Chapter 23 Progress Billing (Reimbursement Costs)

23.1 General Discussion

All progress billings shall be submitted monthly to the Region Local Programs Engineer by the local agency in accordance with the terms of the Local Agency Agreement (Chapter 22). Billings will not be accepted before the Local Agency Agreement is executed and authorization in writing has been received from the Washington State Department of Transportation (WSDOT).

The execution of the Local Agency Agreement does not constitute approval of federal funds. This authorization from WSDOT is separate from the Local Agency Agreement. Once written authorization is provided the Agency agrees to show continuous progress through monthly billings. Failure to show continuous progress may result in your project becoming inactive, as described in 23 CFR 630.106 and subject to de-obligation of federal aid funds and/or agreement closure.

The Local Agency Agreement, when completed, establishes a work order account which permits billing to the project. The Work Order Accounting Plan (WOAP) and the work order ledger may be seen at the region office where the Region Local Programs Engineer can answer questions pertaining to these items.

WSDOT assigns a contract number on all federal aid construction projects. This number identifies the project. It should be used in addition to the federal aid project number when corresponding with WSDOT.

23.2 Billing Procedures for Local Agency Ad and Award and Agency Force Work

Once Local Programs has executed the Local Agency Agreement and WSDOT has given the local agency written authority to proceed, the agency submits progress billings monthly for each phase of work. Any work that is performed before the official authorization date does not qualify for federal participation. Progress billings are submitted as follows:

1. Local Programs sends the local agency the original fund authorization letter.

2. The agency submits a request for payment to the Region Local Programs Engineer in accordance with the Local Agency Agreement. The first federal aid request for payment (PPC2; Appendix 23.71) must include the first date expenditures were actually incurred on the project.

All payment requests must be substantiated by the required standard documentation established in this manual, the Construction Manual M 41-01, requirements of the contract documents, and as defined by FHWA and must be available for review.

Construction costs are not eligible for reimbursement until after the contract has been awarded. Exceptions may include contract advertisement, staking, etc. However, a statement explaining these costs must be included with the reimbursement request.
All payment requests, including the final request for payment may be submitted by hard copy or electronically via email. (Contact the Region Local Program Engineer.)

- All hard copy requests for payment must have an original signature in order to be processed.
- All email requests for payment must include all of the following in order to be processed:
  1. Agency.
  2. Project title.
  3. Federal aid project number.
  4. Local agency agreement number.
  5. “Submission of this request for payment certifies that in accordance with the laws of the State of Washington and under the conditions of approval for the project identified above, actual costs claimed have been incurred and are eligible for the purposes specified; also, that no other claims have been presented to or a payment made by, the State of Washington for those costs claimed for reimbursement.”

The form must be completed in accordance with the instruction outlined in Appendix 23.72.

### 23.3 Billing Procedures for State Ad and Award

Progress billings are submitted as follows:

- Requests for payment from contractors are submitted to the Regional Administrator in accordance with the Local Agency Agreement.
- The requests will be processed in the region using standard WSDOT procedures.

### 23.4 Number and Timing of Submittals

Progress billings will be numbered sequentially and submitted monthly.

If the billing is prepared properly, payment should normally be received within three weeks of submittal. If payment is not received within one month, the agency should contact the Region Local Programs Engineer.

FHWA requires WSDOT to conduct a quarterly review of local agency inactive projects. Local Programs definition of an inactive project is any project for which no expenditures have been charged against the federal project for the past 9 months. Any project the meets this definition will require evaluation and documented justification for remaining open. If a federal project remains open without acceptable justification and supporting documentation for remaining open, the project is at risk of being closed by FHWA. Examples of reasonable justification can be found in Appendix 23.73.
23.5 Identification of Federal Aid Participating and Nonparticipating Charges

Costs are eligible for Federal Highway Administration (FHWA) federal participation if claimed in accordance and in compliance with 23 CFR and 2 CFR 225.

No costs may be claimed for reimbursement if incurred prior to FHWA authorization to proceed with the work. All work must be programmed with FHWA.

All local governments and units of local governments that claim indirect costs under federal awards must prepare an Indirect Cost Rate Proposal (ICRP) and retain it for audit. The ICRP must be prepared in accordance with the instructions and regulations outlined in 2 CFR 225 – Cost Principles for State, Local and Indian Tribal Governments (formerly OMB Circular A-87). If the local government has been assigned a federal cognizant agency by OMB, they must submit their ICRP to their federal cognizant agency for review and approval in accordance with the federal requirements. If the local government has not been assigned a federal cognizant agency, they are required by the federal regulations to keep all records and supporting documentation used in developing their ICRP and to make it available for inspection by the auditors at the time of the audit.

