

Best Practices in Federal Project Delivery 2013 RTPA Group Update

Partnering with Caltrans Local Assistance

- Strong partnership with Caltrans District and HQ Local Assistance (MTC, OCTA, SANDAG, LA Metro, SJCOG)
- Caltrans review of projects as part of programming with potential rescheduling of projects if the District indicates the schedule is too aggressive (MTC, SJCOG)
- Encourage or coordinate NEPA pre-screening process by the District as projects are scheduled (MTC, SJCOG)
- Monthly meetings with Caltrans District to review obligation plan, coordinate and trouble-shoot delivery issues (OCTA, SANDAG, LA Metro, SJCOG)
- Coordinate special project delivery issue workshops for local agencies with Caltrans District (SJCOG)

Programming Approach

- Program projects two to three years in advance, and program projects in the TIP in the year of delivery (obligation) – up to the full apportionment amount (MTC, SJCOG)
- Adopted delivery policies with funds subject to reprogramming if milestones are not met (MTC, SJCOG)
- Use of Expedited Project Selection Procedures (EPSP)
 - Rely on EPSP only to advance projects – not to deliver the regular annual program (MTC, SJCOG)
 - Only EPSP use after all projects scheduled for that year have been obligated (or submitted) or after April 30, whichever occurs first (MTC)
- Use lump sum listings as possible (SJCOG)
- Separate programming of PE and Construction by at least one year (SJCOG)
- Consolidation on funding on fewer and larger projects (SANDAG, BCAG)
- Program enough projects that are financially constrained, with the understanding the local project sponsors are actually working towards delivering the projects one fiscal year ahead of what they have proposed, taking advantage of being able to over deliver (BCAG)

Risk Management

- Adopted “timely use of funds”/delivery policy requiring that projects must be obligated in the year programmed in the TIP with established delivery milestones (MTC, OCTA, , SANDAG, SJCOG)
 - In October of each year send out the list of projects to be delivered for that fiscal year for review and concurrence by sponsors and Caltrans District (MTC, SJCOG)
 - Sponsors and the Caltrans District office review the list and have the ability to reschedule the projects to a later year if the sponsor cannot meet the delivery deadlines (MTC, SJCOG)
 - If the Caltrans District responds that they have concerns with the project meeting the delivery deadline, projects will be reprogrammed to a later year (MTC)
 - The sponsor will then need to rely on EPSP if they want to deliver on their aggressive schedule (MTC)
 - Once the annual obligation plan is finalized in November, sponsors are required to meet the deliver deadlines for the projects on the list (MTC)
 - Complete and accurate RFA must be submitted to the District by set deadline (MTC – February 1st, SJCOG – March 1st). This advance deadline allows the region to know if a project is experiencing difficulties – well in advance of the obligation deadline and end of the federal fiscal year, thus minimizing the risk of not delivering the OA target
- Project delivery agreements with local agencies for individual projects (OCTA)
- Active project monitoring done through monthly or quarterly meetings and reporting (LA Metro, OCTA,

SJCOG)

- Funds not obligated by the delivery deadline are subject to reprogramming to other projects that can obligate the funds by end of the fiscal year (MTC, SJCOG)
- Consolidation of funding on fewer and larger projects (SANDAG, BCAG)
- Request smaller agencies to at least complete the environmental component and follow NEPA (BCAG)
- Keep transit projects in mind to be able to obligate (funds transfer request), fund another project at a higher rate or swap out a project if needed to (BCAG)

