

State Utility Agreement

State law and federal regulation require the utility and state to reach prior agreement on the nature of the utility relocation work to be accomplished, the eligibility of the work for reimbursement, the responsibilities for financing and accomplishing the work, and the method of accumulating costs and making payment (49 CFR 24.307).

No special form or written agreement is prescribed. For most cases, the state uses and exchange or correspondence that sets forth all essential terms and conditions, and bears endorsement of both parties. The agreement process is described below.

1st Part of Agreement (Proposal)

The Utility Conflict Letter, prepared by the State, sets out the separate financial responsibilities and the nature of the utility relocation work by outlining the area(s) of conflict. The Reimbursement Information Form (RIF) is included with the Conflict Letter. The Utility must complete the RIF and submit to the State for approval prior to beginning any preliminary engineering work. Information on this form declares the methods for accomplishing the engineering and construction, the budget estimates for the work, the method of reimbursement desired (either lump sum or actual cost), whether betterments are included in the relocation, and necessary approvals for the Utility to proceed.

- RIF received from Utility and submitted to State Utility Liaison**
- Approval for Preliminary Engineering by State Utility Liaison**

2nd Part of Agreement (Offer)

The agreement "offer" usually consists of a plan, estimate and specifications, and a letter of transmittal from the Utility that details the work to be done, who is to do the work, and the financial responsibility of the Utility and State.

3rd and Final Part of Agreement (Acceptance)

A letter from the State Utility Liaison authorizing the Utility to proceed with the relocation work (occasionally with written stipulations) becomes the "acceptance" of the agreement. This process may involve multiple approvals for contracted work, such as, the method of advertising and concurrence in award to the lowest qualified bidder.

- Authorization for relocation by Utility forces or Continuing Contract**
- OR**
- Authorization for relocation by contract method prior to advertising**
- Concurrence of contract award**