

SECTION 9 FUNDING PACKAGE

9.1 PURPOSE

This Section provides information, requirements, roles, and responsibilities for delivery of a complete Funding Package. A complete Funding Package will assist the Department to effectively advertise and award construction contracts in a timely manner. Link to funding package: <http://oe.dot.ca.gov/Funding/>

9.2 BACKGROUND

The State Contract Act requires the Department to verify sufficient project funding before advertisement. Apportionment to funding sources must be properly identified or fund authorizations cannot be completed in a timely manner before award.

The Funding Package was implemented by DES Decision Document 39 (http://projdel.dot.ca.gov/des/documents/decisiondocs/funding_package.pdf) in the interest of consolidating the various pieces of funding information into one collective document. It serves as a checklist of items needed to obtain the project funding. It identifies the various project funding sources and allocations in a clear, concise, comprehensive manner. It includes the supporting documentation necessary for securing each fund. The result should be a complete and detailed statement of how the project is to be financed.

The Funding Package consists of:

1. A funding summary listing:
 - a) All funding sources and fund codes associated with the Phase 4 EA Construction phase of the project.
 - b) Instructions on how contributor funding is to be used, either as a fixed dollar amount, a percentage of the cost of the job, or if certain items only.
 - c) Instructions on how funds are to be charged if the bids come in over or under the estimated amount.
 - d) The status of funding approvals including actual, target, and expiration dates.
2. A copy of the current BEES file segregated by funding source.
3. Copies of all funding documents supporting each funding source.

9.3 RESPONSIBILITIES

PROJECT MANAGER

- Secures sufficient funding to cover the construction cost estimate before project advertisement and resolves any funding shortfall before contract award.

- Maintains federal funding eligibility where applicable by programming projects in FTIP/FSTIP and securing FHWA E-76 approval before advertising. See Federal Aid Project Funding Guidelines:

<http://onramp/hq/budgets/federalresources/Fed%20Fund%20Guide%20011607.pdf>

- Obtains and provides DES-OE with written verification from each contributing fund manager and any external entity (as applicable).
- After bid opening, notify DES-OE if fund splits due to savings or overages are different from the initial fund splits at advertisement. The notification must be accompanied by written approval by the fund managers and detailed instructions on how funds are to be charged.

94 FUNDING SOURCES

While some projects are funded entirely from one source (State, federal, contributor, local assistance, maintenance, etc.), most projects are funded by a combination of two or more of the following sources.

- State / Federal - Funds provided by the State to be reimbursed at a given rate by the FHWA or funds provided by only the State. All federally funded projects must be in the current FSTIP and have an FHWA approved E-76 before advertisement. See Transportation Programming home page for additional information:

<http://www.dot.ca.gov/hq/transprog/index.htm>

- Outside Contributor - A fully executed cooperative agreement between the Department and outside local agency is a requirement for RTL.
- Subvention Funds - Outside contributors may elect to use Local / Federal funds such as: CMAQ, RSTP, RTEA, HBRR, Demo, Safe Routes to School, etc. Funds are supplemented with matching funds that may be provided by the State or the Local Agency as described in the finance letter. Contact District Local Assistance Engineer or see <http://www.dot.ca.gov/hq/LocalPrograms/lpp/LPP06-04.pdf>. All federally funded projects must be in the current FSTIP and have an FHWA approved E-76 before advertisement.
- Maintenance Funds - State funds that must be approved by HQ Maintenance before advertisement. For additional information see:
<http://onramp.dot.ca.gov/hq/maint/roadway/index.htm>
- Other Funding Source - Other funding sources that do not fall into the above categories such as Office of Traffic Safety (OTS), Emergency Relief (ER), etc.

9.5 FUNDING DOCUMENTS

9.5.1 FUNDS REQUEST FORM

Download the Funds Request Form from Office of Capital Improvement Programming (OCIP) website <http://www.dot.ca.gov/hq/transprog/ocip.htm>.

