

Federal Project Delivery Streamlining - Strategies to Reduce the Number of Federal Projects Administered

California RTPA and Caltrans Workshop - June 2013

Strategy #	Strategy	Examples	Opportunities	Constraints	Project Delivery/ Programming Tools	Resources	Notes
1	Regional exchange of federal funds with local funds.	1) Single county regional exchange with local sales tax funds to consolidate federal funds on larger projects.	Smaller local projects delivered with local funds.	Managing regional OA shares when delivering larger projects.	<ul style="list-style-type: none"> Use of advanced construction (AC) to manage OA use for large projects. Use of toll credits to allow for 100% federal reimbursement on some projects 	<ul style="list-style-type: none"> See Attachments A, B, C, D, & E 	
		2) Multi-county regional exchange with local funds to consolidate federal funds on larger projects.	<ul style="list-style-type: none"> Certain regional programs funded with local funds. Counties providing local funds could have longer payment schedules. 	Managing regional OA shares when delivering larger projects.			
		3) Interagency (local agency to local agency) exchange with local funds in one region.	Smaller local projects delivered with local funds.	<ul style="list-style-type: none"> Potential for larger agencies charging extra for exchange. Limited local funds sources. 			
2	Interregional exchange of federal funds with state funds.	Interregional exchange of CMAQ & RSTP funds for Regional Transportation Improvement Program (RTIP) funds.	<ul style="list-style-type: none"> One region's project may be a better STIP candidate including eligibility for state cash. If CMAQ & RSTP are exchanged for RTIP, CMAQ & RSTP may be transferred to FTA and used on transit projects. There are certain restraints for using state funds on transit projects, but fewer for CMAQ & RSTP. 	<ul style="list-style-type: none"> Managing regional OA shares when delivering larger projects. STIP eligibility, programming priority, and scheduling of funding. 	<ul style="list-style-type: none"> Apportionment and OA loans (and exchanges) for RSTP and CMAQ sent to Local Assistance. RTIP county share transfers through STIP. Use of advanced construction (AC) to manage OA use for large projects. 	<ul style="list-style-type: none"> See Attachment F See Attachment G 	<ul style="list-style-type: none"> The Commission requires the County/Region to display the exchange in the RTIP or through an amendment. Procedure 4 of the OA Management Policy requires Regions to submit an MOU or other binding agreement as notification of a loan or exchange of federal program apportionments (RSTP and/or CMAQ).
3	Minimize local matches on federal projects.	1) Use toll credits to maximize use of federal funds on projects.	<ul style="list-style-type: none"> Other projects may be delivered without the use of federal funds. 	<ul style="list-style-type: none"> Some grant programs rely upon local matches for delivering more projects with available funds or attaining higher project benefits (CMAQ). Federalizes all eligible costs that may be reimbursed. 		<ul style="list-style-type: none"> See Attachment H 	<ul style="list-style-type: none"> The Toll Credit Policy recommends for Regions to submit a list of programmed FTIP projects that plan to use toll credits by October 1 of each federal fiscal year. When submitting a request for authorization, please note the fund sources that will be used to match as toll credits.
		2) Use "lump sum" reimbursement for authorization of federal aid projects that are below the minimum local match requirement.	Ensures that all federal funds are expended on a project when changes in total project cost between advertisement, award, and completion occur.			DLA Office Bulletin 13-01	DLA created Office Bulletin 13-01 to conform to federal code, but FHWA has not provided an updated policy or guidance to address this issue.
		3) Use RTIP funding (State cash and/or federal RTIP shares) to match federal funds such as CMAQ, RSTP, etc.	Locals may use RTIP funding to reduce local match where applicable to federal projects (CMAQ, RSTP, etc.).	STIP programming capacity and scheduling of funding.	Use of toll credits to allow use of federal STIP funds.	2012 STIP Guidelines	When requesting an allocation for STIP that will be used as a toll credit, indicate "toll credits" in the "Comments" box in the Fund Source section.
		4) Use Local Advanced Construction (AC) to maximize federal reimbursement for an "underfunded project" that may span several years.	A local agency should consider programming Local AC in FTIP if regional projects are underfunded or program is underfunded.	<ul style="list-style-type: none"> Local Agencies must have local funds available upfront. Does not guarantee that future OA will be available. 		<ul style="list-style-type: none"> See Attachment I 	Regions and local agencies should work together to discuss how to program Local AC into the STIP and FTIP.

