



INDIANA DEPARTMENT OF TRANSPORTATION

Driving Indiana's Economic Growth

Memorandum

July 08, 2009

CONSTRUCTION MEMORANDUM
09-14

TO: District Deputy Commissioners
Technical Services Directors
District Construction Engineers
District Testing Engineers
District Area Engineers
Project Engineers/Supervisors
Office of Materials Management

FROM: Mark A. Miller, Director *Male Miller*
Division of Construction Management

SUBJECT: Overruns on ARRA Contracts – **REVISED**

Memorandum 09-10 was issued to provide guidance for funding of contract overruns on American Reinvestment and Recovery Act (ARRA) contracts. We have been advised that the information in that memo is incorrect. The following guidance should be followed for funding of ARRA contract overruns.

Non-LPA Contracts

- The PE/S must first determine what the reason is for the contract overrun.
- If the overrun is due to existing or new items of work that would have normally had federal participation had they not been in an ARRA contract, additional funds should come from the same program funding source that would have normally been used if the contract was not an ARRA contract.
- If the overrun is due to existing non-participating items of work or new items of work that would not normally qualify for federal participation, then additional funds should come from a program funding source that is 100% State funded.

LPA Contracts

- For LPA contracts, overruns due to existing or new items of work on ARRA contracts must be 100% LPA funded.

The PE/S should work through the Area Engineer, the Project Manager and the Funds Manager for additional guidance on funding ARRA contract overruns.

MAM/rlh