



Expires - Upon Issuance of LPP

Local Assistance Highway Bridge Program Bridge Investment Credit (BIC)

I. PURPOSE

Federal-aid Highway funds provides valuable financial resources to local agencies in making improvements to transportation facilities on the local roads. Federal funding also comes with many requirements that need to be met in carrying out a project. Ideally, the most efficient use of federal funds is to maximize federal funds on fewer, larger projects, funding smaller projects with non-federal funding sources, such as local funds.

The Bridge Investment Credit (BIC) is a new element in the Highway Bridge Program (HBP) aimed at encouraging local agencies to invest in making improvements to bridges on local roads using local or other non-federal funds and receive credit to use as match funds for future HBP projects.

The purpose of this Office Bulletin is to provide instructions on the Bridge Investment Credit (BIC), available to local agencies using Highway Bridge Program (HBP) funding. The BIC allows local agencies to replace, rehabilitate, and do preventive maintenance work on HBP eligible bridges using local funds, then receive credit for up to 100 percent of the eligible work. The credit, in turn, serves as the required non-Federal match for a future local Federal-Aid bridge project.

HBP is a safety program that provides federal-aid to local agencies to do preventive maintenance work, rehabilitate, or replace deficient locally owned public highway bridges. For general HBP eligibility requirements, refer to Chapter 6, *Local Assistance Highway Bridge Program Guidelines*, and the *Bridge Preventive Maintenance Program (BPMP) Guidelines for Local Agencies*, available on the California Department of Transportation (Caltrans) Local Assistance web site:

<http://www.dot.ca.gov/hq/LocalPrograms/hbrr99/hbrr99a.htm>

II. ELIGIBILITY

To be eligible for BIC, a bridge must meet the current eligibility criteria for HBP as outlined in the current bridge Preventive Maintenance Program Guidelines and Chapter 6 of Local Assistance Program Guidelines. The only exception is that low water crossings are not eligible to earn credits with the BIC.

Eligible HBP projects determined to be noncontroversial (meaning that it has minimal environmental impacts) and preventive maintenance projects are the best candidates to be funded by local agencies under this program.

Eligible HBP projects that local agencies choose to design and build with local funds do not need to comply with Federal requirements (such as consultant selection procedures, National Environmental Protection Act (NEPA), etc.), however the project must meet current minimum AASHTO design standards with the California amendments to receive credit.



III. PROJECT PROGRAMMING FOR BANKING BIC:

Local agencies using local funds on an eligible HBP project to earn credits under the BIC must submit an Exhibit 6-A which clearly defines scope and cost of the project. For BPMP's they must submit a certification letter and a BPMP plan. Cost on the submitted exhibits should be 100% local funds. Caltrans approval of scope and cost for the BIC program is required prior to commencing work. If scope and cost is approved, the project will be programmed in the HBP database with 100% local funds.

IV. PROJECT ADMINISTRATION FOR BANKING BIC:

The project sponsor is responsible for following all the applicable state and local laws and requirements in designing and constructing the project. Upon completion of the project, project sponsor must submit documentation including final project cost and as-builts to Caltrans.

Caltrans will review the documentation and may field review the completed project to confirm it was constructed in accordance with all applicable standards and to the approved scope. Caltrans will approve the credit as it was originally requested or as shown in the final project cost whichever is lower. Upward cost adjustment is not allowed. Credit will be banked at the completion of the project and the sponsor notified.

V. PROJECT PROGRAMMING FOR USING BIC

Local agencies may apply to use their banked BIC to cover their local match for any phase of a HBP eligible project as long as their banked credit is 200% of required local match for Preliminary Engineering (PE) and Right of Way (R/W) and 125% of required local match for Construction (CON) at the time of obligation. The higher percentages are required to ensure that there are enough credits to cover cost increases and scope changes.

As for any other HBP project, project sponsor must submit an Exhibit 6-A which clearly defines scope and cost of the project. Cost on the submitted exhibit should be 100% federal funds. In addition to the Exhibit 6-A project sponsor must provide a letter requesting their banked credit be applied to the phase or phases of the project that they want funded at 100% federal funds. The letter should include a table showing available credit and deduction based on the percentages mentioned above. Caltrans approval of scope and cost for the BIC program is required prior to programming the project. When scope and cost is approved, and if the available credit is sufficient, the project will be programmed in the HBP database with 100% federal funds for the appropriate phase(s).

VI. PROJECT ADMINISTRATION FOR USING BIC

Project administration for bridges using banked BIC to cover the required local match is the same as any other HBP project except the reimbursement ratio will be at 100% federal. Since federal funds are involved all the applicable federal, state, and local laws and requirements in designing and constructing the project must be followed.

When the project completion paperwork is submitted to Caltrans, a reconciliation of the credit balance will be done based on the final invoice and the project sponsor notified.



Original Signature

10/30/2015

Approved:

Reza, Fereshtehnejad, Highway Bridge Program Manager
Office of Policy Development & Quality Assurance

Date

Original Signature

10/30/2015

Approved:

Robert Peterson, Chief
Office of Bridge, Bond and Safety

Date

Attachments: Attachment 1 - Draft Bridge Investment Credit Concept
Attachment 2 - Bridge Investment Credit Questions and Answers
Attachment 3 - Bridge Investment Credit (BIC) Draft Office Bulletin Comments and
Questions form District and Local Agencies