

INSTRUCTIONAL MEMORANDUMS

To Local Public Agencies



To: Counties	Date: January 19, 2024
From: Local Systems Bureau	I.M. No. 2.010
Subject: Requirements for the County Secondary Road Construction Program and Budget	

Contents: This Instructional Memorandum (I.M.) includes guidelines and procedures for a County to submit the County Five Year Program (CFYP) and Budget. This I.M. also includes the following attachments:

- [Attachment A](#) - Construction versus Maintenance
- [Attachment B](#) - Paving Point Determination
- [Attachment C](#) - Sample Notice of Public Hearing ([Word](#))
- [Attachment D](#) - Sample Resolution for Paving Points ([Word](#))

Introduction

Counties are required by [Iowa Code Section 309.22](#), as amended by [HF718](#) on May 4, 2023, to submit annually to the Iowa DOT, a Secondary Road Construction Program (the Program). Counties are also required by [Iowa Code Section 309.93](#) to submit annually to the Iowa DOT, a Secondary Road Budget (the Budget). Prior to the May 4, 2023 passage of [HF718](#), both the Program and the Budget were due on or before April 15. While the Budget is still due on April 15, [HF718](#) amended the due date of the Program to May 15. However, the Budget and Program are interdependent and must be submitted as a pair. Additionally, Federal-aid and Swap projects from the Program must be reviewed and approved by Local Systems by May 15 in order to include them in the Statewide Transportation Improvement Program (STIP). Therefore, ICEA requests, and Iowa DOT concurs, that submission of the Program by April 15 is still required. Counties shall use the Transportation Program Management Systems ([TPMS](#)) to accomplish this requirement.

Instructions

The instructions are updated annually, and are found on the Iowa Department of Transportation, Local Systems Bureau [webpage](#). Only construction projects should be programmed. Maintenance projects and capital projects, such as buildings, should not be programmed, but they should be budgeted for under the proper budget section.

Programming Projects

Construction projects should only be programmed in the Accomplishment Year if the project will be let during that Fiscal Year. **If a project has already been let, it should not be programmed.** It should, however, be put in the Construction portion of the Budget, if it will be paid for during that Fiscal Year. The Accomplishment Year is the first year of the CFYP. The Priority Years are the second through fifth years of the CFYP.

Paving Point Requirements and Determination

Roads that are already paved do not require this calculation. For roads that are currently not paved, use [Attachment B](#) to determine the number of paving points for a proposed paving project. If the proposed paving project has 50 points or more, the project does not need a public hearing. If the proposed paving project has less than 50 points, proceed with the steps shown below.

1. Set a time, date, and place for a public hearing for the Secondary Road Paving Projects. The public hearing can be in conjunction with a hearing for the Secondary Road Construction Program.
2. Publish a notice for a public hearing in a newspaper of general circulation in the county not less than 4 or more than 20 days prior to the hearing. State the time, date, and place for the hearing, location of the project, and any other pertinent data in the notice. (See [Attachment C](#) to this I.M. for a sample Notice of Public Hearing.)
3. Hold the Public Hearing.

4. Pass a resolution of the board of supervisors to develop the plans and construct the project as programmed. Describe any objections or support that is presented. (See [Attachment D](#) to this I.M. for a sample resolution.)

A hearing must be held prior to submitting the CFYP for approval for any accomplishment year paving project with less than 50 points. The date that a hearing was held shall be entered in TPMS before submitting the Program.

Day Labor

Day Labor is the term used when materials, equipment costs, or labor have not been subjected to formal bids. Day labor is used when the county secondary road employees perform construction work on projects, when materials are purchased without bids being taken, when equipment is utilized that is not part of a contractor's bid, or when a contractor is directly hired without bids being taken. Day Labor work is only allowed if the estimated day labor costs are less than the current Bid Threshold. A combination of day labor and contract work may be used as long as the day labor portion of the project costs (the portion not subject to formal bids) does not exceed the Bid Threshold. For more information, refer to the [Bid Threshold webpage](#).

Budget

Projects should be budgeted in the Fiscal Year(s) in which they will be paid for. As noted above, projects should only be programmed in the Accomplishment Year if the project will be let during that Fiscal Year. **If a project has already been let, it should not be programmed.**

To satisfy Iowa Code section [309.95](#) and [309.96](#), a Budget amendment must be completed if unforeseen conditions arise that may cause any of the 4 control items below to be exceeded by more than 10%, or if the entire Budget will be exceeded at all. Iowa Code section [309.94](#) requires a Budget amendment be completed by June 1.

Budget Control Items:

- 70X – Administration and Engineering
- 71X – Roadway Maintenance
- 72X – General Roadway
- 020 – Construction

Amendments to the Original Budget or Program

Refer to [I.M. 2.050](#), Procedure to Amend a County Secondary Road Construction Program and Budget, for more information.