



FDM 19-25-1 General

June 24, 2016

The department has developed five types of agreements for the administration of force accounts as defined in [FDM 3-5-10](#). This section will address only Local Force Account (LFA) Agreements.

The Utility and Railroad Agreements are covered in Chapters 17 and 18 respectively and do not require a PS&E submitted to the Proposal Management Section.

The LFA Agreements on the STH System are handled by the Traffic Systems Unit in the Bureau of Traffic Operations (BTO). If a PS&E is required it shall be submitted to the Traffic Systems Unit in the BTO.

FDM 19-25-5 Local Force Account (LFA) Agreements

June 24, 2016

LFA agreements are used in the following circumstances.

- When a county or other unit of government does work on their own road system.
- When a county or other unit of government does work on the state trunk highway system for WisDOT.
- When a county or other unit of government does work financed with state or federal funds on a connecting highway.

The county or local unit of government estimates the costs of equipment, labor and materials in advance and must be determined to be cost effective in order to perform the work under the agreement. The local units of government are reimbursed for the actual costs of equipment, labor and materials incurred in performing the work up to an agreement maximum (as amended by any change orders). These agreements cannot result in profit or loss for the unit of government performing the work. Any state, local or federal funding program for which the project is eligible may be used with this agreement type.

[FDM 3-5-10](#) contain information about LFA agreements and Cost Effectiveness Findings necessary to develop an LFA agreement. The individual agreement and its effect on the region's program should be compared to the limitations set forth in the policy presented in [FDM 3-5 Attachment 10.1](#). The plan letter must state that the submitted agreement is within the policy guidelines or furnish the date of approval for exceptions to the stated policy and that a CEF has been approved for the agreement. The plan letter shall also list the agreement's actual cost and any excluded costs.

5.1 Agreement Contents

The agreement for all LFA projects that require a PS&E to be submitted to Central Office consists of the following components:

- The completed Agreement for Construction by LFA (Form [DT2056](#) see [Attachment 5.1](#)). NOTE: the Agreement amount shown on this form does not include engineering & contingencies.
- For federally funded LFAs, include a standard insert for Federal-Aid LFA's as shown in [Attachment 5.2](#). This should be attached to the DT2056 prior to any signatures and should remain attached to all signed copies of the DT2056 since these are conditions of the signed agreement.
- The special provisions.

The informational blanks at the top of Form [DT2056](#) shall be completed and two copies shall be signed by the appropriate authorized individuals such as the County Highway Commissioner and County Highway Committee or such as the mayor and city council and the Region Project Development Section Manager before the PS&E or Agreement is sent to the BPD.

Form [DT2056](#) is available on the Internet. Look under "Plans and projects."

Agreements of \$5000 or less are approved by the Region Project Development Section for the State of Wisconsin and a signed copy is sent directly to the BFS to obligate the funding. See [FDM 3-5-10](#) for additional requirements.

5.2 PS&E Composition

The hard copy exhibits for a LFA (Local) PS&E are as shown in [Attachment 5.5](#). In addition to the [Attachment 5.5](#) exhibits, a Final Cost Analysis to justify the Agreement cost is required. NOTE: Engineering and Contingencies are not included in the cost analysis.

5.2.1 Final Cost Analysis

The Final Cost Analysis for LFA agreements are prepared by the county or local unit of government. The final cost analysis consists of two parts.

1. A series of Item Unit Cost Analyses showing costs for equipment, labor and materials for individual items of work to be performed under the Agreement. See [Attachment 5.3](#) for an example. See [FDM 3-5-10](#) for additional information for developing a cost analysis.
2. A Project Unit Cost Analysis, which is a summary of the individual Item Unit Cost Analyses. See [Attachment 5.4](#) for an example.

Realistic cost estimates are required because reimbursement of incurred costs will be limited to the total estimated agreement cost unless supported and authorized by a change order, approved prior to the performance of the work.

The total cost is based on estimated cost of all equipment, labor, materials, and incidental costs as herein described.

5.2.2 Counties

The rates for equipment used by the county are established annually under the Cost Agreement between the department and the county. The Cost Agreement is available from the BHO.

The labor rates are those rates currently paid by the county for similar work in the county plus a fringe benefit rate which is established annually for each county.

The county can uniformly charge a percentage for field small tools to all field labor (wages plus benefits). The percentage is calculated annually by the county and is effective for one year. Rates are set to the nearest tenth of one percent. There is no longer a minimum 1% charge for small tools to be used by any local unit not providing actual cost information or when the actual cost provided is calculated to be less than 1%.

The material costs are the estimated cost of materials to be furnished by the County.

The rate for administrative support provided by the counties are established annually under the Cost Agreement between the department and counties and are applied to the total amounts invoiced under the annual agreement for labor (including fringe benefits and patrol supervision), machinery, and materials. Contact the regional Local Program Project Manager for the current administrative support rate.

5.2.3 Local Units other than Counties

For local units other than counties, the municipality will have to prepare and submit a cost allocation plan in accordance with OMB CFR 200. This plan will be submitted to WisDOT for review and approval on an annual basis. In lieu of a full cost allocation plan, a municipality may submit an "only fringe benefit cost allocation plan" for reimbursement. If equipment costs are to be reimbursed, the municipality will be required to invoice using industry standard "Blue Book" rates. Equipment rate reimbursement using Chapter 5.55 (WisDOT Highway Maintenance Manual) rates may be approved on a case-by-case basis.

5.3 PS&E Submittal

Send the PS&E for an LFA (Local) project to the Bureau of Project Development, Proposal Management Section, Room 694 Hill Farms as shown in [FDM 19-10-1](#).

Send the PS&E for an LFA (State, or Connecting Highway) project to the Bureau of Traffic Operations, Traffic Systems Unit, 433 W. St. Paul Avenue, Suite 300, Milwaukee, WI.

5.4 PS&E Approval

At the time the accepted PS&E is forwarded for processing, the Region will be notified (using email) that the PS&E is approved.

LIST OF ATTACHMENTS

Attachment 5.1	DT2056 Agreement for Construction, Local Force Account
Attachment 5.2	Additional Provisions for Federal-Aid Force Accounts
Attachment 5.3	Item Unit Cost Analysis
Attachment 5.4	Project Unit Cost Analysis
Attachment 5.5	PS & E Exhibit Distribution Chart for Local LFA Contracts

10.1 General Requirements

LFA agreements should contain the following special provisions (see Section 15 of this chapter):

- General ([FDM 19-15-5](#))
- Scope of Work ([FDM 19-15-10](#))
- Traffic ([FDM 19-15-20](#))
- Type of Work

They should also include the following special provisions as applicable to the nature or location of the work:

- Prosecution and Progress
- Utilities ([FDM 19-15-25](#))
- Other Contracts ([FDM 19-15-26](#))
- Relations with Railroads and Information to Bidders ([FDM 19-15-35](#))
- Environmental Protection ([FDM 19-15-55](#))
- Non-standard work items (Do not include bid item numbers)
- STSP work items (Bid item numbers are not required)

The remaining items of Section 15 are rarely applicable to these contracts.

LIST OF ATTACHMENTS

Attachment 10.1	Sample Special Provision for a Local Force Account Agreement
Attachment 10.2	Sample Special Provision for a Local Force Account Agreement
Attachment 10.3	Required Non-discrimination Provision for Federal-Aid Contracts