar. Project cost will be revised at environmental certification scheduled for third quarter of 2008. Caltrans fact sheet for project shows construction costs of \$800,500,000 with \$65,000,000 support costs. Port is on board for the schedule for the Finance Plan and PMP. Expected environmental document should be EIR/FONSI not EIS.

### PROJECT-SPECIFIC REQUIREMENTS

Oversight activities specific to this project are detailed in Attachment A. Items not addressed by the Project Responsibilities List that pertain to this project are discussed below.

Since this project has not yet completed the NEPA phase, the approval actions to be taken by FHWA, as indicated in Attachment A, may be delegated to Caltrans when the project has advanced enough to more accurately determine low-risk activities in later phases. Should a decision be made after NEPA but prior to construction that significantly changes the project's risks, i.e., a change to design-sequencing or design-build, another evaluation of approval action responsibilities may be necessary.

### Planning:

FHWA has ensured that the Project is included in a conforming Transportation Improvement Plan. Project is in the 2006 RTIP (10-2-06).

### Environment:

The appropriate NEPA document for this project is an Environmental Impact Statement. All environmental review, consultation, and any other action required in accordance with applicable Federal laws and regulations for this project is being, or has been, carried out by Caltrans under its July 1, 2007 assumption of all the United States Department of Transportation (USDOT) Secretary's responsibilities under National Environmental Policy Act (NEPA) pursuant to Section 6005 of SAFETEA-LU codified in 23 U.S.C. 327(a)(2)(A).

A revised Draft EIS was completed by Parsons for FHWA, Caltrans and Port of Long Beach on January 2007.

### Design:

This project has not advanced enough to determine whether or not complex or high risk design features will exist. Upon completion of the NEPA process, determination of appropriate design approval authorities will be made. At that time, reviews for preliminary design and PS & E approval prior to authorization for construction will be conducted as established.

### Right of Way:

Appropriate FHWA review/approval will be conducted when warranted.

### Construction:

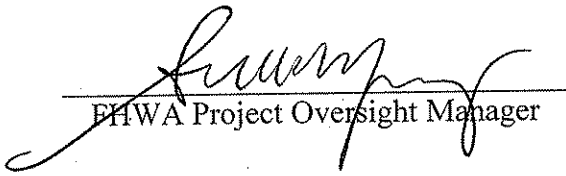
The FHWA POM is responsible for FHWA construction oversight. This oversight may include routine inspections throughout the life of the project. If FHWA approval for Major Contract change orders is retained, it will be implemented per the Caltrans Construction Manual Procedure 5-308B (1) Federal Highway Administration Involvement Requirements – Major Contract Change Orders.

### Plan of Finance:

The initial Finance Plan will be submitted to FHWA as early as possible but no later than ninety days prior to authorization of funds for construction. Updates to the initial plan will be provided to the FHWA Division Office and the FHWA Major Projects Team by the annual submission date established in the Initial Finance Plan for each subsequent year until all construction is completed.

Project Management Plan

A draft Project Management Plan (PMP) will be submitted to FHWA prior to finalization of the NEPA decision document. The final PMP will be due 90 days after completion of NEPA. The final PMP will be approved by the FHWA California Division, in concurrence with the FHWA Headquarters Major Projects Team. Updates to the PMP will be completed and submitted on a regular basis if significant changes occur to the project cost and/or schedule.

  
FHWA Project Oversight Manager

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Caltrans District Local Assistance  
Engineer

ATTACHMENT A

**Overview**

The Project Responsibility List identifies the responsible agency for project level actions. Within each column, activities are listed and the appropriate Approval Authority (FHWA or Caltrans) is identified. The FHWA will maintain approval authority for activities that cannot be delegated and activities that may pose a risk to individual projects. The activities with highlighted cells under the High Profile projects column,  all show FHWA. At this time FHWA will retain all Approval Authority for this project.

