



# Local Force Account Agreements

- Definitions and Background
- Previously Implemented
- Discussions in Progress
- Future Discussions
- Communication Plan



# LFA – Definitions

- SFA – State Force Account
  - State working on state highway
- LFA – Local Force Account
  - LFA – State
    - Local Unit working on state highway
  - LFA – Local
    - Local Unit working on local highway



# LFA – Background

- FHWA Process Review – 2006
- US DOT Report – December 2006
- FHWA Report – May 2007
- Initial WisDOT Response – July 2007



# LFA – Previously Implemented PART 1

- LFA Agreements Now Reflect P S & E Approval
- LFA Agreements Incorporate All Required Contract Provisions
- Minor Equipment Covered Under Equipment, Not Materials
- LFAs Only Used on Federally-Eligible Roads



# LFA – Previously Implemented PART 2

- Stronger Role in Project Oversight
- Limited use of Rental Equipment
- Change from “Contract” to “Agreement”
- All Project Work in State Municipal Agreement



# LFA – Discussions in Progress

- Subcontracting
- Staffed and Equipped
- Work on Another's System
- Cost Effectiveness Findings



# LFA – Subcontracting

- Contracting for Private Services as Part of LFA No Longer Allowed
- Local Units Needing Private Services May:
  - Use WisDOT let process - \$50K min.
  - Use local let process – locally funded
- A third process is being discussed
  - Local let – federally funded



# LFA – Staffed and Equipped

- For 2009 Construction, Local Unit will Need to be Pre-Qualified
- Additional Guidance on Process coming in summer
- Pre-Qualification Good for 3 Years



# LFA – Work on Another's System

- One Local Unit Working on Another Local Unit's System is Not Allowed Under an LFA Agreement
- WisDOT/FHWA Will Be Discussing How This Impacts Small Safety Program

# LFA – Cost Effectiveness Findings

- Update procedures on preparing a CEF
- Clearly state reason for using LFA
- Discuss source of bid prices
- CEF process should “normalize” local unit advantages
- Re-examine CEF for significant cost increases?



# LFA – Future Discussions

- Basis of Payment
- Small Tools/Administrative Fees
- “Excluded Work”
- Penalties for Non-Conforming Materials



# LFA – Basis of Payment

- LFA Estimates May Be Prepared Using Unit Costs
- LFA Work Is Reimbursed Based on Actual Cost
- Approved Machinery Rates Part of Actual Costs



# LFA – Small Tools/Administrative Fees

- Should Comply with OMB Circular A-87
- Counties Are in Substantial Compliance
- Other Local Units Using LFAs Must Comply



# LFA – “Excluded Work”

- Currently Local Unit Must Perform 30% of Work Under a LFA
- Work Not Performed by Local Unit was Called “Excluded”
- Banning “Subcontracting” for Private Services and Limiting Rental Equipment Will Reduce This Concern
- Purchased Materials OK as Excluded



# LFA – Penalties for Non-Conforming Materials

- Sometimes Non-Conforming Materials Are Allowed to Remain, At a Reduced Cost
- WisDOT/FHWA Will Address How to Assess Penalties for Non-Conforming Materials Incorporated into a LFA Project



# LFA – Communication Plan

- Stakeholder Meetings
- Conference Presentations
- Memos to Local Units of Government
  - Memo 1 – June 20, 2007
  - Memo 2 – March 19, 2008
  - Memo 3 – Summer 2008
- Manual Updates (PMM, FDM, C&MM, MM)

# QUESTIONS?

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