Some costs have been deemed ineligible for federal participation. Ineligible costs include equipment purchase and repair (unless specifically approved by FHWA), future equipment replacement costs, and those costs unallowable under 2 CFR 225.

.51 Participating Functions – Classifications of work programmed with FHWA and eligible for federal aid:

a. **Preliminary Engineering** – The work of locating and designing, making surveys and maps, sinking test holes, making foundation investigations, preparing plans, specifications and estimates, centerline, right of way plan preparation and other related preliminary work and incidental construction staking, to the extent such staking is necessary to review construction plans, and related general engineering preparatory to the letting of a contract for construction. The work may also include traffic counts, studies undertaken to determine traffic demands, holding of public hearings, preparation of right of way cost estimates, legal, and other costs incidental to the location and design of a highway project necessitating the acquisition of right of way thereon up to but not including the appraisal of individual parcels for acquisition purposes.

These engineering costs are generally incurred prior to the date of construction PS&E approval or the date construction plan changes are completed prior to the beginning of construction. The date of contract award is the cutoff for charging to preliminary engineering.

b. **Acquisition of Rights of Way** – The continuation of preparation of right of way plans; appraisal for parcel acquisition; review of appraisals; preparation for and trial of condemnation cases; management of properties acquired; furnishing of relocation advisory assistance; and other related labor expenses. If RW costs are claimed after the date of contract award, please provide an explanation.

  - Excess land (appraised value) including uneconomic remnants.
  - Improvements (appraised salvage value).
• Right of way acquired after certification by the local agency that right of way necessary for a designated federal aid highway project has been acquired.

• Judgments in condemnation cases not appealed when the attorney’s closing report indicates a basis for appeal. The amount in excess of the review appraiser’s determination of value is nonparticipating.

• Landowners:
  – Attorneys’ fees;
  – Witness fees;
  – Expert witness fees; or
  – Similar costs to a landowner based on value of the services rendered to him which are paid by the local agency in connection with acquisition of rights of way, regardless of whether such costs are included in court judgments or court costs in litigated condemnation cases, e.g., statutory evaluation allowance.

c. **Construction Engineering** – The work of supervising construction activities; the inspection of construction and related mechanical aspects (e.g., staking necessary to review construction plans together with those staking activities necessary for the local agency to control construction operations); testing of materials incorporated into construction, checking shop drawings and measurements for and preparations of progress and final estimates, and as-built drawings. Construction engineering costs are generally incurred only after approval of the PS&E, a contract number is issued, and also incurred prior to:
  • Completion date of the final contract pay estimate and its submission to the contractor;
  • The final date of charges for required material testing; or
  • Completion date of the separation of contract cost by code type, location, etc., whichever is applicable to that portion of the construction engineering phase involved.

d. **Highway Planning** – The orderly and continuing assembly and analysis of information about highways, such as the history of highway development and their extent, dimensions and conditions, use, economic and social effects, costs, and future needs.

e. **Research and Development** – The search for more complete knowledge of the characteristics of the highway system and the translation of the results of research into practice.

f. **Administrative Settlement Costs-Contract Claims** – Services related to the review and defense of claims against federal aid projects.

g. **Miscellaneous Functions** – Costs incurred for other activities which are properly attributable to, and for the benefit of, federal aid projects but are not assignable to any of the previously defined functions.

h. **Construction Costs Other Than Contractor Payments**
  • Royalty expenses for material furnished by the local agency that are used by the contractor.
• Temporary signs, traffic control labor, traffic control devices, and temporary illumination furnished by the local agency. The initial basic cost of traffic control devices purchased for use on the project is an authorized participating cost.
• Work performed by local forces.