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4	CMAQ and RSTP transfers to FTA.	Region transfers CMAQ and/or RSTP funding for a FTA rail or transit project.	<ul style="list-style-type: none"> For regions with both highway and transit projects, this approach allows for improved delivery (more options) across modes. Regional apportionment balances are reduced as funds are transferred to FTA. Project can go to bid without waiting for federal authorization. 	<ul style="list-style-type: none"> Process to transfer funds takes months and is a "black box process" once documentation is sent from CA Division of FHWA. A transit agency must serve as a grantee. Subject transit projects must meet CMAQ eligibility requirements in LAPG Chapter 5 before they may be approved for transfer. 		LAPM Page 3-16b	<ul style="list-style-type: none"> Fund CMAQ and RSTP funds as normal, and program in FTIP.
5	Use of "programs" for multiple roadway projects with the same type of maintenance work.	"City of XXXXX street overlay program" with individual streets identified in grouped project listing.	<ul style="list-style-type: none"> Consolidation of multiple roadways under one project for NEPA, RFA, etc. May use additive bidding to include additional streets (see below). 	Environmental clearance for each street must be cleared before advertisement.	Projects may be programmed as a grouped project and in such cases, a detailed (back-up) listing shall be included in the FTIP.	<ul style="list-style-type: none"> See Attachment J 	
6	Use of federal funds when contracting with Caltrans for project delivery/support activities.	<p>1) Locally sponsored projects on the state highway system where Caltrans is used for project delivery activities.</p> <p>2) Projects located in state R/W or for those regions with less federal compliance experience.</p>	<p>Avoid Caltrans administrative overhead rate on reimbursed work thereby saving local funds. Note: Local agencies still need to pay functional overhead rate.</p> <p>Advantageous for Regions with less federal expertise.</p>	Caltrans should be notified in advance so that they can budget staffing and avoid project backlogs in relation to these projects.	Caltrans cooperative agreement.	DLA Office Bulletin 11-13	Work with District and DLAE to execute a Caltrans cooperative agreement.
7	Use of additive bidding to ensure federal funds are maximized on single projects.	Projects like roadway maintenance and landscaping that can be scaled up or down within defined Area of Potential Effect (APE) map.	<ul style="list-style-type: none"> Ability to utilize all federal funds on a project if bids are low by including additive bid items. May be combined with Multi-Year Rehab Programs to maximize federalization (see above). 	Environmental clearance for each additive item must be cleared before advertisement.	Programmed as a regular federal-aid project in the FTIP.	<p>LAPM Chapter 12 (12.11 Optional Contract Provisions)</p> <ul style="list-style-type: none"> See Attachment K 	
8	Consolidation of federal funds in construction.	Use local funds for PE, ROW, etc.	<ul style="list-style-type: none"> Reduced number of phases requiring Caltrans/FHWA authorization. May reduce processing periods for reimbursement and number of reimbursement requests. 	MAP-21 now requires Buy America in all phases if any have federal participation (utility work) - agencies must anticipate utility Buy America prior to federal involvement in construction. Not an option for projects with extensive pre-construction activities.	Use toll credits for construction to offset local costs for PE & ROW.	<ul style="list-style-type: none"> See Attachment L 	
9	Establish minimum project size for federal funded projects within region.	Regional competitive grant programs.		Smaller jurisdiction/agencies may be precluded from funding.		<ul style="list-style-type: none"> See Attachment M & N 	

Concepts for Future Consideration

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A	State exchange of federal funds with state/local funds.	<p>1) Expand state cash exchange of RSTP for small/rural cities and counties.</p> <p>2) State-administered grant programs pooling of local match funds to consolidate federal funds on larger projects.</p> <p>3) State-administered grant programs exchange with state cash to consolidate federal funds on larger projects.</p>	<ul style="list-style-type: none"> Smaller local projects delivered with state or local funds. Regions do not need to program exchanged funding. These examples could promote for efficient use of federal funds if state cash becomes available in the future. 	<ul style="list-style-type: none"> Limitations on availability of state cash. May require an amendment to current Legislation. 		Section 182.6 of the Streets and Highways Code	
B	Establish minimum project size for state-administered federal funds.	Competitive state-administered federal grant programs.	Ability to deliver larger projects with greater statewide benefits, while reducing the number of federal projects being administered.	<ul style="list-style-type: none"> Fewer projects would be awarded for grant programs. Smaller jurisdiction may be precluded from funding. Would require a Local Assistance policy change to move forward with this strategy. 			
C	State exchange of any-area STP funds with region's urbanized area STP funds.	Exchange of funds could be facilitated through a SHOPP project that the state is delivering within a region's urbanized area.	Provides the region an increased amount of any-area funds that they can more flexibly utilize within their region or exchange with other regions across the state.	<ul style="list-style-type: none"> Caltrans capital would need to start reporting AB 1012 compliance on a monthly basis. Caltrans capital would need to ensure they have projects ready to deliver in the exchanged urban area. 			
D	State administered pool of federal, state and local funds	A pool of funding could be created where the state administers federal, state, and local funding with the goal of assigning a minimal number of fund types to a local project.	<ul style="list-style-type: none"> Would minimize number of fund sources per project. Allows the state to optimize funding based on Region's ability to meet federal and state requirements. 	<ul style="list-style-type: none"> May require state legislation to authorize the state to pool local funding. May require local legislation if local tax authorities wish to use measure money. 			