The Funds Request Form is used to request State and/or federal funding on capital outlay projects (Minor "A," Majors such as STIP and SHOPP). When requesting a CTC vote, Districts should submit the Funds Request Form to HQ Budgets and Programming by the date and time indicated on the Preparation Schedule on the CTC Liaison website: <http://onramp.dot.ca.gov/hq/transprog/>. For AAOE projects, also submit an electronic copy of the Funds Request Form to DES-OE Submittals

The Funds Request Form is not required to be included in the funding package, although the funding summary must reflect all the funds request information.

9.5.2 BUDGET VERIFICATION OF HIGHWAY MAINTENANCE FUNDS

Required for Maintenance projects.

9.5.3 BUDGET VERIFICATION OF MINOR 'B' FUNDS

Required when Minor "B" funds are to be used on a project.

9.5.4 BUDGET VERIFICATION FOR SPECIAL FUNDED PROJECTS

Required when special funds not voted by the CTC are to be used on a project.

9.5.5 COOPERATIVE AGREEMENT

Required when a local agency or outside contributor is providing construction funds. Cooperative agreements are legally binding contracts when fully executed and approved by Legal Division and assigned a six-digit State document number.

9.5.6 LOCAL ASSISTANCE FINANCE LETTER

Required for local programmed federal aid on State highways. Finance letters are authorized by the Division of Local Assistance.

9.6 PROJECT ESTIMATE OF COST

The project estimate of cost is the basis for determining the amount of funding needed to construct the contract. It should be prepared using the Basic Engineering Estimating System (BEES) and should reflect all funding sources and participation levels. The District Director certifies the final estimate for projects over \$5,000,000 before RTL (see 7.3.5).

For those contracts with contributor funding, segregated cost estimates are typically needed. Segregated cost estimates should show the funding responsibilities of the various partners on the project. See "Segregated Estimates" in Section 7.

9.7 SUBMITTAL COMPONENTS

A Funding package is required for all projects submitted to DES-OE except projects funded completely from highway maintenance funds. These projects only require a Budget Verification Of Highway Maintenance Funds.

All funding sources and allocated amounts associated with the construction phase of the project must be identified in the funding package's Summary table, which serves as the cover sheet for the funding package. Pertinent information, notes, and explanations should be included on the cover sheet. This includes the program name and program code, fiscal year, CTC vote date, and status of funding including actual, target, effective and expiration dates. Supporting funding documents must accompany the Funding Summary table, such as:

- Copies of all fully executed fund verification documents supporting each funding source. See "Funding Documents" above.
- A description of how funds are to be charged, if the bids come in over or under the estimated amount. The district must obtain a verification letter (or e-mail) from each affected fund manager, if fund splits due to savings or overages are to be different from the initial fund splits at the time of advertisement.
- A copy of the BEES file is to show the current estimate of the project. When applicable, the BEES must be segregated showing how the fund splits are applied to the contract items, supplemental work, State-furnished materials and expenses, etc.

Note that the funds available for the project should at least be sufficient to cover the project estimate of cost.

The template of the Funding Summary table, instructions, and an example funding package can be downloaded from the DES-OE intranet website, shown in Appendix D, "Websites."

9.8 SUBMITTAL INSTRUCTIONS

9.8.1 AAOE:

The District should send a funding package at PS&E submittal (MS 380) to:

- DES-OE
- HQ Division of Local Assistance (if measure/local federal funding involved)
- HQ Division of Maintenance (if HM maintenance funding involved)

- HQ Division of Budgets (all projects except Maintenance)

9.8.2 AADD:

The District should send a funding package when the project reaches RTL (MS 460) to:

- HQ Division of Local Assistance (if measure/local federal funding involved)
- HQ Division of Maintenance (if HM maintenance funding involved)
- HQ Division of Budgets (all projects except Maintenance)

The District should send either a funding package or (for 100% maintenance funded projects) the Budget Verification Of Highway Maintenance Funds to DES-OE in the job file.

9.9 REFERENCES

- Project Development Procedures Manual
<http://www.dot.ca.gov/hq/oppd/pdpm/pdpmn.htm>
- Local Assistance Procedures Manual
<http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>
- Accounting Manual
http://onramp/hq/accounting/Accounting_Manual/index.htm
- Reimbursement Procedures Manual
http://onramp/hq/accounting/Reimb_Manual/index.htm