.52 Standards for Selected Items of Costs – The following are standards for determining the allowability of selected items of cost. In general, costs must be reasonable, necessary, and allocable to the specific project. The allowability of the selected items of cost is subject to the general policies and principles stated above.

a. Salaries and Wages
   1. Subject to appropriate authorization requirements, federal funds may participate in the cost of salaries, wages, and related payroll expenses incurred for periods of time public employees are actively engaged, either directly or indirectly, in project-related activities.
   2. Salaries, wages, and related payroll expenses of a local agency for maintenance, general administration, supervision and other overhead are not eligible for reimbursement.

b. Travel and Transportation
   1. Federal funds may participate in the cost of commercial transportation, privately owned automobiles, and per diem or subsistence essential to the completion of the project and is performed in accordance with prescribed procedures.
   2. Reimbursement may be made for use of privately owned automobiles and per diem or subsistence incurred in conformance with the established reimbursement policy of the local agency.

c. Employee Leave and Holidays
   1. A local agency may claim reimbursement for the costs of leave, e.g., annual, sick, military, jury, that is earned, accounted for, and used in accordance with established procedures. The cost of such leave must be a liability of the local agency, must be equitably distributed to all activities, and the pro rata costs distributed to a federal aid project must be representative of the amount that is earned and accrued while working on the project.
   2. Compensatory leave granted by a local agency in lieu of payment of overtime to eligible employees may be claimed for reimbursement if accrued and granted under established policies on a uniform basis. Such leave costs must meet the criteria discussed in paragraph (a) of this section.
   3. Costs for other leave of a similar nature which may be peculiar to a specific local agency may also be reimbursed provided it meets the criteria set forth in paragraph (a) of this section.
d. **Social Security, Retirement, and Other Payroll Benefits**

1. Federal funds may participate in allocable costs incurred for social security, retirement, group insurance premiums, and similar items applicable to salaries and wages of public employees engaged in work in federal aid projects.

2. The costs for such benefits must be a liability of the local agency and must meet the criteria set forth in paragraph 1 of c above.

.53 **Utility Relocations, Adjustments, and Reimbursement** – Federal participation is subject to the provisions of 23 CFR part 645, subpart A.

.54 **Reimbursement for Railroad Work** – Costs must be incurred per 23 CFR part 646, subpart B and will be reimbursed in accordance with 23 CFR part 140, subpart I.

.55 **Other Costs Allowable Subject to FHWA’s Approval** – Although some category of expenditures are not mentioned specifically in Part 140, “Reimbursement,” of 23 CFR as eligible for federal participation, should the local agency wish to seek federal participation it is allowed to request approval from the FHWA prior to billing. The expenditures that relate to the federal aid project should be well identified through proper documentation.

.56 **Other Unallowable Costs** – Other unallowable costs include those costs identified in 2 CFR 225.

### 23.6 Billing Reviews

Each year construction projects are selected for “Billing Reviews.” These reviews are conducted at the agency and include representatives of FHWA, WSDOT Local Programs, and the local agency. One or more progress bills for the selected project will be reviewed for compliance with documentation standards established in this manual, the *Construction Manual* M 41-01, requirements of the contract documents, and as defined by FHWA. During a billing review, the agency must have all the required backup documentation necessary to support the invoice. The documentation must be available and filed in a way that is easy for the reviewers to locate.

At the conclusion of the review, a report is generated by FHWA and issued to WSDOT Local Programs. The report will include descriptions of the items reviewed, the backup documentation located in the files to support the payments, and a “Supported or Unsupported” finding for each item. Any “unsupported” payment findings are considered improper payments which may require corrective action and possible repayment of federal funds. Local Programs provides a copy of the report to the agency and identifies any findings.

### 23.7 Appendices

- **23.71 Local Programs Progress Billing – Example**
- **23.72 Local Programs Progress Billing – Instructions**
- **23.73 Inactive Justification Examples**
# Local Programs Progress Billing

**Address:**

Federal Aid Project: [Name]  
Agreement Number: [Number]  
Last Supplement: [Name]  
Project Title: [Name]  
Progress Bill No: [Number]  
Final Progress Bill: [Number]  
Billing Period from: [Date]  
through: [Date]

<table>
<thead>
<tr>
<th>PE</th>
<th>Line</th>
<th>Total Eligible This Period</th>
<th>Total Eligible To Date</th>
<th>Participation Rate</th>
<th>Amount Claimed This Period Col 1 x Col 3</th>
<th>Amount Claimed Prior Periods Col 4 + Col 5</th>
<th>Total Claimed To Date Col 7 - Col 6</th>
<th>Amount Authorized Per Agreement</th>
<th>Remaining Federal Funds Col 7 - Col 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) - Agency</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(b) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(c) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(d) - Total Preliminary Engineering</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>RW</td>
<td>(f) - Agency</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(g) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(h) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(i) - Total Right of Way</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>CN</td>
<td>(k) - Contract</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(l) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(m) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(n) - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>CE</td>
<td>(o) - Agency</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(p) - Total Construction</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

(r) - TOTAL PROJECT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

---

Submission of this request for payment certifies that in accordance with the laws of the State of Washington and under the conditions of approval for the project identified above, actual costs claimed have been incurred and are eligible for the purposes specified; also, that no other claims have been presented to, or payment made by, the State of Washington for those costs claimed for reimbursement.

