

Project Delivery Requirements for Local Safety Programs

September 29, 2011 updated text shown in italics and underlined

Background

Need for Clear, Consistent, and Enforceable Delivery Requirements

1. The past delivery requirements have varied from cycle to cycle and have varied from program to program for the three local safety programs: Highway Safety Improvement Program (HSIP), High Risk Rural Roads (HR3), and Federal Safe Routes to School Program (SRTS).
2. Previous delivery requirements for the local safety programs stated that if projects do not meet delivery requirements, the project's funding could be de-obligated and/or the project would be dropped from the program. However, these policies were not enforced since they did not promote expedited delivery of the most critical safety projects.
3. Past delivery data showed that it was typical for a project to take close to a year to obtain approval to proceed with Preliminary Engineering (PE) and almost two years to close out the project once construction was complete.
4. To date, overall project delivery of local safety projects has been poor and the actual delivery schedules for most safety projects have not met the original schedules proposed by the agencies in their application forms.
5. The poor delivery of safety program projects has resulted in the following:
 - a. In 2006, the Federal Highway Administration (FHWA) requested that Caltrans search for ways to improve project delivery and participate in the preparation of the "FHWA 2006 Annual Risk Analysis Report".
 - b. Obligation rates of federal safety funds remained well below apportionment levels.
 - c. In 2009, FHWA again requested that Caltrans search for ways to improve the delivery and participate as a 2009 FHWA Focus State for local safety programs.
 - d. Safety projects that are not delivered in a timely manner have to be carried over into subsequent Federal Transportation Improvement Programs (FTIP) thereby reducing financial programming capacity for new projects. If the delivery does not improve in the future, the lack of FTIP programming capacity may require Caltrans to delay making future calls-for-projects.

Need for Programming Flexibility

The Caltrans, Division of Local Assistance, Office of Bridge and Safety Programs (OBSP) recognizes that one way to improve the delivery of the local safety projects is to maximize the effectiveness of the FTIP programming capacity. Under the current FTIP programming process, both PE and Construction (CON) funds are programmed under CON using the group project listing after projects are selected from each cycle of call for projects. This methodology allows ease of managing these relative small safety projects using a single phase, and would not present a problem for the safety programs if programmed projects obligated their CON funds within the delivery requirements outlined in this guidance. However, given the past low delivery of the safety programs, valuable programming capacity is now taken up by PE and CON funds from early funding cycles. The past low delivery has also resulted in large apportionment and obligation authority carry-over balances for all three of the safety

programs. To reduce these balances, OBSP anticipates the need to increase the total number of projects programmed in the FTIP to increase the rate of obligations over the yearly apportionment levels.

The limited FTIP programming capacity combined with the need to program additional projects into the FTIP necessitates OBSP to expand the safety programming beyond the 4-year element of the FTIP. In order to effectively manage the safety programs and increase the programming flexibility, OBSP intends to consider the following:

1. When programming capacity is limited, based on the proposed delivery schedule, some new projects will be programmed with 25% of total project cost in the 4-year FTIP to be used for PE authorization and the remaining 75% will be programmed outside of the 4-year element of the FTIP.
2. When programming capacity is limited, projects that do not meet delivery requirement (as detailed below), the unobligated funds would be re-programmed outside of the 4-year element of the FTIP.
3. For all projects programmed outside of the 4-year element of the FTIP, when they are ready for CON authorization, an FTIP amendment will be processed to move the CON fund back into the 4-year element. OBSP anticipates requesting these amendments on a regular basis (bi-monthly or quarterly) on a first-come-first served basis with the exception that a priority will be given to projects meeting the delivery requirements. It is understood that the amendment process has the potential to further delay the authorizations of projects that have already missed their delivery milestones. This undesirable outcome is necessary in order to increase the safety programs' delivery and to maintain programming flexibility.
4. Any agency that has not initiated their project by the first milestone date will be notified of their red-flag and be required to submit status and justification of the project to the DLA to remain in the program.

While this new approach would require additional programming effort, it would allow more projects to be selected for funding and start on the PE phase.

