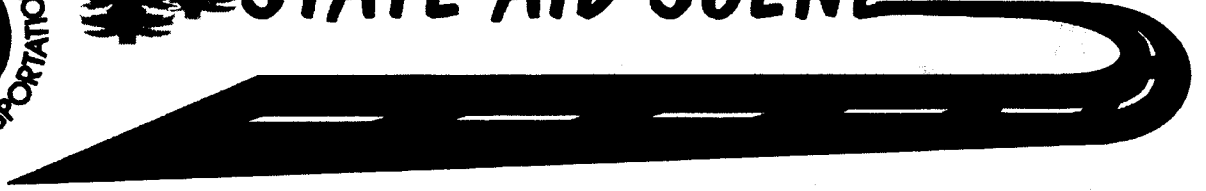




STATE AID SCENE



Number 24

State Aid Division

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FEDERAL AID FORUM CORRECTION

Tied Projects

In the previous State Aid Scene (Number 23, dated Jan 1998), the following was included in the article on Federal Aid Eligibility: *“In addition, if two independent projects, one using Federal Aid funds and the other using only local funds, are let together in one Federal Aid contract, both of the projects will require environmental approval by the FHWA, and must follow all Federal Aid contracting requirements.”*

Further review of Federal regulations and additional discussion with the FHWA, have clarified when **“independent projects”** can be tied for bidding purposes. Federal regulation 23 CFR 635.111 permits the tying of a Federal-aid project and a locally financed project for bidding purposes. Environmental approval on the locally financed project will not be required if the two projects have **“independent utility”**, ie: one is not necessary for the completion of or the operation of the other, and the locally financed project is not within the corridor/project limits of the Federal-aid project.

An example of projects with independent utility would be projects on different roadways which could be let separately, but when tied may produce more favorable bids. Another example would be a federal-aid bike trail and a locally financed bike trail in the vicinity of, but not necessary to, the intended use of the federal-aid bike trail.

Examples of “tied” projects without independent utility would be:

1. Resurfacing of a detour route for the Federal-aid project.

2. Construction of detention ponds outside the right-of-way of the Federal-aid project.
3. Reconstruction of a roadway with local funds, and enhancements, such as lighting or bike trails, with Federal funds.
4. Approach paving for bridge funded with Federal funds.
5. Reconstruction of roadway with Federal funds where a section of the road in the middle of the project, or on either end, is proposed to be constructed with local funds, usually if that section may have difficulty meeting Federal environmental regulations.

If projects are tied for bidding purposes, preparation of plans and bid proposal should be based on the following:

1. If the conditions of work are similar, the quantities should be combined in the bid proposal to prevent unbalancing of bids
2. If the conditions of work are not similar, the bid schedule in the proposal shall contain separate quantities and bid prices for each project. Federal participation shall be based on the lowest overall bid proposal, unless the analysis of the bids reveals that mathematical unbalancing has caused an unsupported shift of cost liability to the Federal-aid work. In that event, the Federal participation shall be based on the unit prices represented in the proposal by the individual contractor who would be the lowest responsible bidder if only the Federal-aid project were considered. The most obvious example of “tied” projects where conditions of work are not similar would be a reconstruction project tied to a bridge project; “conditions of work” should be reviewed on a project-by-project basis.

Questions about “independent utility” should be addressed to your District State Aid Engineer or Mary Bieringer at the State Aid Office.