Approved by Regional Highways & Local Programs Office Date

Revised 02/08/10

Return to Regional Highways & Local Programs Office
This form only reflects the amounts claimed and authorized for payment to the local agency. It does not include costs for state services.

**Distribution of Form** – After the Fund Authorization letter is received by the agency, a blank Local Programs Progress Billing form should be filled out for the first progress billing. Local Programs will mail subsequent progress billing forms to the agency when payment for the previous billing is made.

**Funding Set Up** – The amount of federal funding set up for a project is based on the local agency agreement. The funding set up for each line item is shown in column (7). Column (7) should be compared with column (6) to ensure that the amounts requested are within the funding amount set up by the local agency agreement.

Payments will not be made in excess of the amount in column (7). If the amount in column (6) exceeds the amount shown in column (7), a supplement to the local agency agreement must be submitted to reflect the revised cost before payment can be made.

**Exception:** Following the final settlement and closure of the agreement, a final payment may be made in excess of the amount authorized per agreement (column 7) up to, but not to exceed the total project Fund Authorization amount. Consult your Region Local Programs Engineer for specific project information. Only one billing will be accepted as final.

**Data Required to Request Payment** – As a minimum, only those line items for which payment is being requested need to be coded. The other lines can be left blank. The agency’s Federal Tax ID is always required.

**Coding Instructions** – The Local Programs Progress Billing is arranged in the same manner as the local agency agreement though not all lines from the local agency agreement are shown on the Local Programs Progress Billing. The lines for state services are not included because state costs are billed separately. Since the state services are not shown, the totals for PE, R/W, and Construction shown on the Local Programs Progress Billing will not agree with those shown on the local agency agreement. The Local Programs Progress Billing totals (column 7) will reflect the total amount available to the local agency based on the local agency agreement.

The top portion of the form includes project identification information that will automatically appear on each progress billing. This information includes: Agency, Agreement No., Federal Aid No., Title, Progress Bill No., and Billing Period. Please provide actual dates for the current billing period and indicate whether the billing represents a final progress bill. Crosscheck the billing period dates against prior bills(s). If dates overlap, please provide a statement confirming that costs are new and have not been claimed on prior bills(s).

A space has been provided for an “Agency Billing Identification” number. This eight character item is for the agency’s use and is not required to receive payment. You may enter any combination of alphabetic and numeric symbols. This number will be used to identify each billing on the Vendor’s Remittance Advice which is transmitted to agencies receiving Electronic Fund Transfers (EFT). The number will appear in the “Invoice Number” block on the Vendor’s Remittance Advice.
## Details for Completing Local Programs Progress Billing Form

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Agency Work for PE&lt;br&gt;Eligible PE cost incurred by the local agency.</td>
</tr>
<tr>
<td>b-c</td>
<td>Other – For PE&lt;br&gt;Same as shown on agreement, usually consultant cost paid by local agency.</td>
</tr>
<tr>
<td>e</td>
<td>Total PE Cost Estimate. This is the total amount claimed and authorized for payment to the local agency within the PE phase.&lt;br&gt;Column (7) on this line shows the total amount of funds set up for the local agency based on the latest version of the Local Agency Agreement. It does not include (line d) state services.</td>
</tr>
<tr>
<td>f</td>
<td>Agency Work for R/W&lt;br&gt;Eligible R/W cost incurred by local agency.</td>
</tr>
<tr>
<td>g-h</td>
<td>Other – R/W&lt;br&gt;Same as shown on Local Agency Agreement, usually consultant (etc.) cost paid by the local agency.</td>
</tr>
<tr>
<td>j</td>
<td>Total R/W Cost Estimate. This is the total amount claimed and authorized for payment to the local agency within the R/W phase.&lt;br&gt;Column (7) on this line shows the total amount of federal funds set up for the local agency based on the latest version of the Local Agency Agreement. It does not include (line i) state services.</td>
</tr>
<tr>
<td>k</td>
<td>Contract&lt;br&gt;Eligible payments made to contractor.</td>
</tr>
<tr>
<td>l-n</td>
<td>Other&lt;br&gt;Other costs incurred by the local agency as indicated on the Local Agency Agreement, such as Day Labor, Agency Supplied Materials, etc.</td>
</tr>
<tr>
<td>o</td>
<td>Agency Work&lt;br&gt;Eligible cost incurred by the local agency.</td>
</tr>
<tr>
<td>q</td>
<td>Total CN Cost Estimate. This is the total amount claimed and authorized for payment to the local agency within the Construction phase.&lt;br&gt;Column (7) on this line shows the total amount of funds set up for the local agency based on the latest version of the Local Agency Agreement. It does not include (line p) state services.</td>
</tr>
<tr>
<td>r</td>
<td>Total Project Cost Estimate. Add the Total PE, Total R/W, and Total Construction. This is the total amount claimed and authorized for payment to the local agency.&lt;br&gt;Column (7) on this line shows the total amount of federal funds for all phases of work for the local agency based on the latest version of the Local Agency Agreement. It does not include state services.</td>
</tr>
</tbody>
</table>