Milestones in the Preparation of the New Safety Program Delivery Requirements

1. In October 2009, the Caltrans, Division of Local Assistance, Office of Bridge and Safety Programs (OBSP) created a webpage for "Safety Program Delivery Status Reports" at: http://www.dot.ca.gov/hq/LocalPrograms/HSIP/delivery_status.htm
2. In January 2010, OBSP implemented new delivery requirements in conjunction with the notification of successful HSIP Cycle 3 projects.
3. In March 2010, OBSP worked with a committee of State, Federal, and Local Agency representatives to finalize revised delivery requirements for all Cycle 1 and Cycle 2 safety projects in the HSIP, HRRR, and SRTS programs. These delivery requirements are consistent with the requirements for HSIP Cycle 3 projects. The final delivery requirements are discussed below.
4. In April 2010, OBSP updated the "Safety Program Delivery Status Reports" webpage to include the new delivery requirements for all projects and updated the status reports to reflect the new delivery requirements.

New Safety Program Delivery Requirements

Requirement Details

The key delivery requirements for new safety projects are as follows:

The three milestones and delivery deadlines are:

1. Request for Authorization to Proceed with PE within 6 months after the project is amended into the FTIP.
 - a. For agencies that do not request Authorization to Proceed with PE because they are using their own work force or using other funds for that phase, the agency will only be held to requesting Construction Authorization within 30 months after the project is amended into the FTIP.
 - b. For agencies that retain consultants for any PE work will be provided an additional six (6) months of PE time. This will extend the CON Auth and Close Out Milestone dates by 6 months.
2. Request Authorization to Proceed with Construction within 30 months (2 ½ years) after the project is amended into the FTIP.
3. Complete construction and close out the project within 54 months (4 ½ years) after the project is amended into the FTIP.

OBSP will track the delivery of the local safety projects and prepare a quarterly report showing the delivery performance of each project. Projects that are on or ahead of schedule will be identified with a green checkmark and/or green diamond. Projects that are behind schedule will be identified with a red flag. Flags will be removed in later reports after the agency has completed the milestone. If an agency has an active safety project that has a red flag in a report that is released during a future ‘call for projects’ cycle, Caltrans will not accept applications from that agency for the program that includes the flag. (Example: If an agency has an SRTS project that is flagged during a HR3 or HSIP call for projects, they would not be prevented from submitting an application. The agency would only be prevented from submitting an SRTS application, while it has a flagged SRTS project.) *In addition, OBSP now reserves the right to reprogram the unobligated funding of projects with red flags outside of the 4-year element of the FTIP to create programming capacity for new projects and/or existing projects with their funding outside the 4-year FTIP that are ready to obligate their funds (as detailed above).*

For a proposed project involving lengthy delivery elements (i.e. right-of-way acquisition or environmental permits from outside or regulatory agencies), Caltrans recommends the agencies to consider options to reduce the risk that they will miss the delivery requirements and be excluded from future funding until after the project is completed. Some possible options include:

1. Completing all or part of the PE Phase of the project before requesting safety funding.
2. Down-scoping the project to avoid the environmental, right-of-way or other project component that can cause the project to miss the delivery milestones.
 - a. Down-scoping the project does not necessarily reduce the net safety benefits of a given project. There may be alternative countermeasures that can be applied to a location which will result in an equal or larger benefit-to-cost ratio.

3. Selecting a different project altogether that can be delivered on an expedited schedule.

It is understood that many local agencies may not be able to fully fund the PE Phase of a critical, complex, and lengthy safety project. For this reason, Caltrans will rate those types of projects similarly to other projects and leave the decision up to the local agency to seek safety funding with the understanding that there is a high risk that their project will miss the delivery requirements, be flagged, and the agency will be excluded from future funding under that program until after the project is completed. As stated above, OBSP also reserves the right to reprogram the unobligated funding outside of the 4-year element of the FTIP.

Applying the New Safety Program Delivery Requirements to Past Projects

Agencies for all past successful safety projects, including Cycles 1 and 2 of the HSIP, HR3 and SRTS programs were not apprised of these Delivery Requirements at the time they proposed the project for funding; therefore, Caltrans has established slightly different requirements for these projects.

All projects will be granted the full duration of the delivery phase that they were in as of March 31, 2010. For example, a project without PE authorization will be given a full 6 months from March 31, 2010 to obtain PE authorization, even though the project is a Cycle 1 project that was originally approved in the FTIP in 2007. This project would also have an additional 24 months to obtain Construction Authorization and 24 months to close-out the project.