APPROVAL ACTION	APPROVAL AUTHORITY
	High Profile Projects
<b>ADMINISTRATION</b>	
<b>Financial Management</b>	
All Vouchers (progress payments and final)	FHWA
Federal-aid Project Agreement and Modification—Preliminary Engineering through Construction [23 CFR 630.110]	FHWA
Funding Eligibility Determinations	FHWA
Obligate funds	FHWA
Section 1.9 Waiver [23 CFR Section 1.9]	FHWA
<b>PROJECT DEVELOPMENT</b>	
<b>ROW</b>	
Accept ROW certificate 3 as a condition of PS&E approval [23 CFR 635.309(c)(3)]	FHWA
Accept ROW certificates 1 and 2 as a condition of PS&E approval [23 CFR 635.309(c)(1)&(2)]	Caltrans
Air space agreements / Non-highway use and occupancy not on the Interstate [23 CFR 710.405]	N/A
Air space agreements / Non-highway use and occupancy on the Interstate [23 CFR 710.405]	FHWA
Control of Access [23 CFR 620.203(h)]	FHWA
Functional Replacement [23 CFR 710.509]	FHWA
Junkyard Control [23 CFR 751.25]	FHWA
Outdoor Advertising Sign Removal Projects [23 CFR 750.307]	FHWA
Protective Buying and Hardship Acquisition [23 CFR 710.307, 503]	FHWA
Public Interest Finding (PIF) - Disposal of federally funded ROW [23 CFR 710.403, 409]	FHWA
Railroad Agreement [23 CFR 646.216 (3)(d)]	N/A
Relinquishment of a Highway Facility for continued highway purposes [23 CFR 620.201, 202, 203]	FHWA
Request for Credits for Early Acquisition of ROW [23 CFR 710.501]	FHWA
Request for Direct Federal Acquisition [23 CFR 710.603]	FHWA
Request for Federal Land Transfer [23 CFR 710.601]	FHWA
Request for Waivers [49 CFR 24.204(b)]	FHWA

APPROVAL ACTION	APPROVAL AUTHORITY
	High Profile Projects
Utility Agreement [23 CFR 645.113, 119]	Caltrans
Utility Relocation [23 CFR 645 subparts A and B]	FHWA
Withholding of Payments [23 CFR 710.203(c), 23 CFR 1.36]	FHWA
<b>Environment</b>	
Categorical Exclusion (CE) [23 CFR 771.117 (c) and (d): SAFETEA-LU 6004; 23 CFR 771.117 all other CEs: SAFETEA-LU 6005]	Caltrans (1)
Certification of Public Hearing [23 CFR 771.111(h)(2)(vi)]	Caltrans
Draft Environmental Impact Statement (DEIS) [23 CFR 771.123; 23 CFR 771.123 (e); SAFETEA-LU 6005]	Caltrans (1)
Environmental Assessment (EA) Availability to the Public [23 CFR 771.1199(c); SAFETEA-LU 6005]	Caltrans (1)
Final Environmental Impact Statement (FEIS) [23 CFR 771.125; 23 CFR 771.125(c); SAFETEA-LU 6005]	Caltrans (1)
FEIS Legal Sufficiency [23 CFR 771.125(b); SAFETEA-LU 6005]	Caltrans (1)
Finding of No Significant Impact [23 CFR 771.121; SAFETEA-LU 6005]	Caltrans (1)
Noise Abatement [23 CFR 772]	Caltrans
Project-Level Transportation Conformity for CE processed under SAFETEA-LU 6004 MOU [40 CFR 93]	Caltrans (1)
Project-Level Transportation Conformity for CE, EA and Environmental Impact Statement (EIS) processed under SAFETEA-LU 6005 MOU [40 CFR 93]	FHWA
Record of Decision [23 CFR 771.127; SAFETEA-LU 6005]	Caltrans (1)
Re-evaluation on Approved Environmental Documents [23 CFR 771.129; SAFETEA-LU 6004 & 6005]	Caltrans (1)
Section 4(f) <i>De Minimis</i> Determination [SAFETEA-LU 6004, 6005 & 6009, 49 USC 303]	Caltrans (1)
Section 4(f) Individual [23 CFR 771.135; SAFETEA-LU 6004 & 6005]	Caltrans (1)
Section 4(f) Programmatic [23 CFR 771.135; SAFETEA-LU 6004 & 6005]	Caltrans (1)
Supplemental EIS [23 CFR 771.130; SAFETEA-LU 6005]	Caltrans (1)
<b>Preliminary Design</b>	
Consultant Selection [23CFR 172.5]	FHWA
Financial Plans for projects from \$100M to \$499M [SAFETEA-LU 1904]	Caltrans
Major ITS Project Development [23 CFR 940.11]	FHWA
Major Projects and TIFIA Loan Projects - Project Management Plan and Financial Plan Approval [SAFETEA-LU 1904]	FHWA
Minor ITS Project Development [23 CFR 940.11]	Caltrans
New/Modified Interstate Access Determination of Engineering and Operations Acceptability [Feb 1998 Federal Register, Vol#28 - (minor access changes delegated to Caltrans, see letter dated September 15, 1994)]	FHWA (Caltrans)
PIF – Airspace Clearance FAA [CFR 620.104]	FHWA

