



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF ROADS
John L. Craig, Director

1500 Highway 2 • PO Box 94759 • Lincoln NE 68509-4759
Phone (402) 471-4567 • FAX (402) 479-4325 • www.transportation.nebraska.gov

March 27, 2009

Joseph Werning
Division Administrator
Federal Highway Administration
100 Centennial Mall N Rm 220
Lincoln NE 68508-3851

Dear Mr. Werning:

The Nebraska Department of Roads (NDOR) and Federal Highway Administration (FHWA) have spent much of the past year developing procedures for improved oversight of Local Public Agency (LPA) projects due to an FHWA finding of material weaknesses in this program. As a part of this development, we have discussed the past practice of consultant use on LPA projects and the potential for conflict of interest. I believe we both agree that the soon to be released LPA manual should dictate that the same, or a financially related, engineering or architectural consulting firm cannot serve as City Engineer/County Highway Superintendent or other City/County official of record and also provide engineering services (preliminary engineering {PE} or construction engineering {CE}) for a transportation project.

Regarding the same consulting firm providing both PE and CE for a project, NDOR requests this be allowed for a two-year evaluation period. Past reviews have not uncovered fraud, waste, or abuse when the same firm performs both services on projects. There are many advantages to this practice that have been brought forward, and many states allow it. It is especially helpful to our smaller counties and cities. We feel that the new LPA manual QC/QA procedures, that are almost final, will assure us that conflicts of interest issues will be prevented. By having certified LPA responsible charge representatives and detailed NDOR oversight procedure (to which we are committed), we believe we can prove during this two-year evaluation that conflicts of interest involving consulting firms will not occur.

Along with you and your staff, we stand ready to work out the details of the evaluation procedures at the end of the two-year period should you agree to our request.

Sincerely,

John L. Craig
Director

JLC:MWF:z

cc: Larry Bare
Larry Dix
Lash Chaffin