The following table shows the actual new delivery deadlines for Cycle 1 and Cycle 2 safety projects:

Current Status of Project	Authorize PE by:	Authorize CON by:	Close-out Project by:
No Phase Authorized	Sept. 30, 2010	Sept. 30, 2012	Sept. 30, 2014
PE Authorized		Mar. 31, 2012	Mar. 31, 2014
CON Authorized			Mar. 31, 2012

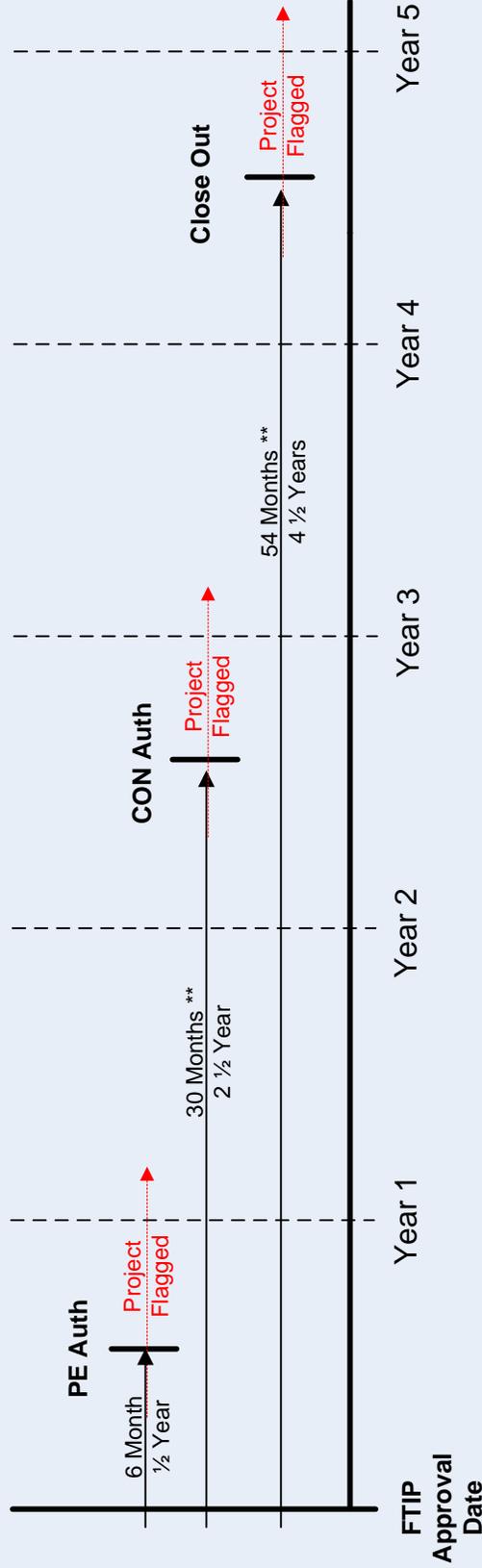
After notification of these new delivery requirements for Cycle 1 and 2 projects, agencies will be given one month to review the project status and if necessary, to provide a revised delivery schedule with justification for extending the time frames shown above.

Diagrams for the New Safety Program Delivery Requirements

The following diagrams visually illustrate the new delivery requirements. They show the differences between the delivery requirements for future safety projects and past Cycle 1 and Cycle 2 safety projects. The key difference is that future project delivery milestones will be based on their actual FTIP Approval Date from FHWA, while past project delivery milestones will be based on a baseline FTIP Approval Date that varies based upon the status of the project as of March 31, 2010.

DLA Safety Programs Delivery Requirements (Future Cycles *)

(Durations are standard for all projects, while actual dates will be unique for each project)



* Includes HSIP, HR3, and SRTS Infrastructure Projects

** Agencies that retain consultants for any PE work will be provided an additional six (6) months of PE time. This will extend the CON Auth and Close Out Milestone dates by 6 months

DLA Safety Programs Delivery Requirements (Cycles 1 and 2 only)

(Cycle 1 and 2 projects will have to meet these delivery dates, unless they formally request and justify a time extension.)

