



# ALABAMA DEPARTMENT OF TRANSPORTATION

1409 Coliseum Boulevard, Montgomery, Alabama 36110



Robert Bentley  
Governor

November 18, 2016

John R. Cooper  
Transportation Director

## MEMORANDUM

TO: Region Engineers

FROM: Clay P. McBrien, P.E. *CPM*  
State Office Engineer

RE: Subcontracting on Local Public Agency (LPA) Projects

The Federal Highway Administration (FHWA) conducted a Compliance Assessment Program (CAP) review of the Department's Local Public Agency (LPA) project procedures. Two of the issues that were noted concerned the subcontracting procedures being used on LPA projects. FHWA's comments were as follows:

1. Per 23 CFR 635.114, contracts for projects shall specify the minimum 30 percent of work that a contractor must perform with its own organization. ALDOT must ensure that this language is included in all executed contracts.
2. ALDOT must ensure that all subcontracts on federal-aid LPA projects are reviewed and approved in writing. Guidance should be developed and distributed to ALDOT Region staff and LPAs to ensure this federal requirement is followed.

Concerning item no. 1, the Department's Standard Specifications, section 108.01(a), addresses this issue. A contractor must perform at least 30 percent of the work with its own forces. The local agency must monitor the percentage subcontracted out to ensure that the contractor complies with this requirement.

Concerning item no. 2, the Department's Standard Specifications, section 108.01(a), also addresses this issue, and in addition, makes special reference to Article 105.11, Removal of Unacceptable and Unauthorized Work. The sublet request must be approved by the local agency prior to the subcontractor performing the work.

To aid in the monitoring of these issues, we have provided guidance, calculation programs, forms, and other general correspondence which can be found on the ALDOT website at

<http://www.dot.state.al.us/tpmpweb/mp/LPADownloadsLinks.html> under "Subcontracting." The "Subcontracting Memo" document details the procedures to follow and which forms and programs to use. We hope this information will be of benefit to the local agencies in processing their sublet requests.

Please forward this information to your LPA personnel and the appropriate local agencies. If they have any questions concerning this information, please have them call Joe Lister at (334)242-6457 or me at (334)242-6450.

pc: Mr. John R. Cooper  
Mr. Don Arkle  
Mr. John Lorentson  
Mr. Ed Austin  
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