Monitoring

- Sponsors are required to report monthly/quarterly on progress toward agreed-upon deadlines (LA Metro, SJCOG)
- Monthly meetings with Caltrans District to review obligation plan, coordinate and trouble-shoot delivery issues (OCTA, SANDAG, LA Metro, SJCOG)
- Monthly meetings with project sponsors to review obligation plan, coordinate and trouble-shoot delivery issues (MTC, SJCOG)
- Set dates to review progress and determine if any adjustments need to be made to ensure timely delivery countywide (LA Metro)
- Phone calls to sponsors to review project obligations (SACOG)
- Monitoring projects through FADS reports provided by the District on a monthly basis, or directly through FMIS on a more frequent basis (MTC)
- Use of TIP database that links obligations to the programmed projects (MTC)
 - The status of the projects to be delivered in the annual Obligation plan are available online at: <http://fms.mtc.ca.gov/fms/reportHome.do>
- Distribution of project delivery reports monthly to all project sponsors through committees/project delivery working groups (MTC, SJCOG)
- Special monitoring of FTA transfers (SACOG, MTC, SJCOG)
- Monitoring projects and reporting to the Board of Directors to promote “over the shoulder” oversight to keep projects moving (BCAG)

Mitigation

- If insufficient projects are being delivered, use EPSP to advance projects from future years to deliver the funds (MTC, SJCOG) or deliver project from the out years of the STIP (SACOG)
- Process “emergency” FTIP amendments to reprogram projects (SANDAG, LA Metro, SJCOG, SACOG)
- Be prepared for loaning/borrowing apportionments from other regions (SJCOG)
- Keep transit projects in mind to be able to obligate (funds transfer request), fund another project at a higher rate or swap out a project if needed to (BCAG, SJCOG)
- Loan federal funds to locally funded projects and receive payback of local funds (SACOG)
- Buy out local funds on a federal project using RSTP/CMAQ and using Toll Credits and receive payback of local funds (SACOG)

Use it or Lose it

- Funds not obligated by deadline set in adopted delivery policy/agreement are subject to reprogramming with loss of funds to sponsor (MTC, LA Metro, SANDAG, OCTA)
 - Extensions are not allowed (MTC)
 - If a project cannot meet the deadline, another project may be substituted in its place (usually through advancement) to use the funds (MTC)

- Incorporation of “use it or lose it” policy in individual project agreements avoids need for future Board action to remove funds (OCTA)
- Annual process for deobligations (LA Metro)

Obligation Plan

- Obligation plan is developed as projects are programmed in the TIP (MTC, SJCOG)
- The obligation plan is reviewed in October of each year and finalized and submitted to Caltrans in November (MTC, SJCOG)
- Project substitutions and additions are made at any time (MTC, SJCOG)
- Projects may only be removed from the plan if another project substitution is identified and added to the plan in its place (MTC)

What works best for your agency/region?

- A strong relationship with Caltrans Local Assistance, with Caltrans considered an equal partner on the delivery team – along with the recognition and appreciation that projects could not be delivered on time without the hard work of Caltrans local assistance staff (MTC, SANDAG, OCTA, SACOG, SJCOG)
- A solid regional delivery policy that is accepted and supported region-wide (MTC, SANDAG, OCTA, SJCOG)
- An active RTPA/MPO that takes a proactive role in facilitating and monitoring project delivery by the local jurisdictions (MTC, SANDAG, LA Metro, OCTA, SJCOG)
- Tool for project tracking (MTC – database, SJCOG – spreadsheet)
- Flexibility in programming and project delivery (LA Metro, SANDAG, SJCOG)
- Reasonable OA Plan (OCTA)

Other Considerations

- To minimize the number of federal projects, a minimum \$ threshold for STP/CMAQ projects is set (MTC)
 - \$250,000 minimum for counties with a population under one million and \$500,000 for counties with a population greater than one million.
- Education/outreach with regular workshops involving projects sponsors and Caltrans staff (LA Metro, SJCOG)
- Website with local agency project delivery resources (SJCOG)

Areas of Increased Caltrans Support

- Establish a set rescission policy to allow regions to plan ahead
- Earlier CT HQ Obligation Authority (OA) reporting
- Federal aid process training with focus on key issues
- Uniform guidance on key programming/project delivery issues:
 - Additive bidding
 - Combining federal and non-federal project limits for construction