APPROVAL ACTION	APPROVAL AUTHORITY
	High Profile Projects
PIF - Use of Negotiated Consultant Contracts [23 CFR 172.5(3)]	Caltrans
<b>Detailed Design</b>	
Approve preliminary plans for major and unusual structures	Caltrans
Design Exceptions, non-Interstate (all other projects) [23 CFR 625.3]	Caltrans
Design Exceptions on the Interstate (13 controlling Criteria) [23 CFR 625.3]	FHWA
Experimental Features (Pilot and Demo) aka CEWP, design/sequencing	FHWA
New/Modified Interstate Access Control Change - Final Approval [Feb 1998 Federal Register, Vol#28]	FHWA
PIF - Statewide and project specific use of proprietary products and processes [23 CFR 635.411]. If statewide, FHWA approval.	FHWA
PIF and Cost Justification Letter - Statewide and Project Specific - Concur in use of publicly furnished materials and expenses [23 CFR 635.407]. If statewide, FHWA approval.	FHWA
ROW encroachments - Use and occupancy of acquired ROW [23 CFR 710.401, HDM 504.8]	FHWA
Value Engineering [23 CFR 627, SAFETEA-LU 1904]	Caltrans
<b>PS&amp;E and Advertising</b>	
Authorize advertising for bids [23 CFR 635.112]	Caltrans
Authorize utility or railroad force account work [23 CFR 645.113 & 646.216]	N/A
Bid Analysis (Engineer Estimates)	Caltrans
Consultant Agreements [23 CFR 172.7 - 172.9]	Caltrans
Exempt bridge from Coast Guard permit requirements [23 CFR 650.805]	FHWA
Hiring of consultant to serve in a "management" role [23 CFR 172.9(d)]	FHWA
Noise - Reasonable and Feasible Determination for PS&E approval [23 CFR 772.11(g)]	Caltrans (1)
PIF - Advertising period less than three weeks [23 CFR 635.112]	FHWA
PIF - Use of contracting method other than competitive bidding [23 CFR 635.104 & 204]	FHWA
PIF - Use of Force Account [23 CFR 635.204, 205]	FHWA
PIF - Use of Mandatory Borrow/Disposal Sites [23 CFR 635.407]	FHWA
PIF - Use of Publicly Owned Equipment [23 CFR 635.106]	FHWA
PS&E [23 CFR 630.205, 23 USC 106]	Caltrans
Supplemental Work Item Justification	FHWA
Utility and railroad agreements [23 CFR 645.113 & 646.216]	N/A
Warranties [23 CFR 635.413]	FHWA
<b>Construction</b>	
Accept Materials Certification [23 CFR 637.207]	Caltrans

APPROVAL ACTION	APPROVAL AUTHORITY
	High Profile Projects
Addenda during advertising period [23 CFR 635.112(c)]	Caltrans
Buy America Waiver [23 CFR 635.410, ISTE A Sec. 1041(a) & 1048(a), 41 CFR 10 (a-d)] Submit to HQ if >\$50K.	FHWA
Concur in award of contract [23 CFR 635.114]	Caltrans
Concur in rejection of all bids [23 CFR 635.114]	Caltrans
Concur in settlement of contract claims [23 CFR 635.124; C&M Manual, Chapter 2]	Caltrans
Concur in termination of contracts [23 CFR 635.125]	Caltrans
Construction engineering by local agency [23 CFR 635.105]	N/A
Contract time extensions [23 CFR 635.120 & 121]	Caltrans
Final inspection/acceptance of completed work [23 USC 114(a)]	FHWA
Incentive/Disincentive Amount Justification [23 CFR 635.127]	Caltrans
Innovative Contracting Requirements [SEP 14 & 15]	FHWA
Liquidated Damages (rates subject to FHWA approval) [23 CFR 635.127]	Caltrans
Major changes and extra work [23 CFR 635.120]	FHWA
Minor changes and extra work [23 CFR 635.120]	Caltrans
Subcontracting Requirements [23 CFR 635.116(b)]	Caltrans
<b>Research</b>	
Experimental Features [FAPG Ch. 6, Sect G 6042.4]	FHWA
<b>Emergency Relief</b>	
ER Damage Assessments and Reports on the SHS [23 CFR 668, 23 USC 120 and 125]	FHWA
ER Damage Assessments and Reports off the SHS [23 CFR 668; 23 USC 120 and 125; ER Q&A, Question #5 Revised DAF and #8 Coordination with Other Agencies]	FHWA/ Caltrans
(1) Caltrans has assumed responsibility for these items under the Section 6004 and 6005 MOUs. The FHWA will reassume responsibility should any of the applicable agreements be terminated or expire. Additionally, the FHWA remains responsible for several projects that have been excluded from the assumption of NEPA responsibilities by Caltrans.	