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# ***Federal Aid Technical Bulletin***

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## **Bulletin No. 14-01**

**Date:** May 22, 2014

**Subject:** Use of a Joint Participation Agreement (JPA) with local agencies for Intelligent Transportation System (ITS) equipment purchases

Federal Aid Technical Bulletin No. 03-06 issued July 17, 2003, addressed when it is permissible to utilize a JPA in lieu of a Local Agency Program (LAP) Agreement for Federal-Aid projects. In general, a LAP Agreement is required for use if a local agency undertakes construction work, or any phase of work required to bring a project to construction. Additional details are provided in FedTech Bulletin 03-06 and the Local Agency Program Manual

This Bulletin Number 14-01 expands the description of and clarifies when the use of a JPA is permissible for ITS projects involving equipment purchases and installation.

Although the purchase of ITS equipment and the installation are considered construction by the Federal Highway Administration (FHWA), a JPA between the Department and a local agency may be executed for reimbursement of equipment costs with Federal-aid funds for this work activity under the following circumstances:

- The local agency is LAP Certified.
- Reimbursement for the project must be limited to ITS equipment purchase only. After purchase, the installation of the equipment must be completed by the local agency's in-house forces using local agency funds.

Note: If the installation of ITS equipment is programmed for Federal-Aid reimbursement a LAP Agreement must be executed for the project, regardless of whether the installation is contracted out or in-house forces perform the installation.

- A Finding of Cost Effectiveness must be approved by the Department prior to executing the JPA. The local agency will not be eligible for reimbursement for the ITS equipment purchase without an approved Cost Effectiveness Finding to use in-house forces for the installation.

A Cost Effectiveness Finding requires the local agency to submit a justification to the Department demonstrating the agency's in-house forces will complete the project more cost effectively than advertising and awarding the project to the lowest responsive, responsible bidder. The finding contains an economic analysis

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identifying costs for all facets of construction (labor, equipment, materials) and the reduction in costs using in house forces as compared to the standard approach of competitive bidding. The requirements for a Cost Effectiveness Finding are detailed in 23 CFR 635 Subpart B "*Force Account Construction*" and Chapter 23 of the LAP Manual.

- The JPA must include assurances the local agency will complete the project in accordance with 23 CFR 940 "*Intelligent Transportation System Architecture and Standards*". Reference FDOT Procedure 750-040-003 for fulfillment of 23 CFR 940.
- Department staff must issue a Local Agency Program Final Inspection and Acceptance of a Federal-Aid Project (Form# 525-010-42) at project closeout to certify the equipment was both purchased and installed per the terms of the JPA.
- A retainage of five percent (5%) of the equipment purchase price will be held by the Department until the project Final Inspection and Acceptance has been issued to the local agency.
- The federal authorization request must include in the comments in FHWA's FMIS federal authorization system that the installation will be accomplished by local agency forces in accordance with the approved Cost Effectiveness Finding.

Bulletin 14-01 is effective from the date of this Bulletin.

The requirements detailed herein will not be retroactive for Federal-aid projects previously authorized.

If you have any questions regarding the subjects contained in this bulletin, please do not hesitate to contact us.

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