### Column Descriptions:

- **Column (1)**: Total Expenditures Eligible for Federal Participation This Period<br>Record the total eligible expenditures this period for each item of work.
- **Column (2)**: Total Eligible to Date
- **Column (3)**: Percent of Participation<br>The current participation ratio will be provided.
- **Column (4)**: Amount Claimed This Period<br>Column (4) can never exceed column (1) times column (3), but may be less than. Multiply column (1) by column (3) and enter in column (4). This represents the amount of funds claimed on this progress bill.
### Column (5)
**Amount Claimed Prior Period**
This represents the total amount of funds previously claimed (column (6) on the previous billing). This amount will be provided on the form.

### Column (6)
**Total Claimed to Date**
Add column (4) and column (5) and enter the total in this column. The total claimed to date for PE, R/W, and Construction cannot exceed the amount authorized shown in column (7). Refer to funding setup section.

### Column (7)
**Amount Authorized Per Agreement**
This is the total amount of funds authorized for each line item per the latest version of the Local Agency Agreement. This amount will be provided on the form.

### Column (8)
**Remaining Funds**
Subtract column (6) from column (7) and enter the difference in this column. The difference represents the remaining funds available. This column cannot be a negative value. If negative, a supplement to the Local Agency Agreement must be prepared to receive full payment. An exception may be on the final progress bill. Consult your Region Local Programs Engineer for specific project information.

Sign and date the progress billing and distribute according to the instructions located at the bottom of the form.

- All hard copy requests for payment must have an original signature in order to be processed.
- All email requests for payment must include all of the following in order to be processed:
  1. Agency.
  2. Project title.
  3. Federal aid project number.
  4. Local agency agreement number.
  5. “Submission of this request for payment certifies that in accordance with the laws of the State of Washington and under the conditions of approval for the project identified above, actual costs claimed have been incurred and are eligible for the purposes specified; also, that no other claims have been presented to or a payment made by, the State of Washington for those costs claimed for reimbursement.”

If you have any questions, please contact your Region Local Programs Engineer.
Appendix 23.73  
**Inactive Justification Examples**

Example 1  
**State:** Washington  
**FMIS Project # 0000001**

The project is for the acquisition of right of way and is considered valid remaining open for the settlement of one remaining parcel of land relative to the construction of the roadway improvement at Case Boulevard in the County. The parcel was successfully acquired through condemnation procedures, but final settlement of the last parcel remains to be adjudicated through the Superior Court. Although deposited the fair value of the property at time of taking, final cost is to be determined by the court. The balance of unexpended federal aid project funds is anticipated to be sufficient to cover the cost of the property. Final settlement date has not been established. Federal dollars may not be invoiced to FHWA until settlement has taken place; the costs remain in the file awaiting future release. We have initiated discussion with the right of way division to determine whether the cost of the final parcel should be reclassified as nonparticipating for federal aid to permit the project to progress to final acceptance and closure because of the inordinate and continuing delay in settlement.

Example 2  
**State:** Washington  
**FMIS Project # 0000002**

The project is valid because further expenditures are anticipated. The project is a Safe Routes to School sidewalk improvement administered by the local agency. The construction was completed and inspected by the state on April 24, 2012; however, the balance of the construction contract cost has not been billed under the agreement because of a contractual wage rate complaint filed on July 11, 2012. The complaint alleges the contractor failed to pay its workers the required prevailing rate of wages. There is no specified time frame for the resolution/adjudication of the complaint and payment to the contractor may be delayed for a substantial period of time. A copy of the complaint action is on file in the offices of FHWA. WSDOT will monitor the matter and update FHWA accordingly.